**At A Glance**

| | 2005 | 2006 |
|---|---|---|
| ♦ Statewide annual economic impact of amateur sports | $67.8 mil | 69.25 mil |
| ♦ Out-state annual economic impact, NSC-Blaine | $42.5 mil | 37.4 mil |
| ♦ Annual participants in MASC affiliate facilities and programs | 4.77 mil | 4.71 mil |
| ♦ Annual visitors to NSC | 3.37 mil | 3.31 mil |

- The NSC is the state's most visited sport facility.
- Star of the North Games hosts up to 8,000 Minnesota athletes annually.

**Agency Purpose**

The Minnesota Amateur Sports Commission (MASC) was created in Minnesota statutes to promote the economic and social benefits of sports for Minnesota citizens and organizations. The MASC contributes to the statewide system of amateur sports by:

- Generating economic benefits through sport events
- Providing increased amateur sport opportunities
- Improving infrastructure through developing new sport facilities

**Core Functions**

The MASC provides strategic direction to the state's amateur sports community in order to increase the state economic benefits from amateur sports by increasing sports opportunities and supporting facility improvements. These core functions translate to:

- Hosting major amateur sports tourism events
- Operating the annual Star of the North State Games
- Overseeing and supporting the operations of the National Sports Center

These functions support ongoing operating goals:

- Identifying and bidding for major amateur sport events that can bring financial impact to Minnesota, such as 2007 World Short-track Speed Skating Championships and the 2008 US Figure Skating Championship.
- Creating and developing new "homegrown" amateur sport events, such as the Schwan's USA Cup.
- Administering the annual state Olympic games and rotating the event to various regions throughout the state. During the summer of 2007, Star of the North State Games was staged in Rochester and the 2008 Games will be held in Saint Paul.
- Overseeing MASC's National Sports Center (NSC) operations. The NSC is the most-visited sports facility in Minnesota with an annual visitorship of 3.31 million and an out-of-state economic impact of over $37 million.

**Operations**

The MASC serves a varied customer base. The local, national, and international amateur sport participants and their families are the primary customers of the agency. Amateur sport athletes participate in MASC sport programs at the National Sports Center and other MASC affiliate facilities. The MASC also serves and partners with convention and visitors bureaus, chambers of commerce, and community organizations on sports tourism promotion, especially in event bidding and hosting.

**Sport Event Research and Bidding -** The MASC actively researches new event opportunities for Minnesota. Once an event is identified, the MASC will partner with local government units, facilities, convention and visitors bureaus, and amateur sport organizations, in order to host the event.

**Creation of the New Sports Events -** Staff of the MASC research new event concepts and work to develop new "homegrown" events for our state.

**Operating the state Olympic games and selecting event -** The MASC partners with its Star of the North State Games Board to 1) identify cities through Minnesota to host the games; 2) host the selected annual state games event involving up to 8,000 athletes; and 3) establish and administer the policy of the games.

**Research and develop major amateur sport facilities -** Since 1987, the MASC has partnered with state and local government units to assist the development of the following facilities:

| | |
|---|---|
| National Sports Center | Blaine |
| National Hockey Center | St. Cloud |
| University of Minnesota/Aquatic Center | Minneapolis |
| Giants Ridge Golf & Ski Resort | Biwabik |
| National Kayak Center | Carlton |
| Ole Mangseth Memorial Ski Jump | Coleraine |
| John Rose Minnesota OVAL | Roseville |
| National Volleyball Center | Rochester |
| Range Recreation Civic Center | Eveleth |
| Minneapolis Sports Center | Minneapolis |
| Bush Lake Ski Jump | Bloomington |

**Budget**

The MASC's budget for the FY 2008-09 biennium is $608,000 and is appropriated from the general fund. The commission has a total of three full-time staff and limited part-time staff. The MASC is moving toward a dedicated funding model where lease proceeds from a 16-acre parcel of land at NSC would eliminate the need for a general fund appropriation.

**Contact**

Minnesota Amateur Sports Commission
1700 - 105th Avenue Northeast
Blaine, Minnesota 55449

Paul D. Erickson, Executive Director
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**At A Glance: Agency Long-Range Strategic Goals**

One of Minnesota Amateur Sports Commission (MASC's) goals is to maintain and enhance our state's ability to host sport events and programs in most sport categories. The MASC agency plan is found in the MASC 1987-98 report (1998) and Blueprint III (1989). The MASC funding of sports facilities can be divided between major sport facility development with statewide significance, and local sport facility development.

**Major Sport Facility Development (Regional Sports Centers)** – The MASC has developed a plan of regional amateur sports centers to ensure that both the metro and greater Minnesota benefit from amateur sport tourism and program development:

State Headquarters – Blaine
SW Regional Sports Center – Marshall
NW Regional Sports Center – Moorhead
SE Regional Sports Center – Rochester
NE Regional Sports Center – Giants Ridge
Central Sports Center – St. Cloud

**Local Sport Facility Development**

The statewide facility grant program has furthered the MASC goal of helping Minnesota communities answer their recreational facility needs. The project evolved from the Mighty Ducks Ice Arena Grant program established by the 1995 Legislature (M.S. 240A.09). The MASC hopes to expand this program to other sport categories in the future. In 1987, the MASC adopted an application process similar to the Department of Natural Resource's (DNR) outdoor recreational grant program. When the Legislature appropriates funds, MASC staff provides assistance to applicants and present a list of applicants to the MASC board for review. On an annual basis, the MASC Board makes formal agency recommendations to the Governor's office and legislature. The facilities generate economic activity and benefit an increasing number of Minnesotans, focusing on opportunities for females and underserved youth. Facility operators report economic impact numbers and participant totals directly to the MASC annually. Virtually all facility applicants employ the services of engineering/architectural firms as part of their grant request. Our primary goal in building and improving facilities has been to serve the needs of Minnesota athletes. Our measurements indicated that the MASC affiliate sport facilities have brought amateur sports opportunities to more than 18.8 million visitors over the last 14 years. These facilities are also intended to bring economic benefits via amateur sport. After 14 years of operation, the economic impact already totals an estimated $400 million.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The following themes are shaping the development of MASC planning.

**Increase in Amateur Sports Tourism** – Since 1987, Minnesota has hosted many major amateur sporting events, generating over $377 million in tourism activity. Over time, MASC has witnessed steady incremental growth in the amateur sport tourism industry. This trend is expected to continue for the foreseeable future. The MASC intends to work with Minnesota organizations to sustain this economic activity. Amateur sporting events hosted by the MASC and MASC-affiliated sport facilities generate over $50 million annually.

**Rising Demand for Sport Gender Equity Programs** – A 1988 MASC survey confirmed that sports participation in Minnesota is 70 percent male and 30 percent female. While the gap between the number of male and female participants in amateur sports has narrowed, there is still work to be done to achieve complete gender equity. The MASC has targeted specific sports to help increase female participation, i.e. All American Girls Hockey and Soccer Tournaments.

**Limited State Resources** – The MASC budget has been reduced in recent years from a high of $700,000 per year and nine staff to approximately $300,000 per year and three staff. This has a significant impact in reducing new event development and sports tourism activity.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The MASC will continue to oversee the master plan of the state's regional sports centers and amateur sports facility network; support quality maintenance of current facilities; and investigate and plan the development of new facilities. Since 1987, the MASC has outlined improvements needed to create a network of facilities to help Minnesotans pursue their athletic goals and as sports tourism centers for major national events and ongoing programs. In the last four years, the annual number of visitors has risen from 700,000 to 3.3 million. The majority of these visitors attend the large NSC sport tournaments and events. For example, Schwan's USA Cup brings over 30,000 people to the NSC per day for one week in July. Today, Minnesota has one of the premier sports facility networks in the nation. We are now capable of accommodating virtually all of the 42 Olympic summer events and 11 of the 14 Winter Olympic sports. One essential aspect of the MASC facility infrastructure is that these public facilities are accessible to every Minnesotan. None of the 12 MASC funded facilities require direct state operating dollars. However, certain 20 year capital replacement expenditures are required for the NSC to be a successful sports tourism destination.

**Agency Process Used to Arrive at These Capital Requests**

Step 1: Staff identified sport facility needs.

Step 2: MASC Board established task force groups on specific sports issues including: Mighty Duck Ice Arena Task Force, Quad Ice Arena Task Force, Mighty Kids MASC Committee, Sports for the Right Reason Task Force, Golf Task Force, and Sport Event Center Task Force. In some cases, the task force submitted a report. The MASC Board approved a regional sports center strategy for sports tourism.

Step 3: The MASC reviewed staff and task force recommendations and made a formal request to the Governor and the legislature.

**Major Capital Projects Authorized in 2002 through 2006**

2003 – National Sports Center Event Center ($5.0 million)

# Amateur Sports Commission

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| National Volleyball Center - Rochester | 1 | GO | $4,000 | $0 | $0 | $0 | $0 | $0 |
| National Sports Center Asset Preservation - Blaine | 2 | GO | 1,500 | 0 | 0 | 0 | 0 | 0 |
| NW Regional Sports Center - Moorhead | 3 | GO | 4,000 | 0 | 0 | 0 | 0 | 0 |
| SW Regional Sports Center - Marshall | 4 | GO | 100 | 4,000 | 0 | 0 | 0 | 0 |
| N Metro Regional Sports Center - Arden Hills | 5 | GO | 125 | 1,900 | 0 | 0 | 0 | 0 |
| Mighty Ducks Ice Arena Grants - Statewide | 6 | GO | 5,000 | 0 | 0 | 0 | 0 | 0 |
| | | Project Total | $14,725 | $5,900 | $0 | $0 | $0 | $0 |
| | | General Obligation Bonding (GO) | $14,725 | $5,900 | $0 | $0 | $0 | $0 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# National Volleyball Center - Rochester

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 1 of 6

**PROJECT LOCATION:** Rochester

**Project At A Glance**

$4.0 million in state funding for the Phase II expansion of the National Volleyball Center in Rochester that would add 22,000 square feet of space to the existing facility and would include the following:

- High Intensity Training Center
- Conference/Classroom
- Lobby/Assembly Hall
- Public Toilet Rooms
- Locker Room
- Vestibule
- Observation Mezzanine

**Project Description**

The National Volleyball Center in Rochester opened in 2002. This request is for the Phase II completion of the Center. The expansion project will involve adding an additional 22,000 square feet of space to the existing facility. The existing facility covers 51,000 square feet including eight Olympic quality volleyball courts, spectator viewing area, concession stand, first aid room, office, men's and women's restrooms (three fixtures each), and a small storage area.

The Phase II addition will add two additional courts featuring a high intensity training center with bio-cushioned wood floors, direct and indirect lighting, multiple video recording cameras, public address, system, speed detection and monitoring system, jump training stations, data and communication systems for monitoring and recording training sessions. The addition of this high intensity-training center will allow volleyball players and teams from the United States and other nations the opportunity to train in the finest volleyball training facility in the world. In addition to the high intensity training center, the Phase II addition will include: expanded public restrooms and locker rooms, conference room, media center, medical training facility, weight training center, and an increase in facility parking to accommodate the additional tournament crowds.

The Phase II addition will allow the National Volleyball Center-Rochester to attract more and larger tournaments, while increasing sport tourism and economic impact for the city and state of Minnesota.

**Previous Appropriations for this Project**

Laws of 1998, Ch 404, Sect 15 - $2.3 million

**Project Contact Person**

Ron Bastian
Director of Sports Facilities
City of Rochester, Parks and Recreation Department
Phone: (507) 281-6040
Fax: (507) 281-6165
Email: rbastian@ci.rochester.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 50 | 0 | 0 | 50 |
| 3. Design Fees | 0 | 225 | 0 | 0 | 225 |
| 4. Project Management | 0 | 25 | 0 | 0 | 25 |
| 5. Construction Costs | 0 | 3,450 | 0 | 0 | 3,450 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 250 | 0 | 0 | 250 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# National Sports Center Asset Preservation - Blaine

**2008 STATE APPROPRIATION REQUEST:** $1,500,000

**AGENCY PROJECT PRIORITY:** 2 of 6

**PROJECT LOCATION:** Blaine

**Project At A Glance**

The National Sports Center opened in 1989. Consequently funds are needed for both the customary 20-year capital replacements and other asset preservation projects. The National Sports Center hosts approximately four million visitors annually from all over the world. It is important to maintain our state's flagship amateur sports facility at an acceptable standard.

**Project Description**

The asset preservation projects include:

***Parking Lots*** $805,000

The primary parking lots located at the National Sports Center campus have only *one* layer of bituminous and in general are requiring incremental annual repairs. This appropriation would include:

- Engineering and specification analysis and development
- Bituminous paving
- Curb repairs and replacement
- Adding a safety paved area to separate pedestrians from car traffic

***Roof Replacement*** $400,000

The original buildings located on the National Sports Center campus all have various degrees of leaking and all have required temporary repairs. The buildings/locations currently affected and would require repair or replacement include the NSC Sports Hall (Field House), Residence Hall (Dormitory and Dining) and NSC General Offices.

***Various Mid Range Replacement/Repairs*** $195,000

There are a variety of internal and external items on the NSC campus that will need replacement/repairs to allow maximum and efficient usage:

- Main Entrance Marquee
- Lighting/Controls Replacement
- HVAC Replacement

***Contingency*** $100,000

**Previous Appropriations for this Project**

Laws of 1987 - $14.7 million

**Other Considerations**

The Minnesota Amateur Sports Commission has operated the facility through the National Sports Center Foundation on a self-supporting basis since its opening. The National Sports Center Foundation has covered operating costs and some limited five year capital repair and replacement expenses. However, it has been the expectation from its inception that the 20-year capital replacement costs would be the responsibility of the state of Minnesota. The National Sports Center Foundation does not have the ability to cover these major capital replacement costs.

**Project Contact Person**

Kris Bjerkness
National Sports Center
Phone: (763) 785-5610
Email: kbjerkness@nscsports.org

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,500 | 0 | 0 | 1,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,500** | **0** | **0** | **1,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,500 | 0 | 0 | 1,500 |
| **State Funds Subtotal** | 0 | 1,500 | 0 | 0 | 1,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,500** | **0** | **0** | **1,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Amateur Sports Commission | Project Narrative

## NW Regional Sports Center - Moorhead

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 3 of 6

**PROJECT LOCATION:** Moorhead

**Project At A Glance**

This project calls for the construction of a Northwest Regional Sports Center in Moorhead. The center will offer a multitude of sports and recreational amenities located within a new 120-acre "state-of-the-art" municipal park complex. Proximity to Interstate 94 makes for easy on/off access to this strategically located facility.

**Project Description**

The project will consist of a total of 16 regulation fields, including two "championship" caliber fields (lighting/bleacher seating) and four temporary fields that will be utilized for soccer, rugby, lacrosse and other field sport events and tournaments. Indoor facilities will include: event administration, concessions, and restroom facilities. The facility will make Northwest Minnesota a bigger attraction for local, regional and national sporting events and tournaments, and enhance sport tourism and economic impact for the state of Minnesota. The Minnesota Amateur Sports Commission (MASC) has designated Moorhead as Minnesota's Northwest Regional Sports Center. Moorhead has the critical mass to be a successful sports tourism destination.

**Other Considerations**

Moorhead has a strong volunteer and citizen base to support and maintain this project. In addition, the city of Moorhead recognizes the importance of involving leaders from the various sport groups, businesses and civic organizations and proposes to establish and support the Northwest Minnesota Regional Amateur Sports Commission. Moorhead will provide a minimum of $4.0 million in matching funds for this project.

**Project Contact Person**

Scott Hutchins
City of Moorhead
Phone: (218) 299-5376
Email: scott.hutchins@ci.moorhead.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 300 | 0 | 0 | 300 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,700 | 0 | 0 | 3,700 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Amateur Sports Commission | Project Narrative

## SW Regional Sports Center - Marshall

**2008 STATE APPROPRIATION REQUEST:** $100,000

**AGENCY PROJECT PRIORITY:** 4 of 6

**PROJECT LOCATION:** Marshall

**Project At A Glance**

This project is for the predesign of a Southwest Regional Sports Center to be located in Marshall, Minnesota.

**Project Description**

The appropriation would fund the predesign for a proposed sports center in Southwest Minnesota. The sports center would feature a multi-purpose sports building that would feature two ice sheet surfaces that will have the flexibility of being converted to six volleyball and/or six basketball courts or indoor field turf. In addition, the sports center would also include 10 outdoor soccer/athletic fields that could be used for soccer, lacrosse, rugby, football and other field events.

The intent of the developing the sports center in this region is to broaden the amateur sports tourism market and potential economic impact to greater Minnesota.

**Other Considerations**

The city of Marshall has organized a community-wide steering committee that includes business, civic, government and education leaders. Marshall is committed to establishing a regional amateur sports authority to promote sports tourism in their community.

**Project Contact Person**

Harry Weilage
Community Education
City of Marshall
Phone: (507) 537-6767
Email: hweilage@marshallmn.com

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 100 | 0 | 0 | 100 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 4,000 | 0 | 4,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **100** | **4,000** | **0** | **4,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 100 | 4,000 | 0 | 4,100 |
| **State Funds Subtotal** | 0 | 100 | 4,000 | 0 | 4,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **100** | **4,000** | **0** | **4,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 100 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# N Metro Regional Sports Center - Arden Hills

**2008 STATE APPROPRIATION REQUEST:** $125,000

**AGENCY PROJECT PRIORITY:** 5 of 6

**PROJECT LOCATION:** Arden Hills

**Project At A Glance**

The project calls for the renovation of an existing building to be used for an amateur sport event center. This facility will be the center for event administration for major cross country skiing, mountain biking and cycle cross events.

**Project Description**

The project calls for the development of the North Metro Regional Sports Center. The appropriation will be utilized to fund the predesign, schematic design and design development for an existing building received from the Federal government located on the Twin Cities Army Ammunition Plant property in Arden Hills. The existing building in combination with the adjacent terrain will be ideal for mountain biking, cross country skiing and cycle-cross sporting events. This combination will facilitate the development of major amateur sport tourism events and increase economic impact for the state of Minnesota.

**Impact on Agency Operating Budgets (Facilities Notes)**

None. The Minnesota Amateur Sports Commission (MASC) will assign the operation of the proposed facility and events to the National Sports Center Foundation (operating entity for the National Sports Center in Blaine).

**Other Considerations**

The MASC has been making requests of the federal government to utilize the property for amateur sports since 1994. The MASC is working in collaboration with the National Guard and Ramsey County to make this property accessible for major amateur sports events.

**Project Contact Person**

Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
Phone: (763) 785-5632
Email: perickson@mnsports.org

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 55 | 0 | 0 | 55 |
| 3. Design Fees | 0 | 70 | 0 | 0 | 70 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 1,900 | 0 | 1,900 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **125** | **1,900** | **0** | **2,025** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 125 | 1,900 | 0 | 2,025 |
| **State Funds Subtotal** | 0 | 125 | 1,900 | 0 | 2,025 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **125** | **1,900** | **0** | **2,025** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 125 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mighty Ducks Ice Arena Grants - Statewide

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 6 of 6

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This project would resume the successful Mighty Ducks ice arena grant program of the 1990s. Under the program, Minnesota communities can apply for grants for ice arena development and renovation.

**Project Description**

The statewide grant program for ice arenas will allow communities to apply for a grant of up to $250,000 for a new ice arena, or for a grant of up to $100,000 for the renovation of an existing arena. It is projected that there would be 14 new arena grants at $250,000 each and 15 renovation grants at $100,000 each.

**Impact on Agency Operating Budgets (Facilities Notes)**

$50,000 - The Minnesota Amateur Sports Commission will require additional staff resources to effectively administer the grant program.

**Previous Appropriations for this Project**

Laws of 1995, Ch 254, Sec 17 - $2,875,000
Laws of 1996, Ch 463, Sec 14 - $8,000,000
Laws of 1997, Ch 202, Sec 26 - $5,000,000
Laws of 1998, Ch 404, Sec 15 - $2,000,000
Laws of 2000, Ch 492, Sec 13 - $810,000

**Project Contact Person**

Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
Phone: (763) 785-5632
Email: perickson@mnsports.org

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 18,685 | 5,000 | 0 | 0 | 23,685 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **18,685** | **5,000** | **0** | **0** | **23,685** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 18,685 | 5,000 | 0 | 0 | 23,685 |
| **State Funds Subtotal** | 18,685 | 5,000 | 0 | 0 | 23,685 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **18,685** | **5,000** | **0** | **0** | **23,685** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Amateur Sports Commission

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| National Volleyball Center - Rochester | 1 | $4,000 | $0 | $0 | $4,000 | $0 | $0 | $0 |
| National Sports Center Asset Preservation - Blaine | 2 | 1,500 | 0 | 0 | 1,500 | 0 | 0 | 0 |
| NW Regional Sports Center - Moorhead | 3 | 4,000 | 0 | 0 | 4,000 | 0 | 0 | 0 |
| SW Regional Sports Center - Marshall | 4 | 100 | 4,000 | 0 | 4,100 | 0 | 0 | 0 |
| N Metro Regional Sports Center - Arden Hills | 5 | 125 | 1,900 | 0 | 2,025 | 0 | 0 | 0 |
| Mighty Ducks Ice Arena Grants - Statewide | 6 | 5,000 | 0 | 0 | 5,000 | 0 | 0 | 0 |
| **Total Project Requests** | | $14,725 | $5,900 | $0 | $20,625 | $0 | $0 | $0 |

**At A Glance**

| | 2005 | 2006 |
|---|---|---|
| ♦ Statewide annual economic impact of amateur sports | $67.8 mil | 69.25 mil |
| ♦ Out-state annual economic impact, NSC-Blaine | $42.5 mil | 37.4 mil |
| ♦ Annual participants in MASC affiliate facilities and programs | 4.77 mil | 4.71 mil |
| ♦ Annual visitors to NSC | 3.37 mil | 3.31 mil |

- The NSC is the state's most visited sport facility.
- Star of the North Games hosts up to 8,000 Minnesota athletes annually.

**Agency Purpose**

The Minnesota Amateur Sports Commission (MASC) was created in Minnesota statutes to promote the economic and social benefits of sports for Minnesota citizens and organizations. The MASC contributes to the statewide system of amateur sports by:

- Generating economic benefits through sport events
- Providing increased amateur sport opportunities
- Improving infrastructure through developing new sport facilities

**Core Functions**

The MASC provides strategic direction to the state's amateur sports community in order to increase the state economic benefits from amateur sports by increasing sports opportunities and supporting facility improvements. These core functions translate to:

- Hosting major amateur sports tourism events
- Operating the annual Star of the North State Games
- Overseeing and supporting the operations of the National Sports Center

These functions support ongoing operating goals:

- Identifying and bidding for major amateur sport events that can bring financial impact to Minnesota, such as 2007 World Short-track Speed Skating Championships and the 2008 US Figure Skating Championship.
- Creating and developing new "homegrown" amateur sport events, such as the Schwan's USA Cup.
- Administering the annual state Olympic games and rotating the event to various regions throughout the state. During the summer of 2007, Star of the North State Games was staged in Rochester and the 2008 Games will be held in Saint Paul.
- Overseeing MASC's National Sports Center (NSC) operations. The NSC is the most-visited sports facility in Minnesota with an annual visitorship of 3.31 million and an out-of-state economic impact of over $37 million.

**Operations**

The MASC serves a varied customer base. The local, national, and international amateur sport participants and their families are the primary customers of the agency. Amateur sport athletes participate in MASC sport programs at the National Sports Center and other MASC affiliate facilities. The MASC also serves and partners with convention and visitors bureaus, chambers of commerce, and community organizations on sports tourism promotion, especially in event bidding and hosting.

**Sport Event Research and Bidding -** The MASC actively researches new event opportunities for Minnesota. Once an event is identified, the MASC will partner with local government units, facilities, convention and visitors bureaus, and amateur sport organizations, in order to host the event.

**Creation of the New Sports Events -** Staff of the MASC research new event concepts and work to develop new "homegrown" events for our state.

**Operating the state Olympic games and selecting event -** The MASC partners with its Star of the North State Games Board to 1) identify cities through Minnesota to host the games; 2) host the selected annual state games event involving up to 8,000 athletes; and 3) establish and administer the policy of the games.

**Research and develop major amateur sport facilities -** Since 1987, the MASC has partnered with state and local government units to assist the development of the following facilities:

| | |
|---|---|
| National Sports Center | Blaine |
| National Hockey Center | St. Cloud |
| University of Minnesota/Aquatic Center | Minneapolis |
| Giants Ridge Golf & Ski Resort | Biwabik |
| National Kayak Center | Carlton |
| Ole Mangseth Memorial Ski Jump | Coleraine |
| John Rose Minnesota OVAL | Roseville |
| National Volleyball Center | Rochester |
| Range Recreation Civic Center | Eveleth |
| Minneapolis Sports Center | Minneapolis |
| Bush Lake Ski Jump | Bloomington |

**Budget**

The MASC's budget for the FY 2008-09 biennium is $608,000 and is appropriated from the general fund. The commission has a total of three full-time staff and limited part-time staff. The MASC is moving toward a dedicated funding model where lease proceeds from a 16-acre parcel of land at NSC would eliminate the need for a general fund appropriation.

**Contact**

Minnesota Amateur Sports Commission
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Blaine, Minnesota 55449

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**At A Glance: Agency Long-Range Strategic Goals**

One of Minnesota Amateur Sports Commission (MASC's) goals is to maintain and enhance our state's ability to host sport events and programs in most sport categories. The MASC agency plan is found in the MASC 1987-98 report (1998) and Blueprint III (1989). The MASC funding of sports facilities can be divided between major sport facility development with statewide significance, and local sport facility development.

**Major Sport Facility Development (Regional Sports Centers)** – The MASC has developed a plan of regional amateur sports centers to ensure that both the metro and greater Minnesota benefit from amateur sport tourism and program development:

State Headquarters – Blaine
SW Regional Sports Center – Marshall
NW Regional Sports Center – Moorhead
SE Regional Sports Center – Rochester
NE Regional Sports Center – Giants Ridge
Central Sports Center – St. Cloud

**Local Sport Facility Development**

The statewide facility grant program has furthered the MASC goal of helping Minnesota communities answer their recreational facility needs. The project evolved from the Mighty Ducks Ice Arena Grant program established by the 1995 Legislature (M.S. 240A.09). The MASC hopes to expand this program to other sport categories in the future. In 1987, the MASC adopted an application process similar to the Department of Natural Resource's (DNR) outdoor recreational grant program. When the Legislature appropriates funds, MASC staff provides assistance to applicants and present a list of applicants to the MASC board for review. On an annual basis, the MASC Board makes formal agency recommendations to the Governor's office and legislature. The facilities generate economic activity and benefit an increasing number of Minnesotans, focusing on opportunities for females and underserved youth. Facility operators report economic impact numbers and participant totals directly to the MASC annually. Virtually all facility applicants employ the services of engineering/architectural firms as part of their grant request. Our primary goal in building and improving facilities has been to serve the needs of Minnesota athletes. Our measurements indicated that the MASC affiliate sport facilities have brought amateur sports opportunities to more than 18.8 million visitors over the last 14 years. These facilities are also intended to bring economic benefits via amateur sport. After 14 years of operation, the economic impact already totals an estimated $400 million.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The following themes are shaping the development of MASC planning.

**Increase in Amateur Sports Tourism** – Since 1987, Minnesota has hosted many major amateur sporting events, generating over $377 million in tourism activity. Over time, MASC has witnessed steady incremental growth in the amateur sport tourism industry. This trend is expected to continue for the foreseeable future. The MASC intends to work with Minnesota organizations to sustain this economic activity. Amateur sporting events hosted by the MASC and MASC-affiliated sport facilities generate over $50 million annually.

**Rising Demand for Sport Gender Equity Programs** – A 1988 MASC survey confirmed that sports participation in Minnesota is 70 percent male and 30 percent female. While the gap between the number of male and female participants in amateur sports has narrowed, there is still work to be done to achieve complete gender equity. The MASC has targeted specific sports to help increase female participation, i.e. All American Girls Hockey and Soccer Tournaments.

**Limited State Resources** – The MASC budget has been reduced in recent years from a high of $700,000 per year and nine staff to approximately $300,000 per year and three staff. This has a significant impact in reducing new event development and sports tourism activity.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The MASC will continue to oversee the master plan of the state's regional sports centers and amateur sports facility network; support quality maintenance of current facilities; and investigate and plan the development of new facilities. Since 1987, the MASC has outlined improvements needed to create a network of facilities to help Minnesotans pursue their athletic goals and as sports tourism centers for major national events and ongoing programs. In the last four years, the annual number of visitors has risen from 700,000 to 3.3 million. The majority of these visitors attend the large NSC sport tournaments and events. For example, Schwan's USA Cup brings over 30,000 people to the NSC per day for one week in July. Today, Minnesota has one of the premier sports facility networks in the nation. We are now capable of accommodating virtually all of the 42 Olympic summer events and 11 of the 14 Winter Olympic sports. One essential aspect of the MASC facility infrastructure is that these public facilities are accessible to every Minnesotan. None of the 12 MASC funded facilities require direct state operating dollars. However, certain 20 year capital replacement expenditures are required for the NSC to be a successful sports tourism destination.

**Agency Process Used to Arrive at These Capital Requests**

Step 1: Staff identified sport facility needs.

Step 2: MASC Board established task force groups on specific sports issues including: Mighty Duck Ice Arena Task Force, Quad Ice Arena Task Force, Mighty Kids MASC Committee, Sports for the Right Reason Task Force, Golf Task Force, and Sport Event Center Task Force. In some cases, the task force submitted a report. The MASC Board approved a regional sports center strategy for sports tourism.

Step 3: The MASC reviewed staff and task force recommendations and made a formal request to the Governor and the legislature.

**Major Capital Projects Authorized in 2002 through 2006**

2003 – National Sports Center Event Center ($5.0 million)

# National Volleyball Center - Rochester

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 1 of 6

**PROJECT LOCATION:** Rochester

**Project At A Glance**

$4.0 million in state funding for the Phase II expansion of the National Volleyball Center in Rochester that would add 22,000 square feet of space to the existing facility and would include the following:

- High Intensity Training Center
- Conference/Classroom
- Lobby/Assembly Hall
- Public Toilet Rooms
- Locker Room
- Vestibule
- Observation Mezzanine

**Project Description**

The National Volleyball Center in Rochester opened in 2002. This request is for the Phase II completion of the Center. The expansion project will involve adding an additional 22,000 square feet of space to the existing facility. The existing facility covers 51,000 square feet including eight Olympic quality volleyball courts, spectator viewing area, concession stand, first aid room, office, men's and women's restrooms (three fixtures each), and a small storage area.

The Phase II addition will add two additional courts featuring a high intensity training center with bio-cushioned wood floors, direct and indirect lighting, multiple video recording cameras, public address, system, speed detection and monitoring system, jump training stations, data and communication systems for monitoring and recording training sessions. The addition of this high intensity-training center will allow volleyball players and teams from the United States and other nations the opportunity to train in the finest volleyball training facility in the world. In addition to the high intensity training center, the Phase II addition will include: expanded public restrooms and locker rooms, conference room, media center, medical training facility, weight training center, and an increase in facility parking to accommodate the additional tournament crowds.

The Phase II addition will allow the National Volleyball Center-Rochester to attract more and larger tournaments, while increasing sport tourism and economic impact for the city and state of Minnesota.

**Previous Appropriations for this Project**

Laws of 1998, Ch 404, Sect 15 - $2.3 million

**Project Contact Person**

Ron Bastian
Director of Sports Facilities
City of Rochester, Parks and Recreation Department
Phone: (507) 281-6040
Fax: (507) 281-6165
Email: rbastian@ci.rochester.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 50 | 0 | 0 | 50 |
| 3. Design Fees | 0 | 225 | 0 | 0 | 225 |
| 4. Project Management | 0 | 25 | 0 | 0 | 25 |
| 5. Construction Costs | 0 | 3,450 | 0 | 0 | 3,450 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 250 | 0 | 0 | 250 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# National Sports Center Asset Preservation - Blaine

**2008 STATE APPROPRIATION REQUEST:** $1,500,000

**AGENCY PROJECT PRIORITY:** 2 of 6

**PROJECT LOCATION:** Blaine

**Project At A Glance**

The National Sports Center opened in 1989. Consequently funds are needed for both the customary 20-year capital replacements and other asset preservation projects. The National Sports Center hosts approximately four million visitors annually from all over the world. It is important to maintain our state's flagship amateur sports facility at an acceptable standard.

**Project Description**

The asset preservation projects include:

***Parking Lots*** $805,000

The primary parking lots located at the National Sports Center campus have only *one* layer of bituminous and in general are requiring incremental annual repairs. This appropriation would include:

- Engineering and specification analysis and development
- Bituminous paving
- Curb repairs and replacement
- Adding a safety paved area to separate pedestrians from car traffic

***Roof Replacement*** $400,000

The original buildings located on the National Sports Center campus all have various degrees of leaking and all have required temporary repairs. The buildings/locations currently affected and would require repair or replacement include the NSC Sports Hall (Field House), Residence Hall (Dormitory and Dining) and NSC General Offices.

***Various Mid Range Replacement/Repairs*** $195,000

There are a variety of internal and external items on the NSC campus that will need replacement/repairs to allow maximum and efficient usage:

- Main Entrance Marquee
- Lighting/Controls Replacement
- HVAC Replacement

***Contingency*** $100,000

**Previous Appropriations for this Project**

Laws of 1987 - $14.7 million

**Other Considerations**

The Minnesota Amateur Sports Commission has operated the facility through the National Sports Center Foundation on a self-supporting basis since its opening. The National Sports Center Foundation has covered operating costs and some limited five year capital repair and replacement expenses. However, it has been the expectation from its inception that the 20-year capital replacement costs would be the responsibility of the state of Minnesota. The National Sports Center Foundation does not have the ability to cover these major capital replacement costs.

**Project Contact Person**

Kris Bjerkness
National Sports Center
Phone: (763) 785-5610
Email: kbjerkness@nscsports.org

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,500 | 0 | 0 | 1,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,500** | **0** | **0** | **1,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,500 | 0 | 0 | 1,500 |
| **State Funds Subtotal** | 0 | 1,500 | 0 | 0 | 1,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,500** | **0** | **0** | **1,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# NW Regional Sports Center - Moorhead

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 3 of 6

**PROJECT LOCATION:** Moorhead

**Project At A Glance**

This project calls for the construction of a Northwest Regional Sports Center in Moorhead. The center will offer a multitude of sports and recreational amenities located within a new 120-acre "state-of-the-art" municipal park complex. Proximity to Interstate 94 makes for easy on/off access to this strategically located facility.

**Project Description**

The project will consist of a total of 16 regulation fields, including two "championship" caliber fields (lighting/bleacher seating) and four temporary fields that will be utilized for soccer, rugby, lacrosse and other field sport events and tournaments. Indoor facilities will include: event administration, concessions, and restroom facilities. The facility will make Northwest Minnesota a bigger attraction for local, regional and national sporting events and tournaments, and enhance sport tourism and economic impact for the state of Minnesota. The Minnesota Amateur Sports Commission (MASC) has designated Moorhead as Minnesota's Northwest Regional Sports Center. Moorhead has the critical mass to be a successful sports tourism destination.

**Other Considerations**

Moorhead has a strong volunteer and citizen base to support and maintain this project. In addition, the city of Moorhead recognizes the importance of involving leaders from the various sport groups, businesses and civic organizations and proposes to establish and support the Northwest Minnesota Regional Amateur Sports Commission. Moorhead will provide a minimum of $4.0 million in matching funds for this project.

**Project Contact Person**

Scott Hutchins
City of Moorhead
Phone: (218) 299-5376
Email: scott.hutchins@ci.moorhead.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 300 | 0 | 0 | 300 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,700 | 0 | 0 | 3,700 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# SW Regional Sports Center - Marshall

**2008 STATE APPROPRIATION REQUEST:** $100,000

**AGENCY PROJECT PRIORITY:** 4 of 6

**PROJECT LOCATION:** Marshall

**Project At A Glance**

This project is for the predesign of a Southwest Regional Sports Center to be located in Marshall, Minnesota.

**Project Description**

The appropriation would fund the predesign for a proposed sports center in Southwest Minnesota. The sports center would feature a multi-purpose sports building that would feature two ice sheet surfaces that will have the flexibility of being converted to six volleyball and/or six basketball courts or indoor field turf. In addition, the sports center would also include 10 outdoor soccer/athletic fields that could be used for soccer, lacrosse, rugby, football and other field events.

The intent of the developing the sports center in this region is to broaden the amateur sports tourism market and potential economic impact to greater Minnesota.

**Other Considerations**

The city of Marshall has organized a community-wide steering committee that includes business, civic, government and education leaders. Marshall is committed to establishing a regional amateur sports authority to promote sports tourism in their community.

**Project Contact Person**

Harry Weilage
Community Education
City of Marshall
Phone: (507) 537-6767
Email: hweilage@marshallmn.com

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 100 | 0 | 0 | 100 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 4,000 | 0 | 4,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **100** | **4,000** | **0** | **4,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 100 | 4,000 | 0 | 4,100 |
| **State Funds Subtotal** | 0 | 100 | 4,000 | 0 | 4,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **100** | **4,000** | **0** | **4,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 100 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# N Metro Regional Sports Center - Arden Hills

**2008 STATE APPROPRIATION REQUEST:** $125,000

**AGENCY PROJECT PRIORITY:** 5 of 6

**PROJECT LOCATION:** Arden Hills

**Project At A Glance**

The project calls for the renovation of an existing building to be used for an amateur sport event center. This facility will be the center for event administration for major cross country skiing, mountain biking and cycle cross events.

**Project Description**

The project calls for the development of the North Metro Regional Sports Center. The appropriation will be utilized to fund the predesign, schematic design and design development for an existing building received from the Federal government located on the Twin Cities Army Ammunition Plant property in Arden Hills. The existing building in combination with the adjacent terrain will be ideal for mountain biking, cross country skiing and cycle-cross sporting events. This combination will facilitate the development of major amateur sport tourism events and increase economic impact for the state of Minnesota.

**Impact on Agency Operating Budgets (Facilities Notes)**

None. The Minnesota Amateur Sports Commission (MASC) will assign the operation of the proposed facility and events to the National Sports Center Foundation (operating entity for the National Sports Center in Blaine).

**Other Considerations**

The MASC has been making requests of the federal government to utilize the property for amateur sports since 1994. The MASC is working in collaboration with the National Guard and Ramsey County to make this property accessible for major amateur sports events.

**Project Contact Person**

Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
Phone: (763) 785-5632
Email: perickson@mnsports.org

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 55 | 0 | 0 | 55 |
| 3. Design Fees | 0 | 70 | 0 | 0 | 70 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 1,900 | 0 | 1,900 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **125** | **1,900** | **0** | **2,025** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 125 | 1,900 | 0 | 2,025 |
| **State Funds Subtotal** | 0 | 125 | 1,900 | 0 | 2,025 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **125** | **1,900** | **0** | **2,025** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 125 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mighty Ducks Ice Arena Grants - Statewide

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 6 of 6

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This project would resume the successful Mighty Ducks ice arena grant program of the 1990s. Under the program, Minnesota communities can apply for grants for ice arena development and renovation.

**Project Description**

The statewide grant program for ice arenas will allow communities to apply for a grant of up to $250,000 for a new ice arena, or for a grant of up to $100,000 for the renovation of an existing arena. It is projected that there would be 14 new arena grants at $250,000 each and 15 renovation grants at $100,000 each.

**Impact on Agency Operating Budgets (Facilities Notes)**

$50,000 - The Minnesota Amateur Sports Commission will require additional staff resources to effectively administer the grant program.

**Previous Appropriations for this Project**

Laws of 1995, Ch 254, Sec 17 - $2,875,000
Laws of 1996, Ch 463, Sec 14 - $8,000,000
Laws of 1997, Ch 202, Sec 26 - $5,000,000
Laws of 1998, Ch 404, Sec 15 - $2,000,000
Laws of 2000, Ch 492, Sec 13 - $810,000

**Project Contact Person**

Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
Phone: (763) 785-5632
Email: perickson@mnsports.org

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 18,685 | 5,000 | 0 | 0 | 23,685 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **18,685** | **5,000** | **0** | **0** | **23,685** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 18,685 | 5,000 | 0 | 0 | 23,685 |
| **State Funds Subtotal** | 18,685 | 5,000 | 0 | 0 | 23,685 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **18,685** | **5,000** | **0** | **0** | **23,685** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

MDE Customers (FY 2007):
- 824,653 pre-kindergarten through grade 12 students and their parents /guardians
- Nearly 143,000 licensed teachers
- Approximately 1,700 public schools
- 340 school districts and 132 charter schools
- Over 80,000 adult learners
- Over 125,000 young children participating in early learning programs

Annual K-12 School Funding (FY 2007):
- State - $6.5 billion or 67.9 percent of total funding
- Local - $2.4 billion or 25.8 percent of total funding
- Federal - $0.6 billion or 6.3 percent of total funding

**Agency Purpose**

The Minnesota Department of Education's (MDE) mission is to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning.

MDE strives to be an innovative education agency, assisting schools, families, and other education providers with exemplary services that result in high academic achievement for all students, pre-kindergarten to grade 12, and adult learners.

Every learner will have access to a high-quality education that promotes his or her development to full potential through an outstanding Minnesota education system that is a world leader.

MDE focuses on four primary goals:
- Improve achievement for all students
- Enhance teacher quality
- Expand education options for students and families
- Implement education finance reform and enhance accountability

MDE provides services and assistance to students, teachers, parents, and school districts in the following areas:
- Academic Standards and High School Improvement
- Adult and Career Education and Service-Learning
- Assessment and Testing
- Compliance and Assistance
- Early Learning Services
- English Language Learners/Limited English Proficiency (LEP)
- Food and Nutrition Service
- Library Development and Services
- No Child Left Behind (NCLB) Consolidated Programs
- Educator Licensing and Teacher Quality
- Safe and Healthy Learners
- School Choice
- School Finance
- School Technology
- Special Education

**Core Functions**

*Improve Achievement for all Students*
Raise overall student achievement levels, and close the achievement gap that currently exists among students of color and students with disabilities by implementing standards, research-based best practices, measuring progress with statewide assessments, and promoting lifelong learning.

*Enhance Teacher Quality*
Improve teacher quality in Minnesota by implementing initiatives to increase the number of highly trained teachers, enhance teacher preparation, improve teacher retention in high-needs schools, and provide ongoing professional development.

*Expand Options for Students and Families*
Ensure that programs offering education options to families support quality schools and continuous improvement in student achievement. Create new choices to better meet the educational needs of all children, especially students from low-income families, students of color, students with disabilities, and students who are English language learners.

*Implement Education Finance Reform and Enhance Accountability*
Encourage improved financial management of school districts and charter schools, make the system more understandable and accountable to the public, implement performance-based pay linked to student achievement gains, and enhance accountability for student learning through a comprehensive data system.

**Operations**

*Office of Academic Excellence and Innovations*
The Office of Academic Excellence is responsible for academic standards development, high school improvement activities, Indian education programs, school choice, charter schools, and supplemental services programs, library development, school technology, the Faribault Library for the Blind, and school administrator and teacher licensing.

*Office of Student Support Services*
The Office of Student Support Services is responsible for adult basic education, adult and career education, special education programs, early learning, and food and nutrition services.

*Office of Finance, Compliance and Special Education*
The Office of Finance, Compliance and Special Education is responsible for calculating and distributing state aid to school districts and calculating school district property tax levy limitations, special education policy and compliances, food and nutrition programs for schools and child and adult care food programs, and adult basic education.

*Office of Accountability and Improvement*
The Office of Accountability and Improvement is responsible for statewide testing, federal education programs and funding, school improvement, professional development for educators, early childhood education, and research and evaluation.

**Budget**

MDE will administer over $6 billion in state and federal funding for E-12 and adult and career education funding. In addition, MDE will calculate in excess of $1.5 billion of annual property tax levy limitations.

**Contact**

Department of Education website: education.state.mn.us

Minnesota Department of Education
1500 Highway 36 West
Roseville, Minnesota 55113-4266
Phone: (651) 582-8200

For information on how this agency measures whether it is meeting statewide goals, please refer to www.departmentresults.state.mn.us

**At A Glance: Agency Long-Range Strategic Goals**

A goal of the Minnesota Department of Education (MDE) is to assist school districts, libraries and other educational organizations in the acquisition of funds to provide safe, program appropriate and accessible education facilities that support student success and to provide and allow library access to all citizens in Minnesota.

Capital resources are available for most school districts through levy and aid programs provided by state law, including the debt equalization program, capital projects levy, lease levy, alternative facilities aid and levy, and health and safety funding. School districts with extremely low property wealth do not have a sufficient tax base to raise funds for the construction of needed educational facilities. Libraries and other non-school district educational organizations may be limited in their ability to raise funds for local facility projects. Capital funding through general obligation bonding and the state general fund is necessary for those entities that do not have access to these or other funding sources, but must rely upon state support for virtually all major capital facilities projects.

Some local libraries are aging facilities that need removal of architectural barriers and renovations/additions to enable all citizens to access the facility and allow local libraries to provide adequate library services. The matching grants for local libraries provide an incentive for local communities to upgrade and maintain facilities.

Projects presented in this and future capital budgets are those that have been evaluated by the agency, found to be consistent with agency long-range goals, and benefit Minnesota by providing safe, healthy, and appropriate facilities to support student success.

**Trends, Policies And Other Issues Affecting The Demand For Services, Facilities, Or Capital Programs**

Overall, demand for capital facility projects in school districts is increasing. The 2001 restructuring of the debt equalization formula under M.S. 123B.53 provided a two-tier formula for state funding for school district facilities, decreasing the likelihood that individual districts would apply for state funding under the Maximum Effort School Aid law in M.S. 126C.60-72 or as a local grant request. However, rapidly increasing property values and a static equalizing factor in the debt equalization program formula increase the likelihood that more districts will consider application for the capital loan program in coming years, and more districts will request direct grants of the legislature.

Currently, only those school districts with very low property values are able to use the capital loan program to fund necessary capital projects. In addition, education organizations such as voluntary metropolitan integration districts that have no levy authority may continue to seek state funding for capital projects.

The Cooperative Secondary Facilities Grant program in M.S. 123A.443 was initiated as an incentive for districts that determine secondary education services can be offered most effectively and efficiently by cooperating with neighboring districts. Authorizing language was amended by the 2007 Legislature to expand the scope of projects eligible for funding, the number of school districts eligible for funding, and to increase maximum grant awards. At this date, facility review and comment submission has not been received from any eligible district, but it is expected that there will be applicants in future years. The program, as amended, assists with costs of constructing or renovating school facilities for school districts that are in the process of consolidation or have consolidated since 1980.

There is strong interest in the expanded library accessibility and improvement grant program. Many local libraries have needs for facility renovation, expansion or new construction.

**Provide A Self-Assessment Of The Condition, Suitability, And Functionality Of Present Facilities, Capital Projects, Or Assets**

Education laws provide for the capital loan and grant programs, the cooperative secondary facilities grant program, the metropolitan magnet school grant program and library grant programs. Each of these programs provides for specific needs for those organizations that cannot access other sources of funding.

In general, school district facility construction is considered a local responsibility. The state supports local districts in their efforts to construct and maintain appropriate, safe and healthy school facilities through the debt equalization program, capital projects levy, lease levy, alternative facilities aid and levy, and health and safety funding.

**Agency Process Used To Arrive At These Capital Requests**

Department management identifies and assesses high priority needs in relationship to agency goals and objectives, and state and federal mandates.

**Major Capital Projects Authorized In 2007**

No projects were authorized.

# Education, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Red Lake Capital Loan | 1 | GO | $59,211 | $0 | $0 | $0 | $0 | $0 |
| Library Accessibility and Improvement Grants | 2 | GO | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Project Total | | | $69,211 | $0 | $0 | $0 | $0 | $0 |
| General Obligation Bonding (GO) | | | $69,211 | $0 | $0 | $0 | $0 | $0 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Red Lake Capital Loan

**2008 STATE APPROPRIATION REQUEST:** $59,211,000

**AGENCY PROJECT PRIORITY:** 1 of 2

**PROJECT LOCATION:** Red Lake School District

**Project At A Glance**

- $59.211 million to fund additions and renovations to Red Lake Independent School District (ISD) 38 K-12 facilities under the capital loan provisions of M.S. 126C.69.
- Renovate substandard facilities to promote student achievement.
- Provide additional elementary education space due to enrollment growth.
- Provide program specific space for special education, vocational and other specialty programming.
- Request is based on short-term and long-term planning to bring all district facilities to current education standards.

**Project Description**

The Department of Education requests funding through the education capital loan program to support the Red Lake Independent School District in bringing district facilities up to current education standards. These funds will be used by the district for the following projects.

- Continued renovation of and addition to the Red Lake High School and Red Lake Middle School including renovation for specialty curriculum for Technology Education, Vocational Education, Physical Education, cafeteria/commons, kitchen, community education spaces and additions for general classrooms. In addition, the upgrade of the heating plant and piping for both high school and middle schools will be completed. Portions of the building where mold growth is an issue will be replaced. A new administration building will replace the aged portable currently used to house administrative staff.
- Addition of elementary classrooms to accommodate increased enrollment, expansion of common spaces and addition of a building segment that will link the Red Lake Elementary School and the Early Childhood Learning Center, allowing sharing of facilities.
- Addition of a Media Center and a Head Start Center at the Ponemah Elementary School, along with site improvements that will add parking, improve bus drop-off and expand playground facilities.

The Red Lake Independent School District has provided review and comment information on the proposed projects to the Department of Education. If the projects are approved based on the review and comment criteria, district voters must approve the borrowing of funds through the capital loan program in an election prior to 1-01-2008.

The total project cost that qualifies for funding under the capital loan provisions is $59.277 million. The local district contribution, calculated according to M.S. 126C.69, subd. 9, is approximately $66,000 and the capital loan request is $59.211 million.

In addition, the district plan includes a $921,000 expansion and renovation of the school bus center. The capital loan program does not allow use of state funds for this purpose, and the district will fund this from another source. This amount is not included in the capital loan request or in the total project cost above.

The district completed long-term facilities planning prior to the 2004 legislative session, developing a plan to bring all district facilities to current education standards. Funding was unsuccessfully sought in both the 2006 and 2007 Legislative sessions. The facility project remains virtually unchanged and will complete all construction envisioned in the long-term plan; however, due to inflation the cost has increased.

Of the amount requested, approximately $23.7 million will fund additions and remodeling of the Red Lake Elementary School; $32.1 million will fund additions and remodeling at the High School/Middle School, and $3.5 million will fund additions and remodeling at the Ponemah Elementary School.

**Impact on Agency Operating Budgets (Facilities Notes)**

There is no effect on the Department of Education operating budget resulting from this request.

District operating costs will increase slightly primarily due to increases in staffing. There will be small increases in maintenance costs due to increased square footage. District revenue projections show revenues sufficient to absorb the additional costs.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| 1992 | $10 million | Construction of Red Lake Elementary School and addition to Red Lake Middle School |
| 2000 | $11.166 million | Construction of Red Lake Early Childhood Center and Additions to Ponemah Elementary and Middle School |
| 2002 | $12.4 million | Additions and Renovations – Red Lake High School, Early Childhood Center, Red Lake and Ponemah Elementary Schools |
| 2005 | $18 million | Begin construction of new middle school facilities and renovation of existing high school |

**Other Considerations**

While funding for school facilities is viewed as primarily a local responsibility, the Red Lake Independent School District has extremely low property values and very little private ownership of land as most of the land is owned in common by Red Lake Tribal members. A measure commonly used to compare school district ability to raise funds through property taxes is the adjusted net tax capacity (ANTC) per pupil unit. In the 2006 Payable 2007 levy cycle, the Red Lake 2005 ANTC per FY 2008 adjusted marginal cost pupil unit was $7.29. For all districts, the median ANTC per adjusted pupil unit was $5,657.

The district has experienced population growth as many members of the Red Lake Tribe have returned to the Red Lake area, partially due to welfare reform. New housing development is occurring and desirable housing is available for returning tribal members. Based on average daily membership (ADM), school enrollment has increased by about three percent in the last 10 years. Kindergarten through grade five enrollment has increased by approximately 26 percent since the elementary school was designed in 1990-91. Estimates of student enrollment assume that new and renovated facilities allowing expanded educational programming will draw some of the approximately 13 percent of resident students (school year 2005-06) who are not educated in the Red Lake School District back to the school district.

The Red Lake School District management and the Red Lake community recognize the importance of a stable and healthy school environment to children in an economically and socially depressed community. The current crowded and deficient facilities do not provide a safe and healthy environment that is conducive to learning and supportive to children.

**Project Contact Person**

Audrey Bomstad
Department of Education
1500 Highway 36 West
Roseville, Minnesota 55113
Phone: (651) 582-8793
Fax: (651) 582-8878
Email: audrey.bomstad@state.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 51,566 | 0 | 0 | 0 | 51,566 |
| 2. Predesign Fees | 0 | 95 | 0 | 0 | 95 |
| 3. Design Fees | 0 | 4,424 | 0 | 0 | 4,424 |
| 4. Project Management | 0 | 5,421 | 0 | 0 | 5,421 |
| 5. Construction Costs | 0 | 38,079 | 0 | 0 | 38,079 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,888 | 0 | 0 | 1,888 |
| 9. Inflation | 0 | 10,191 | 0 | 0 | 10,191 |
| **TOTAL** | **51,566** | **60,198** | **0** | **0** | **111,764** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O. Bonds/Max Effort | 51,566 | 59,211 | 0 | 0 | 110,777 |
| **State Funds Subtotal** | 51,566 | 59,211 | 0 | 0 | 110,777 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 987 | 0 | 0 | 987 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **51,566** | **60,198** | **0** | **0** | **111,764** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 59,211 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Library Accessibility and Improvement Grants

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $10 million in the 2008 session to fund disabled access and library renovation/construction under M.S. 134.45.

## Project Description

The Department of Education requests $10 million to fund competitive grants for library accessibility, renovation and construction projects for public library improvements under M.S. 134.45. This statute was amended in the 2005 legislative session to expand the existing grant program from accessibility grants requiring a 50 percent local match to include grants for renovation, expansion, or construction of library facilities. For purposes of this program, public libraries include regional public library systems, regional library districts, cities and counties operating libraries.

The American with Disabilities Act (ADA) mandates that buildings newly constructed or remodeled after 1-26-1992, must be accessible to all citizens. Grants provide funding to enable public libraries to remove architectural barriers either as a unique project or as a part of remodeling or renovation.

Renovation, expansion and construction grants will allow local libraries to renew or replace deteriorated and deficient facilities with the goal of providing improved services to the public. As of June 2007, local needs assessments identified construction projects totaling over $280 million.

## Impact on Agency Operating Budgets (Facilities Notes)

This request will have no impact on the Department of Education operating budget. Current staff is involved in the grant evaluation and approval process, and in traveling to grantee sites when necessary.

## Previous Appropriations for this Project

Since the inception of the Library Accessibility Grant Program in 1994, the following amounts have been provided by the legislature.

| | |
|---|---|
| 1994 | $1 million |
| 1996 | $1 million |
| 1998 | $1.5 million |
| 2000 | $1 million |
| 2003 | $1 million |
| 2005 | $1 million |
| 2006 | $1 million |

## Other Considerations

Many libraries throughout the state need to address issues of accessibility and renovation or replacement. The competitive grant process assures equitable distribution of funds based on objective criteria. Application of criteria by state review committee ensures the facility will meet current and future need based on national standards and coordination with regional and statewide needs. If requests for funding exceed the amount of money available, those libraries with the most critical needs are given higher priority through a rating process.

## Project Contact Person

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Director/State Librarian
Minnesota State Library Services and School Technology
1500 Highway 36 West
Roseville, Minnesota 55113
Phone: (651) 582-8251 (direct)
Phone: (651) 582-8791 (secretary)
Fax: (651) 582-8752

## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 7,500 | 10,000 | 0 | 0 | 17,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,500** | **10,000** | **0** | **0** | **17,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,500 | 10,000 | 0 | 0 | 17,500 |
| **State Funds Subtotal** | 7,500 | 10,000 | 0 | 0 | 17,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,500** | **10,000** | **0** | **0** | **17,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
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| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
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| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Education, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Red Lake Capital Loan | 1 | $59,211 | $0 | $0 | $59,211 | $0 | $0 | $0 |
| Library Accessibility and Improvement Grants | 2 | 10,000 | 0 | 0 | 10,000 | 0 | 0 | 0 |
| **Total Project Requests** | | $69,211 | $0 | $0 | $69,211 | $0 | $0 | $0 |

**Agency Profile At A Glance**

MDE Customers (FY 2007):
- 824,653 pre-kindergarten through grade 12 students and their parents /guardians
- Nearly 143,000 licensed teachers
- Approximately 1,700 public schools
- 340 school districts and 132 charter schools
- Over 80,000 adult learners
- Over 125,000 young children participating in early learning programs

Annual K-12 School Funding (FY 2007):
- State - $6.5 billion or 67.9 percent of total funding
- Local - $2.4 billion or 25.8 percent of total funding
- Federal - $0.6 billion or 6.3 percent of total funding

**Agency Purpose**

The Minnesota Department of Education's (MDE) mission is to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning.

MDE strives to be an innovative education agency, assisting schools, families, and other education providers with exemplary services that result in high academic achievement for all students, pre-kindergarten to grade 12, and adult learners.

Every learner will have access to a high-quality education that promotes his or her development to full potential through an outstanding Minnesota education system that is a world leader.

MDE focuses on four primary goals:
- Improve achievement for all students
- Enhance teacher quality
- Expand education options for students and families
- Implement education finance reform and enhance accountability

MDE provides services and assistance to students, teachers, parents, and school districts in the following areas:
- Academic Standards and High School Improvement
- Adult and Career Education and Service-Learning
- Assessment and Testing
- Compliance and Assistance
- Early Learning Services
- English Language Learners/Limited English Proficiency (LEP)
- Food and Nutrition Service
- Library Development and Services
- No Child Left Behind (NCLB) Consolidated Programs
- Educator Licensing and Teacher Quality
- Safe and Healthy Learners
- School Choice
- School Finance
- School Technology
- Special Education

**Core Functions**

*Improve Achievement for all Students*
Raise overall student achievement levels, and close the achievement gap that currently exists among students of color and students with disabilities by implementing standards, research-based best practices, measuring progress with statewide assessments, and promoting lifelong learning.

*Enhance Teacher Quality*
Improve teacher quality in Minnesota by implementing initiatives to increase the number of highly trained teachers, enhance teacher preparation, improve teacher retention in high-needs schools, and provide ongoing professional development.

*Expand Options for Students and Families*
Ensure that programs offering education options to families support quality schools and continuous improvement in student achievement. Create new choices to better meet the educational needs of all children, especially students from low-income families, students of color, students with disabilities, and students who are English language learners.

*Implement Education Finance Reform and Enhance Accountability*
Encourage improved financial management of school districts and charter schools, make the system more understandable and accountable to the public, implement performance-based pay linked to student achievement gains, and enhance accountability for student learning through a comprehensive data system.

**Operations**

*Office of Academic Excellence and Innovations*
The Office of Academic Excellence is responsible for academic standards development, high school improvement activities, Indian education programs, school choice, charter schools, and supplemental services programs, library development, school technology, the Faribault Library for the Blind, and school administrator and teacher licensing.

*Office of Student Support Services*
The Office of Student Support Services is responsible for adult basic education, adult and career education, special education programs, early learning, and food and nutrition services.

*Office of Finance, Compliance and Special Education*
The Office of Finance, Compliance and Special Education is responsible for calculating and distributing state aid to school districts and calculating school district property tax levy limitations, special education policy and compliances, food and nutrition programs for schools and child and adult care food programs, and adult basic education.

*Office of Accountability and Improvement*
The Office of Accountability and Improvement is responsible for statewide testing, federal education programs and funding, school improvement, professional development for educators, early childhood education, and research and evaluation.

**Budget**

MDE will administer over $6 billion in state and federal funding for E-12 and adult and career education funding. In addition, MDE will calculate in excess of $1.5 billion of annual property tax levy limitations.

**Contact**

Department of Education website: education.state.mn.us

Minnesota Department of Education
1500 Highway 36 West
Roseville, Minnesota 55113-4266
Phone: (651) 582-8200

For information on how this agency measures whether it is meeting statewide goals, please refer to www.departmentresults.state.mn.us

**At A Glance: Agency Long-Range Strategic Goals**

A goal of the Minnesota Department of Education (MDE) is to assist school districts, libraries and other educational organizations in the acquisition of funds to provide safe, program appropriate and accessible education facilities that support student success and to provide and allow library access to all citizens in Minnesota.

Capital resources are available for most school districts through levy and aid programs provided by state law, including the debt equalization program, capital projects levy, lease levy, alternative facilities aid and levy, and health and safety funding. School districts with extremely low property wealth do not have a sufficient tax base to raise funds for the construction of needed educational facilities. Libraries and other non-school district educational organizations may be limited in their ability to raise funds for local facility projects. Capital funding through general obligation bonding and the state general fund is necessary for those entities that do not have access to these or other funding sources, but must rely upon state support for virtually all major capital facilities projects.

Some local libraries are aging facilities that need removal of architectural barriers and renovations/additions to enable all citizens to access the facility and allow local libraries to provide adequate library services. The matching grants for local libraries provide an incentive for local communities to upgrade and maintain facilities.

Projects presented in this and future capital budgets are those that have been evaluated by the agency, found to be consistent with agency long-range goals, and benefit Minnesota by providing safe, healthy, and appropriate facilities to support student success.

**Trends, Policies And Other Issues Affecting The Demand For Services, Facilities, Or Capital Programs**

Overall, demand for capital facility projects in school districts is increasing. The 2001 restructuring of the debt equalization formula under M.S. 123B.53 provided a two-tier formula for state funding for school district facilities, decreasing the likelihood that individual districts would apply for state funding under the Maximum Effort School Aid law in M.S. 126C.60-72 or as a local grant request. However, rapidly increasing property values and a static equalizing factor in the debt equalization program formula increase the likelihood that more districts will consider application for the capital loan program in coming years, and more districts will request direct grants of the legislature.

Currently, only those school districts with very low property values are able to use the capital loan program to fund necessary capital projects. In addition, education organizations such as voluntary metropolitan integration districts that have no levy authority may continue to seek state funding for capital projects.

The Cooperative Secondary Facilities Grant program in M.S. 123A.443 was initiated as an incentive for districts that determine secondary education services can be offered most effectively and efficiently by cooperating with neighboring districts. Authorizing language was amended by the 2007 Legislature to expand the scope of projects eligible for funding, the number of school districts eligible for funding, and to increase maximum grant awards. At this date, facility review and comment submission has not been received from any eligible district, but it is expected that there will be applicants in future years. The program, as amended, assists with costs of constructing or renovating school facilities for school districts that are in the process of consolidation or have consolidated since 1980.

There is strong interest in the expanded library accessibility and improvement grant program. Many local libraries have needs for facility renovation, expansion or new construction.

**Provide A Self-Assessment Of The Condition, Suitability, And Functionality Of Present Facilities, Capital Projects, Or Assets**

Education laws provide for the capital loan and grant programs, the cooperative secondary facilities grant program, the metropolitan magnet school grant program and library grant programs. Each of these programs provides for specific needs for those organizations that cannot access other sources of funding.

In general, school district facility construction is considered a local responsibility. The state supports local districts in their efforts to construct and maintain appropriate, safe and healthy school facilities through the debt equalization program, capital projects levy, lease levy, alternative facilities aid and levy, and health and safety funding.

**Agency Process Used To Arrive At These Capital Requests**

Department management identifies and assesses high priority needs in relationship to agency goals and objectives, and state and federal mandates.

**Major Capital Projects Authorized In 2007**

No projects were authorized.

**2008 STATE APPROPRIATION REQUEST:** $59,211,000

**AGENCY PROJECT PRIORITY:** 1 of 2

**PROJECT LOCATION:** Red Lake School District

**Project At A Glance**

- $59.211 million to fund additions and renovations to Red Lake Independent School District (ISD) 38 K-12 facilities under the capital loan provisions of M.S. 126C.69.
- Renovate substandard facilities to promote student achievement.
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- Provide program specific space for special education, vocational and other specialty programming.
- Request is based on short-term and long-term planning to bring all district facilities to current education standards.

**Project Description**

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- Continued renovation of and addition to the Red Lake High School and Red Lake Middle School including renovation for specialty curriculum for Technology Education, Vocational Education, Physical Education, cafeteria/commons, kitchen, community education spaces and additions for general classrooms. In addition, the upgrade of the heating plant and piping for both high school and middle schools will be completed. Portions of the building where mold growth is an issue will be replaced. A new administration building will replace the aged portable currently used to house administrative staff.
- Addition of elementary classrooms to accommodate increased enrollment, expansion of common spaces and addition of a building segment that will link the Red Lake Elementary School and the Early Childhood Learning Center, allowing sharing of facilities.
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The Red Lake Independent School District has provided review and comment information on the proposed projects to the Department of Education. If the projects are approved based on the review and comment criteria, district voters must approve the borrowing of funds through the capital loan program in an election prior to 1-01-2008.

The total project cost that qualifies for funding under the capital loan provisions is $59.277 million. The local district contribution, calculated according to M.S. 126C.69, subd. 9, is approximately $66,000 and the capital loan request is $59.211 million.

In addition, the district plan includes a $921,000 expansion and renovation of the school bus center. The capital loan program does not allow use of state funds for this purpose, and the district will fund this from another source. This amount is not included in the capital loan request or in the total project cost above.

The district completed long-term facilities planning prior to the 2004 legislative session, developing a plan to bring all district facilities to current education standards. Funding was unsuccessfully sought in both the 2006 and 2007 Legislative sessions. The facility project remains virtually unchanged and will complete all construction envisioned in the long-term plan; however, due to inflation the cost has increased.

Of the amount requested, approximately $23.7 million will fund additions and remodeling of the Red Lake Elementary School; $32.1 million will fund additions and remodeling at the High School/Middle School, and $3.5 million will fund additions and remodeling at the Ponemah Elementary School.

**Impact on Agency Operating Budgets (Facilities Notes)**

There is no effect on the Department of Education operating budget resulting from this request.

District operating costs will increase slightly primarily due to increases in staffing. There will be small increases in maintenance costs due to increased square footage. District revenue projections show revenues sufficient to absorb the additional costs.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| 1992 | $10 million | Construction of Red Lake Elementary School and addition to Red Lake Middle School |
| 2000 | $11.166 million | Construction of Red Lake Early Childhood Center and Additions to Ponemah Elementary and Middle School |
| 2002 | $12.4 million | Additions and Renovations – Red Lake High School, Early Childhood Center, Red Lake and Ponemah Elementary Schools |
| 2005 | $18 million | Begin construction of new middle school facilities and renovation of existing high school |

**Other Considerations**

While funding for school facilities is viewed as primarily a local responsibility, the Red Lake Independent School District has extremely low property values and very little private ownership of land as most of the land is owned in common by Red Lake Tribal members. A measure commonly used to compare school district ability to raise funds through property taxes is the adjusted net tax capacity (ANTC) per pupil unit. In the 2006 Payable 2007 levy cycle, the Red Lake 2005 ANTC per FY 2008 adjusted marginal cost pupil unit was $7.29. For all districts, the median ANTC per adjusted pupil unit was $5,657.

The district has experienced population growth as many members of the Red Lake Tribe have returned to the Red Lake area, partially due to welfare reform. New housing development is occurring and desirable housing is available for returning tribal members. Based on average daily membership (ADM), school enrollment has increased by about three percent in the last 10 years. Kindergarten through grade five enrollment has increased by approximately 26 percent since the elementary school was designed in 1990-91. Estimates of student enrollment assume that new and renovated facilities allowing expanded educational programming will draw some of the approximately 13 percent of resident students (school year 2005-06) who are not educated in the Red Lake School District back to the school district.

The Red Lake School District management and the Red Lake community recognize the importance of a stable and healthy school environment to children in an economically and socially depressed community. The current crowded and deficient facilities do not provide a safe and healthy environment that is conducive to learning and supportive to children.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 51,566 | 0 | 0 | 0 | 51,566 |
| 2. Predesign Fees | 0 | 95 | 0 | 0 | 95 |
| 3. Design Fees | 0 | 4,424 | 0 | 0 | 4,424 |
| 4. Project Management | 0 | 5,421 | 0 | 0 | 5,421 |
| 5. Construction Costs | 0 | 38,079 | 0 | 0 | 38,079 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,888 | 0 | 0 | 1,888 |
| 9. Inflation | 0 | 10,191 | 0 | 0 | 10,191 |
| **TOTAL** | **51,566** | **60,198** | **0** | **0** | **111,764** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O. Bonds/Max Effort | 51,566 | 59,211 | 0 | 0 | 110,777 |
| **State Funds Subtotal** | 51,566 | 59,211 | 0 | 0 | 110,777 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 987 | 0 | 0 | 987 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **51,566** | **60,198** | **0** | **0** | **111,764** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 59,211 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $10 million in the 2008 session to fund disabled access and library renovation/construction under M.S. 134.45.

**Project Description**

The Department of Education requests $10 million to fund competitive grants for library accessibility, renovation and construction projects for public library improvements under M.S. 134.45. This statute was amended in the 2005 legislative session to expand the existing grant program from accessibility grants requiring a 50 percent local match to include grants for renovation, expansion, or construction of library facilities. For purposes of this program, public libraries include regional public library systems, regional library districts, cities and counties operating libraries.

The American with Disabilities Act (ADA) mandates that buildings newly constructed or remodeled after 1-26-1992, must be accessible to all citizens. Grants provide funding to enable public libraries to remove architectural barriers either as a unique project or as a part of remodeling or renovation.

Renovation, expansion and construction grants will allow local libraries to renew or replace deteriorated and deficient facilities with the goal of providing improved services to the public. As of June 2007, local needs assessments identified construction projects totaling over $280 million.

**Impact on Agency Operating Budgets (Facilities Notes)**

This request will have no impact on the Department of Education operating budget. Current staff is involved in the grant evaluation and approval process, and in traveling to grantee sites when necessary.

**Previous Appropriations for this Project**

Since the inception of the Library Accessibility Grant Program in 1994, the following amounts have been provided by the legislature.

| | |
|---|---|
| 1994 | $1 million |
| 1996 | $1 million |
| 1998 | $1.5 million |
| 2000 | $1 million |
| 2003 | $1 million |
| 2005 | $1 million |
| 2006 | $1 million |

**Other Considerations**

Many libraries throughout the state need to address issues of accessibility and renovation or replacement. The competitive grant process assures equitable distribution of funds based on objective criteria. Application of criteria by state review committee ensures the facility will meet current and future need based on national standards and coordination with regional and statewide needs. If requests for funding exceed the amount of money available, those libraries with the most critical needs are given higher priority through a rating process.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 7,500 | 10,000 | 0 | 0 | 17,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,500** | **10,000** | **0** | **0** | **17,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,500 | 10,000 | 0 | 0 | 17,500 |
| **State Funds Subtotal** | 7,500 | 10,000 | 0 | 0 | 17,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,500** | **10,000** | **0** | **0** | **17,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

On an annual basis, the Minnesota State Academies (MSA) provide services to more than 500 students, as well as school districts and educators. The Minnesota State Academies serve deaf or blind students:

- Ages 0-21 who reside in the state of Minnesota
- In a residential setting, providing 24 hour educational services
- With additional disabilities, including physical and emotional needs

**Agency Purpose**

The mission of the MSA is to promote the highest level of self-sufficiency possible for deaf/hard of hearing and blind/visually-impaired students in the state of Minnesota. Established in 1863, the MSA are statewide public schools that provide education and related services to students 0-21 who are blind, visually impaired, deaf or hard of hearing, including those with multiple disabilities. The MSA are composed of two separate and unique schools--the Minnesota State Academy for the Blind (MSAB), and the Minnesota State Academy for the Deaf (MSAD). Federal law mandates that services provided by the MSA meet the student's need for a Free and Appropriate Public Education (FAPE) within the least restrictive environment

The decision to attend the MSA during the school year is made by an Individualized Educational Planning (IEP) team within the Special Education process, including the parent, the district of residence and MSA staff. Each IEP team must decide that MSA provides the most appropriate placement. Students may also attend MSA to obtain social skills or for short-term skill development. (For more information, refer to M.S. 125A.69, Admission Standards.)

**Core Functions**

The MSA educate enrolled/non-enrolled students and/or support public schools to educate students to:

- Develop self-esteem, social skills, leadership skills, and specialized skills like Braille or sign language
- Complete a course of study comparable to public schools
- Earn a living, become integrated in to the community, live on their own or in supported living arrangements
- Prepare for higher education or vocational training
- Access and utilize state of the art technology to prepare for employment in the 21st century
- Acquire technology skills to access information otherwise inaccessible because of their disability

**Operations**

The range of services provided by the MSA in support of the agency's mission is unique and often complex when compared to most public schools, making the MSA a necessary option for school districts. The MSA have provided educational services to deaf and blind students for more than 140 years. Historically, the MSA were the only educational options available to deaf or blind students. If students were deaf or blind it was assumed that they would attend the MSA. Today most deaf or blind students attend school in their local community. Recent capital improvements have positively impacted the MSA ability to meet its mission, including technology enhancements, dormitory improvements at MSAD, and an expansion of the main education building at MSAB (Lysen Hall).

The MSA:

- Provide services that would be prohibitively expensive or unavailable in public schools
- Provide direct and indirect educational services through a number of program options
- Provide academic year programs, which include K-12 academics, early childhood intervention, transition and programs for students with multiple disabilities
- Provide off-campus services in support of local school districts for non-enrolled students including specialized evaluations, direct teacher services, orientation and mobility training and consultations
- Provide on-campus services in support of local school districts for non-enrolled students including weekend parent training programs, family and teacher visitation at the MSA to review specialized resources, short-term direct services such as basic skills testing remediation, independent

living training, extended school year programming, and transition programs

- Help the state meet federal statutory requirements of the Individuals with Disabilities Act (IDEA)
- Provide access to a direct communication environment, comprehensive services, additional resources and increased opportunities which meet the individual needs of students as mandated by their IEPs
- Offer mainstream courses via the Faribault Public Schools which provide access to broader curriculum choices, advanced coursework, opportunities to increase skills in working with interpreters, and integration with non-disabled peers

**Budget**

The total budget for the MSA for the 2006-07 biennium is approximately $26 million. MSA staff include 200 full-time equivalent employees.

Of the total budget, the vast majority (80 percent) comes from direct state appropriations from the general fund. Receipts from school districts and the Department of Education account for another 15 percent in the form of management aid reimbursement, tuition, and compensatory education revenue. The remainder of the budget is federal funding, employee deposits in tax shelter annuities, student deposits, and gifts. Additionally the MSA collect approximately $1.5 million in tuition from school districts that are returned to the state's general fund.

**Contact**

For additional information contact:

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**At A Glance: Agency Long-Range Strategic Goals**

The primary long-range strategic goal of the Minnesota State Academies (MSA) is to ensure all students receive a Free and Appropriate Public Education (FAPE) within the least restrictive environment, as mandated by the Individuals with Disabilities Education Act (IDEA). The Academies provide specialized programming to equip deaf and blind students with skills necessary to become productive citizens. The Academies also provide support to local educational districts through a variety of services for non-enrolled students (approximately 210 enrolled on-campus students, and more than 500 students served in total). The Academies' long-range capital goals include:

- Minimizing lifetime costs by maintaining the physical plant to preserve the state's investment in the Academies' facilities, and prevent unnecessary costs to present and future taxpayers
- Provide adequate classrooms, dormitories, meeting and support space, and athletic activity space for programs to support the agency's mission
- Preserving the historic buildings, two of which are on the National Register
- Assuring that the physical plant is accessible, safe and up-to-date in areas such as energy efficiency, mechanical systems, and utility services
- Creating healthy indoor environments that enhance employee and student productivity and wellness

In order for the agency to fully implement its strategic plan and meet its programmatic goals, it must achieve its capital goals.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

- Advances in technology and the Academies' ability to provide instruction in this area will likely encourage increased enrollment for both schools. In the past, the Academies' lack of technology has had a negative impact on the level and effectiveness of educational services offered.
- Short-term services provided by the Academies increase the total number of students served and may decrease the number of enrolled students.
- Shortage of qualified teachers and interpreters in the state may increase enrollment at the Academies.
- Students with increasingly complex needs will impact facility space and requirements.
- Early identification of babies due to newborn infant hearing screening will increase the need for services.

The changing educational needs of deaf and blind students affect the capital and facility requirements of the MSA. Many students now arrive at the Academies with multiple challenges, and the Academies must meet these challenges by providing additional services to support students in the educational process. Other factors affecting the demand for capital programs are incorporated in the agency's long-range strategic goals.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The Academy for the Deaf (MSAD) and the Academy for the Blind (MSAB) are located on separate campuses, about one mile apart from each other, in the town of Faribault, Minnesota. The MSAD is situated on 50 acres of land adjacent to Shattuck-St. Mary's School, a private educational facility. The campus houses 11 major buildings, two of which are on the National Register of Historic Places. The MSAB campus occupies 30 acres of land adjacent to the District One Hospital and the Faribault Correctional Facility. The campus consists of five major buildings.

For programmatic purposes, the schools are located on two separate campuses. Because blind students rely on auditory information and deaf students rely on visual information, co-locating the schools on one campus is not feasible. Furthermore, teaching methods are so unique that higher education course work is divergent. Consequently, teachers of the blind are not qualified to work with the deaf without advanced training and vice versa.

The MSAD was constructed to house and educate a larger enrollment in an "institutional" environment. Consequently, there is structural space that can

be adapted to meet most needs. For example, the strategic plan includes major renovation of Mott Hall to address improvements to the vocational program.

The MSAB was not designed to meet the needs of students with multiple disabilities. Consequently, its capital plan focuses on adapting the current facilities to a changing student population. As a result of several major projects funded by previous capital appropriations, including asset preservation and Capital Asset Preservation Rehabilitation Account (CAPRA) funding, many of the buildings have been improved over the past years.

Projects at both campuses have included:

- Improvements of the sewage and water systems at MSAB
- Renovation of Tate Hall at MSAD
- Renovation and expansion of the Lysen Education Building at MSAB
- Improvements to the electrical systems at MSAD
- Renovation of the west wing of Noyes Hall
- Replacement of the Tate Hall tower, which burned
- Replacement of the MSAD gym floor
- Upgrades to the fire alarm systems and exterior lighting
- Replacement of a boiler burner
- Replacement of a number of roofs and windows
- Demolition of Dow Hall
- Sidewalk replacement
- Access improvements to comply with the Americans with Disabilities Act

Improvements have been made since the report on asset management by the Office of the Legislative Auditor in February of 1998 which found the Academies in poor condition, the only state agency given a “poor” ranking. To provide a safe and effective learning environment for students, there is additional renovation that needs to be done, but great progress has been made in improving the state’s assets on these two campuses. The Academies have developed an inventory and cost estimate of deferred maintenance projects. The estimated cost of completing all of these identified projects in the inventory is currently $8 million.

**Agency Process Used to Arrive at These Capital Requests**

The Academies undertook a major master facility planning effort beginning in the winter of 1996 and ending in the summer of 1997, and updated in 1999. This process examined the current and emerging needs of both campuses. Capital projects were identified to adequately address the needs of the operational program. The architectural firm of the Adams Group was selected to lead the Academies through a process of master planning, due to their experience in school design and, as importantly, their use of strategies to involve employees in a wide-reaching participatory approach for developing capital recommendations.

Once all the facts were gathered, the Adams Group began to match current building space with future needs. Through an interactive process with the advisory team, projects were developed and placed in ideal locations for the individual campuses. Asset preservation components were included within the project to make sure all deficiencies were addressed in renovation projects. The final plan included space planning, scheduling, and cost estimates for each project identified. The master planning effort generated a long-range strategic plan that incorporates a solid planning effort based on input from both education professionals and the architectural design team. (A separate brochure is available for additional information on the master planning.)

In 1999, the master plan was updated to include emerging needs and the needs of other agencies residing on the campus. The Minnesota State Academies, in partnership with the Minnesota Department of Education, developed a joint strategic facility Master Plan that also addresses the needs of the Minnesota Library for the Blind and the Minnesota Resource Centers, which are housed on the campus. While their individual missions may vary according to the services they provide, these agencies depend on each other for support and collaborate to provide services in a coordinated manner.

**Major Capital Projects Authorized in 2002 and 2003**

Asset Preservation Projects:

| | |
|---|---|
| Roof Replacement MSAD Gym | $265,000 |
| MSAD Mott Dust Collection/Air Handling | $410,000 |
| MSAB Industrial Building Fire Protection/HVAC | $376,000 |
| MSAD Power Plant Emergency Generator | $385,000 |
| MSAB West Cottage Demolition | $690,000 |

**Major Capital Projects Authorized in 2005**

Asset Preservation Projects:

| | |
|---|---|
| MSAB Chiller | $272,000 |
| MSAB Lysen Roof | $978,000 |
| MSAD Smith Hall Air Quality | $923,000 |
| MSAD Quinn Hall Air Quality | $839,000 |
| MSAD Rodman Hall Air Quality | $815,000 |

**Major Capital Projects Authorized in 2006**

Asset Preservation Projects:

| | |
|---|---|
| MSAD Smith and Quinn Hall Roofs | $1,080,000 |
| MSAD Repair Leaking Tunnels | $470,000 |
| MSAD Noyes Hall AC and lighting | $649,000 |
| MSAD Tate Hall concrete steps | $70,000 |

# Minnesota State Academies

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| MSAD Pollard Hall | 1 | GO | $3,100 | $0 | $0 | $0 | $0 | $0 |
| MSAD Frechette Renovation | 2 | GO | 6,711 | 0 | 0 | 0 | 0 | 0 |
| Asset Preservation | 3 | GO | 2,716 | 4,000 | 4,000 | 2,716 | 2,700 | 2,700 |
| Mott Hall Vocational Renovation | 4 | GO | 3,301 | 0 | 0 | 3,301 | 0 | 0 |
| Roads and Parking | | GO | 0 | 1,751 | 0 | 0 | 0 | 0 |
| Project Total | | | $15,828 | $5,751 | $4,000 | $6,017 | $2,700 | $2,700 |
| General Obligation Bonding (GO) | | | $15,828 | $5,751 | $4,000 | $6,017 | $2,700 | $2,700 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# MSAD Pollard Hall

**2008 STATE APPROPRIATION REQUEST:** $3,100,000

**AGENCY PROJECT PRIORITY:** 1 of 4

**PROJECT LOCATION:** MSAD Campus in Faribault

**Project At A Glance**

The Minnesota State Academies is requesting $3.1 million to renovate Pollard Hall, a former elementary residence hall built in 1937-38 on the Minnesota State Academy for the Deaf campus. This renovation would provide a secure 15 bed facility for deaf children ages 10-17 with mental health problems such as Major Depression, Bi-Polar Disorder, Post Traumatic Stress Disorder, Personality Disorders, Attention-Deficit Hyperactivity Disorder, Oppositional Defiant Disorder, Anxiety Disorders and Reactive Attachment Disorder. Pollard Hall is a structurally sound building and would not require major changes to accommodate this program.

## Project Description

Pollard Hall would house the Deaf and Hard of Hearing Children's Residential Treatment Center (DHHCRTC), a year round program that would specialize in the treatment of Deaf and Hard of Hearing children and adolescents that display a behavioral history in need of more intense psychological and educational programming which other programs are not able to provide. Students who would be placed in the program are those who have displayed a history of disordered emotional and behavioral characteristics, have been unsuccessful in managing their behaviors at home, in school, in the community, with peers or in other treatment programs. To renovate Pollard Hall, components of the project include the following:

- Install a new HVAC system
- Update the bathrooms and shower areas
- Create individual sleeping spaces
- Install security cameras and electronic locks
- Create quiet areas and time out spaces
- Update classrooms

## Other Considerations

Pollard Hall is a handicapped accessible building. It meets fire and safety codes, and would be a practical solution to a long time problem. The state of Minnesota Department of Human Services, Children's Mental Health Division and Deaf and Hard of Hearing Services Division, Minnesota Department of Education, Minnesota State Academy for the Deaf, and Volunteers of America of Minnesota are working to establish a residential treatment program that would be housed in Pollard Hall. Since 2002, the above listed agencies have recognized a clear need to develop a residential mental health treatment facility in the state of Minnesota for students who are Deaf/HH. To date such a facility does not exist within the state of Minnesota, or the Midwest. Students in need of such services have been displaced to out-of-state facilities, or placed inappropriately into treatment centers unable to meet their needs based upon communication and cultural barriers.

## Project Contact Person

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MSAD Superintendent
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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,100 | 0 | 0 | 3,100 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,100** | **0** | **0** | **3,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,100 | 0 | 0 | 3,100 |
| **State Funds Subtotal** | 0 | 3,100 | 0 | 0 | 3,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,100** | **0** | **0** | **3,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,100 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MSAD Frechette Renovation

**2008 STATE APPROPRIATION REQUEST:** $6,711,000

**AGENCY PROJECT PRIORITY:** 2 of 4

**PROJECT LOCATION:** MSAD Campus in Faribault

**Project At A Glance**

The Minnesota State Academies are requesting $6.1 million to renovate Frechette Hall on the Minnesota State Academy for the Deaf campus. This building functions as the boys residence hall, was built in 1967 and has a square footage of 33,670.

## Project Description

This request for renovation is necessary to meet the needs of the students who reside at the Minnesota State Academy for the Deaf (MSAD). This space needs to be reconfigured and improved so that students have privacy in their living areas while still providing staff with the ability to supervise. Components of this project include the following:

- A new electrical system
  - ⇒ Currently the electricity is built in to the furniture in many areas.
  - ⇒ Wiring is poor.
  - ⇒ Lighting is dim in many areas.
- A new HVAC system
  - ⇒ Only parts of Frechette are currently air-conditioned.
  - ⇒ Building temperature is difficult to regulate.
- Upgraded Infrastructure to provide technology access throughout the entire buiding.
- New windows to improve energy efficiency and stop the drafts.
- Plumbing upgrades are necessary to replace old piping and stop the leaks.
  - ⇒ Shower stalls are not private; individual shower stalls are needed.
  - ⇒ The bathroom areas are visible from the halls and stairways, not providing necessary privacy for students.
  - ⇒ Laundry facilities need to be located in the living areas.
- Removal of fireplace in the commons area and elimination of the sunken seating area which is a safety hazard- especially for deaf people.
- Addition of a recreational space for the students to utilize during inclement weather.
- Repair of the Scout Cabin (bring up to code) so that this building can be utilized.

## Impact on Agency Operating Budgets (Facilities Notes)

The recreation area will slightly increase the operating costs due to the additional square footage.

## Other Considerations

Frechette Hall has not had any major work done to it since it was built in 1967. The living areas need to be reconfigured to best utilize the spaces and also provide for the safety and necessary privacy of students.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 25 | 0 | 0 | 25 |
| 4. Project Management | 0 | 10 | 0 | 0 | 10 |
| 5. Construction Costs | 0 | 6,456 | 0 | 0 | 6,456 |
| 6. One Percent for Art | 0 | 45 | 0 | 0 | 45 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 175 | 0 | 0 | 175 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **6,711** | **0** | **0** | **6,711** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 6,711 | 0 | 0 | 6,711 |
| **State Funds Subtotal** | 0 | 6,711 | 0 | 0 | 6,711 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **6,711** | **0** | **0** | **6,711** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,711 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,716,000

**AGENCY PROJECT PRIORITY:** 3 of 4

**PROJECT LOCATION:** Minnesota State Academies Campuses, Faribault

**Project At A Glance**

Minnesota State Academies (MSA) Asset Preservation

| | | |
|---|---|---|
| ♦ Sidewalk Replacement | both campuses | $150,000 |
| ♦ Roof Replacement | MSAD | $286,000 |
| ♦ Emergency Generator | MSAB | $850,000 |
| ♦ Fire Protection | MSAD | $480,000 |
| ♦ Upgrade Seitz Field | MSAB | $250,000 |
| ♦ Upgrade Potter Field | MSAD | $100,000 |
| ♦ Security Improvements | MSAB | $600,000 |
| | | **$2,716,000** |

**Project Description**

The MSA for the Deaf and the Blind are requesting $2.7 million for asset preservation at both campuses. The MSA is a small agency with 15 major buildings that were constructed between 1890 and 1983. While the buildings continue to serve deaf or blind students, maintenance repairs are necessary to preserve the facilities. Funding is needed to meet code requirements and address deferred maintenance issues that cannot be financed with other sources. High priorities include roof, door and window replacements, and installation of fire protection systems. Also of high priority is the need for an emergency generator for Minnesota State Academies for the Blind (MSAB) and safety improvements to the building to ensure a safe and secure environment. The need for this project results from the use of the MSA facilities to provide legally mandated programs for deaf and blind students, deferred maintenance, changes in life/safety regulations, and the aging of the building materials and systems.

Lauritsen Gymnasium and Rodman Hall on the Minnesota State Acadamies for the Deaf (MSAD) campus are the only two buildings that are without fire protection. This is a health and safety issue as is the need for a back up generator on the MSAB campus. With many vulnerable and physically disabled children, a back up generator is a must.

The current level of repair and replacement funding available in the MSA operating budget cannot meet these asset preservation needs.

Seitz Field is an 11 acre recreation area on the campus of the MSAB which has a track that must be upgraded in order to be used by the students. The anchors that support the lead wires for runners are pulling out of the ground and must be repaired. Potter Field on the MSAD campus is utilized for football, soccer, lacrosse and various recreational activities and is in need of upgrading due to the volume of use it receives.

Failure to address these needs in a timely fashion will lead directly to the deterioration of the physical plant, additional expense to the state, safety hazards, and energy inefficient buildings. Benefits for completing the projects include safer and improved facilities to provide educational services to students and to local education districts throughout Minnesota.

The MSAB and the MSAD contribute to educational options available to school districts. Programs provided by the Academies are either not available or too expensive for local school districts. The goal of the Academies is to produce self-sufficient and productive citizens and includes both the core curriculum like that provided by any public school and disability-specific curriculum required by students to gain access to their learning environments.

**Impact on Agency Operating Budgets (Facilities Notes)**

There will be no significant impact on operating costs as a result of these improvements.

**Previous Appropriations for this Project**

| | |
|---|---|
| Asset Preservation in 2002 | $2.06 million |
| Asset Preservation in 2005 | $4.2 million |
| Asset Preservation in 2006 | $2.5 million |

The MSA received $2.5 million in asset preservation monies in 2006. This included two roof replacements, two air quality projects, an HVAC and lighting project, and concrete/sidewalk repair.

**Other Considerations**

Addressing these needs would assist the Academies in becoming more proactive regarding long-range planning, instead of focusing on inefficient short-term fixes to problems. The requested funding will assist the Academies in addressing many long deferred but important maintenance concerns which do not fall within the limits of other funding available to the MSA.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2.716 million for this project. Also included are budget planning estimates of $2.7 million in 2010 and $2.7 million in 2011.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,716 | 4,000 | 4,000 | 10,716 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,716** | **4,000** | **4,000** | **10,716** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,716 | 4,000 | 4,000 | 10,716 |
| **State Funds Subtotal** | 0 | 2,716 | 4,000 | 4,000 | 10,716 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,716** | **4,000** | **4,000** | **10,716** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,716 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mott Hall Vocational Renovation

**2008 STATE APPROPRIATION REQUEST:** $3,301,000

**AGENCY PROJECT PRIORITY:** 4 of 4

**PROJECT LOCATION:** MSAD Campus in Faribault

**Project At A Glance**

The Minnesota State Academies are requesting $3.3 million to renovate Mott Memorial Hall on the Minnesota State Academy for the Deaf campus. This building built in 1926, with 12,000 square feet of space, formerly housed vocational programming and will become the technology hub for the campus.

## Project Description

The Minnesota State Academies are requesting $3.3 million for the renovation of Mott Memorial Hall on the Minnesota State Academy for the Deaf (MSAD) campus. Mott Hall was built in 1934 and has housed the vocational offerings for students who attend MSAD. While the building is structurally sound, the renovation is necessary to update the spaces to provide educational opportunities and experiences for students in the 21st century. The mission of the center to be placed in Mott Hall will be to provide students with the proper setting and tools to inspire their creativity and develop their right brain thinking.

In Mott Hall, the center will host on the second and third floors approximately ten to twelve Studios ( e.g. architecture, film, engineering, music, animation, writing, video game design, web page development, web casting, and photography) and will include a central gathering area for students to share and exchange ideas and collaborate on projects. They will do this through the creation of what we call "products," to include original musical compositions, innovations in robotics, 3-dimensional building designs, new web applications, and more.

The ground floor of the center will host a carpentry shop and a machine shop, both of which will serve not only for the offering of MSAD's existing courses, but also as a place to develop prototypes reflective of their creative design work done in the Studios.

To renovate Mott Hall for school in the 21st century, we will move and update the carpentry and machine shop to the first floor. We will create the spaces for the studios on the second and third floor, including a larger area for students to meet and work on their projects. The building will need to be wired for additional electricity and the infrastructure must be added to support the technology.

## Impact on Agency Operating Budgets (Facilities Notes)

Operating technology hardware will require additional electricity as well as the need to provide the necessary infrastructure to support it.

## Other Considerations

Mott Hall is a structurally sound building on the MSAD campus that needs renovation to provide education for students in the 21st century.

Shattuck St Mary's School and the Minnesota State Academies are collaborating in this forward thinking project to provide opportunities to our diverse student population. We want our students to experience diversity in a new setting, learning from and with each other, creating for the future. An interactive website called "WeCreate" will be created by the students and will provide interaction with students all around the world.

The Minnesota State Academies will be providing the building space and Shattuck St Mary's will be providing the technological equipment: hardware, software, printers etc. We will be working jointly on staffing the center and will request support from Universities to provide mentors for projects.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3.301 million for this project.

# Minnesota State Academies — Project Detail

## Mott Hall Vocational Renovation — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,301 | 0 | 0 | 3,301 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,301** | **0** | **0** | **3,301** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,301 | 0 | 0 | 3,301 |
| **State Funds Subtotal** | 0 | 3,301 | 0 | 0 | 3,301 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,301** | **0** | **0** | **3,301** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,301 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minnesota State Academies

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| MSAD Pollard Hall | 1 | GO | $3,100 | $0 | $0 | $0 | $0 | $0 |
| MSAD Frechette Renovation | 2 | GO | 6,711 | 0 | 0 | 0 | 0 | 0 |
| Asset Preservation | 3 | GO | 2,716 | 4,000 | 4,000 | 2,716 | 2,700 | 2,700 |
| Mott Hall Vocational Renovation | 4 | GO | 3,301 | 0 | 0 | 3,301 | 0 | 0 |
| Roads and Parking | | GO | 0 | 1,751 | 0 | 0 | 0 | 0 |
| Project Total | | | $15,828 | $5,751 | $4,000 | $6,017 | $2,700 | $2,700 |
| General Obligation Bonding (GO) | | | $15,828 | $5,751 | $4,000 | $6,017 | $2,700 | $2,700 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

On an annual basis, the Minnesota State Academies (MSA) provide services to more than 500 students, as well as school districts and educators. The Minnesota State Academies serve deaf or blind students:

- Ages 0-21 who reside in the state of Minnesota
- In a residential setting, providing 24 hour educational services
- With additional disabilities, including physical and emotional needs

**Agency Purpose**

The mission of the MSA is to promote the highest level of self-sufficiency possible for deaf/hard of hearing and blind/visually-impaired students in the state of Minnesota. Established in 1863, the MSA are statewide public schools that provide education and related services to students 0-21 who are blind, visually impaired, deaf or hard of hearing, including those with multiple disabilities. The MSA are composed of two separate and unique schools--the Minnesota State Academy for the Blind (MSAB), and the Minnesota State Academy for the Deaf (MSAD). Federal law mandates that services provided by the MSA meet the student's need for a Free and Appropriate Public Education (FAPE) within the least restrictive environment

The decision to attend the MSA during the school year is made by an Individualized Educational Planning (IEP) team within the Special Education process, including the parent, the district of residence and MSA staff. Each IEP team must decide that MSA provides the most appropriate placement. Students may also attend MSA to obtain social skills or for short-term skill development. (For more information, refer to M.S. 125A.69, Admission Standards.)

**Core Functions**

The MSA educate enrolled/non-enrolled students and/or support public schools to educate students to:

- Develop self-esteem, social skills, leadership skills, and specialized skills like Braille or sign language
- Complete a course of study comparable to public schools
- Earn a living, become integrated in to the community, live on their own or in supported living arrangements
- Prepare for higher education or vocational training
- Access and utilize state of the art technology to prepare for employment in the 21st century
- Acquire technology skills to access information otherwise inaccessible because of their disability

**Operations**

The range of services provided by the MSA in support of the agency's mission is unique and often complex when compared to most public schools, making the MSA a necessary option for school districts. The MSA have provided educational services to deaf and blind students for more than 140 years. Historically, the MSA were the only educational options available to deaf or blind students. If students were deaf or blind it was assumed that they would attend the MSA. Today most deaf or blind students attend school in their local community. Recent capital improvements have positively impacted the MSA ability to meet its mission, including technology enhancements, dormitory improvements at MSAD, and an expansion of the main education building at MSAB (Lysen Hall).

The MSA:

- Provide services that would be prohibitively expensive or unavailable in public schools
- Provide direct and indirect educational services through a number of program options
- Provide academic year programs, which include K-12 academics, early childhood intervention, transition and programs for students with multiple disabilities
- Provide off-campus services in support of local school districts for non-enrolled students including specialized evaluations, direct teacher services, orientation and mobility training and consultations
- Provide on-campus services in support of local school districts for non-enrolled students including weekend parent training programs, family and teacher visitation at the MSA to review specialized resources, short-term direct services such as basic skills testing remediation, independent

living training, extended school year programming, and transition programs

- Help the state meet federal statutory requirements of the Individuals with Disabilities Act (IDEA)
- Provide access to a direct communication environment, comprehensive services, additional resources and increased opportunities which meet the individual needs of students as mandated by their IEPs
- Offer mainstream courses via the Faribault Public Schools which provide access to broader curriculum choices, advanced coursework, opportunities to increase skills in working with interpreters, and integration with non-disabled peers

**Budget**

The total budget for the MSA for the 2006-07 biennium is approximately $26 million. MSA staff include 200 full-time equivalent employees.

Of the total budget, the vast majority (80 percent) comes from direct state appropriations from the general fund. Receipts from school districts and the Department of Education account for another 15 percent in the form of management aid reimbursement, tuition, and compensatory education revenue. The remainder of the budget is federal funding, employee deposits in tax shelter annuities, student deposits, and gifts. Additionally the MSA collect approximately $1.5 million in tuition from school districts that are returned to the state's general fund.

**Contact**

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Website: www.msad.state.mn.us

**At A Glance: Agency Long-Range Strategic Goals**

The primary long-range strategic goal of the Minnesota State Academies (MSA) is to ensure all students receive a Free and Appropriate Public Education (FAPE) within the least restrictive environment, as mandated by the Individuals with Disabilities Education Act (IDEA). The Academies provide specialized programming to equip deaf and blind students with skills necessary to become productive citizens. The Academies also provide support to local educational districts through a variety of services for non-enrolled students (approximately 210 enrolled on-campus students, and more than 500 students served in total). The Academies' long-range capital goals include:

- Minimizing lifetime costs by maintaining the physical plant to preserve the state's investment in the Academies' facilities, and prevent unnecessary costs to present and future taxpayers
- Provide adequate classrooms, dormitories, meeting and support space, and athletic activity space for programs to support the agency's mission
- Preserving the historic buildings, two of which are on the National Register
- Assuring that the physical plant is accessible, safe and up-to-date in areas such as energy efficiency, mechanical systems, and utility services
- Creating healthy indoor environments that enhance employee and student productivity and wellness

In order for the agency to fully implement its strategic plan and meet its programmatic goals, it must achieve its capital goals.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

- Advances in technology and the Academies' ability to provide instruction in this area will likely encourage increased enrollment for both schools. In the past, the Academies' lack of technology has had a negative impact on the level and effectiveness of educational services offered.
- Short-term services provided by the Academies increase the total number of students served and may decrease the number of enrolled students.
- Shortage of qualified teachers and interpreters in the state may increase enrollment at the Academies.
- Students with increasingly complex needs will impact facility space and requirements.
- Early identification of babies due to newborn infant hearing screening will increase the need for services.

The changing educational needs of deaf and blind students affect the capital and facility requirements of the MSA. Many students now arrive at the Academies with multiple challenges, and the Academies must meet these challenges by providing additional services to support students in the educational process. Other factors affecting the demand for capital programs are incorporated in the agency's long-range strategic goals.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The Academy for the Deaf (MSAD) and the Academy for the Blind (MSAB) are located on separate campuses, about one mile apart from each other, in the town of Faribault, Minnesota. The MSAD is situated on 50 acres of land adjacent to Shattuck-St. Mary's School, a private educational facility. The campus houses 11 major buildings, two of which are on the National Register of Historic Places. The MSAB campus occupies 30 acres of land adjacent to the District One Hospital and the Faribault Correctional Facility. The campus consists of five major buildings.

For programmatic purposes, the schools are located on two separate campuses. Because blind students rely on auditory information and deaf students rely on visual information, co-locating the schools on one campus is not feasible. Furthermore, teaching methods are so unique that higher education course work is divergent. Consequently, teachers of the blind are not qualified to work with the deaf without advanced training and vice versa.

The MSAD was constructed to house and educate a larger enrollment in an "institutional" environment. Consequently, there is structural space that can

be adapted to meet most needs. For example, the strategic plan includes major renovation of Mott Hall to address improvements to the vocational program.

The MSAB was not designed to meet the needs of students with multiple disabilities. Consequently, its capital plan focuses on adapting the current facilities to a changing student population. As a result of several major projects funded by previous capital appropriations, including asset preservation and Capital Asset Preservation Rehabilitation Account (CAPRA) funding, many of the buildings have been improved over the past years.

Projects at both campuses have included:

- Improvements of the sewage and water systems at MSAB
- Renovation of Tate Hall at MSAD
- Renovation and expansion of the Lysen Education Building at MSAB
- Improvements to the electrical systems at MSAD
- Renovation of the west wing of Noyes Hall
- Replacement of the Tate Hall tower, which burned
- Replacement of the MSAD gym floor
- Upgrades to the fire alarm systems and exterior lighting
- Replacement of a boiler burner
- Replacement of a number of roofs and windows
- Demolition of Dow Hall
- Sidewalk replacement
- Access improvements to comply with the Americans with Disabilities Act

Improvements have been made since the report on asset management by the Office of the Legislative Auditor in February of 1998 which found the Academies in poor condition, the only state agency given a “poor” ranking. To provide a safe and effective learning environment for students, there is additional renovation that needs to be done, but great progress has been made in improving the state’s assets on these two campuses. The Academies have developed an inventory and cost estimate of deferred maintenance projects. The estimated cost of completing all of these identified projects in the inventory is currently $8 million.

**Agency Process Used to Arrive at These Capital Requests**

The Academies undertook a major master facility planning effort beginning in the winter of 1996 and ending in the summer of 1997, and updated in 1999. This process examined the current and emerging needs of both campuses. Capital projects were identified to adequately address the needs of the operational program. The architectural firm of the Adams Group was selected to lead the Academies through a process of master planning, due to their experience in school design and, as importantly, their use of strategies to involve employees in a wide-reaching participatory approach for developing capital recommendations.

Once all the facts were gathered, the Adams Group began to match current building space with future needs. Through an interactive process with the advisory team, projects were developed and placed in ideal locations for the individual campuses. Asset preservation components were included within the project to make sure all deficiencies were addressed in renovation projects. The final plan included space planning, scheduling, and cost estimates for each project identified. The master planning effort generated a long-range strategic plan that incorporates a solid planning effort based on input from both education professionals and the architectural design team. (A separate brochure is available for additional information on the master planning.)

In 1999, the master plan was updated to include emerging needs and the needs of other agencies residing on the campus. The Minnesota State Academies, in partnership with the Minnesota Department of Education, developed a joint strategic facility Master Plan that also addresses the needs of the Minnesota Library for the Blind and the Minnesota Resource Centers, which are housed on the campus. While their individual missions may vary according to the services they provide, these agencies depend on each other for support and collaborate to provide services in a coordinated manner.

**Major Capital Projects Authorized in 2002 and 2003**

Asset Preservation Projects:

| | |
|---|---|
| Roof Replacement MSAD Gym | $265,000 |
| MSAD Mott Dust Collection/Air Handling | $410,000 |
| MSAB Industrial Building Fire Protection/HVAC | $376,000 |
| MSAD Power Plant Emergency Generator | $385,000 |
| MSAB West Cottage Demolition | $690,000 |

**Major Capital Projects Authorized in 2005**

Asset Preservation Projects:

| | |
|---|---|
| MSAB Chiller | $272,000 |
| MSAB Lysen Roof | $978,000 |
| MSAD Smith Hall Air Quality | $923,000 |
| MSAD Quinn Hall Air Quality | $839,000 |
| MSAD Rodman Hall Air Quality | $815,000 |

**Major Capital Projects Authorized in 2006**

Asset Preservation Projects:

| | |
|---|---|
| MSAD Smith and Quinn Hall Roofs | $1,080,000 |
| MSAD Repair Leaking Tunnels | $470,000 |
| MSAD Noyes Hall AC and lighting | $649,000 |
| MSAD Tate Hall concrete steps | $70,000 |

**2008 STATE APPROPRIATION REQUEST:** $3,100,000

**AGENCY PROJECT PRIORITY:** 1 of 4

**PROJECT LOCATION:** MSAD Campus in Faribault

**Project At A Glance**

The Minnesota State Academies is requesting $3.1 million to renovate Pollard Hall, a former elementary residence hall built in 1937-38 on the Minnesota State Academy for the Deaf campus. This renovation would provide a secure 15 bed facility for deaf children ages 10-17 with mental health problems such as Major Depression, Bi-Polar Disorder, Post Traumatic Stress Disorder, Personality Disorders, Attention-Deficit Hyperactivity Disorder, Oppositional Defiant Disorder, Anxiety Disorders and Reactive Attachment Disorder. Pollard Hall is a structurally sound building and would not require major changes to accommodate this program.

**Project Description**

Pollard Hall would house the Deaf and Hard of Hearing Children's Residential Treatment Center (DHHCRTC), a year round program that would specialize in the treatment of Deaf and Hard of Hearing children and adolescents that display a behavioral history in need of more intense psychological and educational programming which other programs are not able to provide. Students who would be placed in the program are those who have displayed a history of disordered emotional and behavioral characteristics, have been unsuccessful in managing their behaviors at home, in school, in the community, with peers or in other treatment programs. To renovate Pollard Hall, components of the project include the following:

- Install a new HVAC system
- Update the bathrooms and shower areas
- Create individual sleeping spaces
- Install security cameras and electronic locks
- Create quiet areas and time out spaces
- Update classrooms

**Other Considerations**

Pollard Hall is a handicapped accessible building. It meets fire and safety codes, and would be a practical solution to a long time problem. The state of Minnesota Department of Human Services, Children's Mental Health Division and Deaf and Hard of Hearing Services Division, Minnesota Department of Education, Minnesota State Academy for the Deaf, and Volunteers of America of Minnesota are working to establish a residential treatment program that would be housed in Pollard Hall. Since 2002, the above listed agencies have recognized a clear need to develop a residential mental health treatment facility in the state of Minnesota for students who are Deaf/HH. To date such a facility does not exist within the state of Minnesota, or the Midwest. Students in need of such services have been displaced to out-of-state facilities, or placed inappropriately into treatment centers unable to meet their needs based upon communication and cultural barriers.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,100 | 0 | 0 | 3,100 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,100** | **0** | **0** | **3,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,100 | 0 | 0 | 3,100 |
| **State Funds Subtotal** | 0 | 3,100 | 0 | 0 | 3,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,100** | **0** | **0** | **3,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,100 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MSAD Frechette Renovation

**2008 STATE APPROPRIATION REQUEST:** $6,711,000

**AGENCY PROJECT PRIORITY:** 2 of 4

**PROJECT LOCATION:** MSAD Campus in Faribault

**Project At A Glance**

The Minnesota State Academies are requesting $6.1 million to renovate Frechette Hall on the Minnesota State Academy for the Deaf campus. This building functions as the boys residence hall, was built in 1967 and has a square footage of 33,670.

## Project Description

This request for renovation is necessary to meet the needs of the students who reside at the Minnesota State Academy for the Deaf (MSAD). This space needs to be reconfigured and improved so that students have privacy in their living areas while still providing staff with the ability to supervise. Components of this project include the following:

- A new electrical system
  - ⇒ Currently the electricity is built in to the furniture in many areas.
  - ⇒ Wiring is poor.
  - ⇒ Lighting is dim in many areas.
- A new HVAC system
  - ⇒ Only parts of Frechette are currently air-conditioned.
  - ⇒ Building temperature is difficult to regulate.
- Upgraded Infrastructure to provide technology access throughout the entire buiding.
- New windows to improve energy efficiency and stop the drafts.
- Plumbing upgrades are necessary to replace old piping and stop the leaks.
  - ⇒ Shower stalls are not private; individual shower stalls are needed.
  - ⇒ The bathroom areas are visible from the halls and stairways, not providing necessary privacy for students.
  - ⇒ Laundry facilities need to be located in the living areas.
- Removal of fireplace in the commons area and elimination of the sunken seating area which is a safety hazard- especially for deaf people.
- Addition of a recreational space for the students to utilize during inclement weather.
- Repair of the Scout Cabin (bring up to code) so that this building can be utilized.

## Impact on Agency Operating Budgets (Facilities Notes)

The recreation area will slightly increase the operating costs due to the additional square footage.

## Other Considerations

Frechette Hall has not had any major work done to it since it was built in 1967. The living areas need to be reconfigured to best utilize the spaces and also provide for the safety and necessary privacy of students.

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 25 | 0 | 0 | 25 |
| 4. Project Management | 0 | 10 | 0 | 0 | 10 |
| 5. Construction Costs | 0 | 6,456 | 0 | 0 | 6,456 |
| 6. One Percent for Art | 0 | 45 | 0 | 0 | 45 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 175 | 0 | 0 | 175 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **6,711** | **0** | **0** | **6,711** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 6,711 | 0 | 0 | 6,711 |
| **State Funds Subtotal** | 0 | 6,711 | 0 | 0 | 6,711 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **6,711** | **0** | **0** | **6,711** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,711 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,716,000

**AGENCY PROJECT PRIORITY:** 3 of 4

**PROJECT LOCATION:** Minnesota State Academies Campuses, Faribault

**Project At A Glance**

Minnesota State Academies (MSA) Asset Preservation

| | | |
|---|---|---|
| ♦ Sidewalk Replacement | both campuses | $150,000 |
| ♦ Roof Replacement | MSAD | $286,000 |
| ♦ Emergency Generator | MSAB | $850,000 |
| ♦ Fire Protection | MSAD | $480,000 |
| ♦ Upgrade Seitz Field | MSAB | $250,000 |
| ♦ Upgrade Potter Field | MSAD | $100,000 |
| ♦ Security Improvements | MSAB | $600,000 |
| | | **$2,716,000** |

**Project Description**

The MSA for the Deaf and the Blind are requesting $2.7 million for asset preservation at both campuses. The MSA is a small agency with 15 major buildings that were constructed between 1890 and 1983. While the buildings continue to serve deaf or blind students, maintenance repairs are necessary to preserve the facilities. Funding is needed to meet code requirements and address deferred maintenance issues that cannot be financed with other sources. High priorities include roof, door and window replacements, and installation of fire protection systems. Also of high priority is the need for an emergency generator for Minnesota State Academies for the Blind (MSAB) and safety improvements to the building to ensure a safe and secure environment. The need for this project results from the use of the MSA facilities to provide legally mandated programs for deaf and blind students, deferred maintenance, changes in life/safety regulations, and the aging of the building materials and systems.

Lauritsen Gymnasium and Rodman Hall on the Minnesota State Acadamies for the Deaf (MSAD) campus are the only two buildings that are without fire protection. This is a health and safety issue as is the need for a back up generator on the MSAB campus. With many vulnerable and physically disabled children, a back up generator is a must.

The current level of repair and replacement funding available in the MSA operating budget cannot meet these asset preservation needs.

Seitz Field is an 11 acre recreation area on the campus of the MSAB which has a track that must be upgraded in order to be used by the students. The anchors that support the lead wires for runners are pulling out of the ground and must be repaired. Potter Field on the MSAD campus is utilized for football, soccer, lacrosse and various recreational activities and is in need of upgrading due to the volume of use it receives.

Failure to address these needs in a timely fashion will lead directly to the deterioration of the physical plant, additional expense to the state, safety hazards, and energy inefficient buildings. Benefits for completing the projects include safer and improved facilities to provide educational services to students and to local education districts throughout Minnesota.

The MSAB and the MSAD contribute to educational options available to school districts. Programs provided by the Academies are either not available or too expensive for local school districts. The goal of the Academies is to produce self-sufficient and productive citizens and includes both the core curriculum like that provided by any public school and disability-specific curriculum required by students to gain access to their learning environments.

**Impact on Agency Operating Budgets (Facilities Notes)**

There will be no significant impact on operating costs as a result of these improvements.

**Previous Appropriations for this Project**

| | |
|---|---|
| Asset Preservation in 2002 | $2.06 million |
| Asset Preservation in 2005 | $4.2 million |
| Asset Preservation in 2006 | $2.5 million |

The MSA received $2.5 million in asset preservation monies in 2006. This included two roof replacements, two air quality projects, an HVAC and lighting project, and concrete/sidewalk repair.

**Other Considerations**

Addressing these needs would assist the Academies in becoming more proactive regarding long-range planning, instead of focusing on inefficient short-term fixes to problems. The requested funding will assist the Academies in addressing many long deferred but important maintenance concerns which do not fall within the limits of other funding available to the MSA.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2.716 million for this project. Also included are budget planning estimates of $2.7 million in 2010 and $2.7 million in 2011.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,716 | 4,000 | 4,000 | 10,716 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,716** | **4,000** | **4,000** | **10,716** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,716 | 4,000 | 4,000 | 10,716 |
| **State Funds Subtotal** | 0 | 2,716 | 4,000 | 4,000 | 10,716 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,716** | **4,000** | **4,000** | **10,716** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,716 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mott Hall Vocational Renovation

**2008 STATE APPROPRIATION REQUEST:** $3,301,000

**AGENCY PROJECT PRIORITY:** 4 of 4

**PROJECT LOCATION:** MSAD Campus in Faribault

**Project At A Glance**

The Minnesota State Academies are requesting $3.3 million to renovate Mott Memorial Hall on the Minnesota State Academy for the Deaf campus. This building built in 1926, with 12,000 square feet of space, formerly housed vocational programming and will become the technology hub for the campus.

**Project Description**

The Minnesota State Academies are requesting $3.3 million for the renovation of Mott Memorial Hall on the Minnesota State Academy for the Deaf (MSAD) campus. Mott Hall was built in 1934 and has housed the vocational offerings for students who attend MSAD. While the building is structurally sound, the renovation is necessary to update the spaces to provide educational opportunities and experiences for students in the 21st century. The mission of the center to be placed in Mott Hall will be to provide students with the proper setting and tools to inspire their creativity and develop their right brain thinking.

In Mott Hall, the center will host on the second and third floors approximately ten to twelve Studios ( e.g. architecture, film, engineering, music, animation, writing, video game design, web page development, web casting, and photography) and will include a central gathering area for students to share and exchange ideas and collaborate on projects. They will do this through the creation of what we call "products," to include original musical compositions, innovations in robotics, 3-dimensional building designs, new web applications, and more.

The ground floor of the center will host a carpentry shop and a machine shop, both of which will serve not only for the offering of MSAD's existing courses, but also as a place to develop prototypes reflective of their creative design work done in the Studios.

To renovate Mott Hall for school in the 21st century, we will move and update the carpentry and machine shop to the first floor. We will create the spaces for the studios on the second and third floor, including a larger area for students to meet and work on their projects. The building will need to be wired for additional electricity and the infrastructure must be added to support the technology.

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating technology hardware will require additional electricity as well as the need to provide the necessary infrastructure to support it.

**Other Considerations**

Mott Hall is a structurally sound building on the MSAD campus that needs renovation to provide education for students in the 21st century.

Shattuck St Mary's School and the Minnesota State Academies are collaborating in this forward thinking project to provide opportunities to our diverse student population. We want our students to experience diversity in a new setting, learning from and with each other, creating for the future. An interactive website called "WeCreate" will be created by the students and will provide interaction with students all around the world.

The Minnesota State Academies will be providing the building space and Shattuck St Mary's will be providing the technological equipment: hardware, software, printers etc. We will be working jointly on staffing the center and will request support from Universities to provide mentors for projects.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3.301 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,301 | 0 | 0 | 3,301 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,301** | **0** | **0** | **3,301** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,301 | 0 | 0 | 3,301 |
| **State Funds Subtotal** | 0 | 3,301 | 0 | 0 | 3,301 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,301** | **0** | **0** | **3,301** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,301 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

- More than 15,000 teachers, artists, students, college faculty, and parents from 750 Minnesota towns have participated in PCAE professional development programs.
- Over 2,200 students from 380 Minnesota towns have graduated from the Arts High School.
- During the past three years, Arts High graduates have attended over 70 colleges in 25 states and Canada.
- 2,100 Minnesota teachers and artists currently enjoy access to reference materials.

**Agency Purpose**

Reflecting Minnesota's dedication to excellence in education, the Perpich Center for Arts Education (PCAE) is an agency of the state of Minnesota. Created by statute in 1985, Perpich's mission is to improve K-12 education for all Minnesota students and educators through innovative programs and partnerships centered in the arts. A 30-acre campus in Golden Valley houses the Center's Professional Development and Research (PDR), Arts High School (AHS), and the PCAE Library. PCAE serves as the principal resource for arts education in Minnesota, and is nationally recognized for its innovative and rigorous programs.

**Core Functions**

The Professional Development and Research Group (PDR) is a network of educators, arts teachers, teaching artists, and administrators in schools and arts organizations throughout Minnesota who are focused on the improvement of education in and through the arts. PDR fosters a model for accountability in education by providing professional development opportunities to help teachers develop improved curricula, implement standards for graduation, and assess student achievement. PDR team members have expertise in all arts areas as well as interdisciplinary arts education.

PDR at Perpich:

- Facilitates innovation in curriculum development, classroom instruction, and learning assessment by providing workshops and other opportunities for professional growth to educators ("training the trainers").
- Fosters and maintains partnerships with key institutions from the arts and educational communities statewide.
- Promotes school effectiveness by disseminating research and best practices for teachers and practitioners.
- Provides professional and technical support in the arts areas of Dance, Literary Arts, Media Arts, Music, Theater, and Visual Arts for preschool, elementary, middle, and secondary schools.
- Increases students' accessibility to arts education by providing critical financial assistance for schools statewide.
- Leverages state dollars. Approximately $45,000 in annual state funding attracted $650,000 in private and federal funds for the unique Perpich regional Quality Teaching Networks (QTNs). PDR also received funding from the U.S. Department of Education ($1 million over a three-year period) to extend QTNs to teachers from high poverty schools across Minnesota.
- Designs programs that impact over 30,000 students annually.
- Maintains ongoing contact with 297 school districts (87.4 percent of the statewide total).

**The Arts High School (AHS)** is a tuition-free, public high school that delivers a comprehensive education centered in the arts. The school is open to all 11th and 12th grade students who are Minnesota residents; residential option is offered for students enrolled from outside the Twin Cities. With enrollment limited to 310 students, AHS offers the benefit of learning in a small community while allowing students to take advantage of the significant arts resources in the Twin Cities.

At Perpich, the AHS partners with PDR to incubate student-centered and arts-focused curricular models for all Minnesota students. It is the school of choice for students from across the state to develop skills and work processes associated with high-level attainment in the arts. While AHS provides serious pre-professional training for emerging artists, it also gives students the tools to pursue excellence in many disciplines and walks-of-life throughout their higher education and professional careers. The school

embodies a unique approach to learning focused on each student's personal goals, skills, learning styles, and aspirations. The curriculum is based on clearly defined, high standards of achievement that meet or exceed state and national academic standards for graduation.

AHS offers instruction in six arts areas: Dance, Literary Arts, Media Arts, Music, Theater, and Visual Arts. Students also study English, Math, Science, Social Studies, and World Languages. AHS integrates arts and academics to provide learning experiences that stay with students throughout their lives. Our liberal arts program prepares students to succeed in a range of public and private colleges and universities in Minnesota and throughout the nation.

Arts High School students excel both artistically and academically. In 2006, over 25 students—in just the media and visual arts areas alone—received state and national awards and commendations. In 2005, a Literary Arts student placed sixth out of 1,000 entrants in the prestigious Siemens Westinghouse Competition in Math, Science and Technology. In 2004, a Visual Arts student was one of only two Minnesota students to be named a Presidential Scholar in the Arts.

AHS graduates attain admission to top national and regional colleges, universities, and professional arts programs. Successful alumni include those in the art, design, literary, music performance and production, photography, film, and television fields, as well as many others engaged in careers associated with the "creative economy," such as communication, informatics, and technology.

**The PCAE Library** supports the work of PDR and AHS by maintaining a collection specializing in arts instruction materials for educators. It includes over 13,000 titles, including books, videos, DVDs, audiotapes, CDs, and periodicals. The library offers print and non-print interdisciplinary and multicultural resources. Many K-12 and post-secondary teachers, as well as artists and arts organizations from every part of the state check out materials for use in schools, program development, and research. The library also lends materials to other academic and state agency libraries through a statewide inter-library loan network. Any Minnesota resident 18 years of age or older may apply to borrow materials from the PCAE library collection free-of-charge. Reference assistance is provided by library staff, and materials are searchable and available to borrow on the website.

**Operations**

The Perpich Center's operations are organized around its three core functions: the Professional Development and Research Group (PDR), the Arts High School (AHS), and the Library. The administrative structure includes a Deputy Director, PDR Director and AHS Director reporting to the Executive Director. Approximately one-half of the Center's resources support PDR and statewide outreach, with the other half funding the operations of AHS. Perpich's 30-acre campus in Golden Valley includes a residential dormitory for out-state students, and buildings dedicated to outreach operations and the Arts High School.

**Key Measures**

Improve education for K-12 students in Minnesota through engagement in and through the arts and increase educator participation in arts-based professional development activities.

- In 2006, QTN facilitated by PCAE impacted over 27,250 students, teachers, community members, artists, and parents.
- The Perpich Center for Arts Education has active connections and contacts in 297 school districts, (87.4 percent of the statewide total).
- Since 1985, 231 (67.9 percent) of Minnesota's 340 of school districts have participated in the Comprehensive Arts Planning Program (CAPP) sponsored by PCAE, the Minnesota State Arts Board, and the Minnesota Alliance for Arts in Education.

*Help Minnesota schools meet academic accountability standards in arts disciplines.*

- Developed, published, and disseminated Engaging Students in the Arts to assist K-12 educators in meeting the Minnesota Academic Standards in the arts.

*Provide a rigorous, arts-centered high school education that prepares students for the future.*

- In 2006, the AHS had a 100 percent graduation rate.
- In 2006, 87 percent of the AHS students pursued post-secondary education immediately following graduation.

- In 2006, the 100 AHS students who took the ACT exam achieved a composite score of 24.0. Minnesota's statewide composite score was 22.3, which placed it first in the nation among the 25 states in which more than half the college-bound students took the test.
- As measured by the ACT exam, AHS students exceeded the statewide average in college readiness in 2006:

**College Readiness as Measured by ACT Exam**

| Subject Area | College Readiness Cut Score | Percentage of AHS Students Achieving College Readiness | Percentage of Minnesota Students Achieving College Readiness |
|---|---|---|---|
| English | 18 | 93% | 76% |
| Algebra | 22 | 52% | 52% |
| Social Science | 21 | 77% | 62% |
| Biology | 24 | 42% | 37% |
| Proficient in All Four Subject Areas | | 32% | 28% |

*Provide access to materials that support arts-based instruction.*

- In 2006, 21 percent of the PCAE library collection is unique among libraries statewide.

**Contact**

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**At a Glance: Agency Long-Range Strategic Goals**

Perpich Center for Arts Education's (PCAE's) long-range goals are twofold:

- To provide research, development of curriculum, standards, programs for professional development of teachers statewide, and professional expertise to K-12 teachers so that arts education instruction, and general education instruction through the use of the arts, can be improved statewide.
- To educate artistically talented high school students; and provide a lab school where the research and development of curriculum can be tested.

**Agency Strategies Accomplish Our Mission**

**Center-wide Strategic Facility Goals and Operating Principles**

- Protect employee health and safety by ensuring that buildings are free from hazardous substances, designed and operated to maximize air quality, energy efficiency, and secured to current standards.
- Preserve, protect, and secure capital assets, resources, and equipment.
- When financially possible, invest in capital solutions that yield long-term savings, rather than succumbing to short-term fixes with greater costs over time.
- Maintain and enhance partnerships with the city of Golden Valley and other local units of government.
- Increase diversity of student, teacher, and administrator populations.

**Professional Development and Research Group (PDR)**

- Help schools and school districts adopt or create and implement the arts standards for all pupils.
- Help schools and school districts implement ways of assessing student mastery of the arts standards.
- Conduct, facilitate, and disseminate research, which supports the use of arts in classroom instruction.
- Develop curriculum content that is student-centered, engaging, and relevant.
- Develop partnerships with schools and communities to assist with the integration and long-term sustainability of arts education system wide.
- Develop and promote information networks such as "best practice" efforts to share teaching techniques and strategies among practitioners in the field.
- Provide parity of access to areas which have traditionally been under served and geographically isolated by incorporating distance-learning technology.
- Improve participation levels on a sustained basis in professional development programs to provide access for participants statewide.

**Arts High School**

- Provide a lab environment where PDR's research and curriculum development can be tested and effective practices of the Arts High School can be shared statewide.
- Increase student population from greater Minnesota by improving and expanding resident facilities.
- Increase awareness of the school and deepen the applicant pool to ensure those who will benefit most from the program are aware of the opportunity.
- Continue to improve curricular offerings, instruction and assessment to meet a range of students' post-secondary objectives and interests.
- Meet students' recreational, exercise, and social needs more effectively.
- Create stronger links between parents, the community, and residential and commuter students.
- Provide options for community summer school classes, taught by school staff or community personnel.
- Share the school's work outside the agency through a variety of strategies, on-site, off-site, electronically.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Core Functions**

Service is delivered by means of three separate but integrated areas within the agency:

- PDR, established in law in 1985, collaborates with teachers, teaching artists, school administrators, and arts organizations throughout Minnesota to improve teaching and learning in and through the arts for all Minnesota students. PDR provides a statewide network of education

professionals to access tools, information, examples/models, professional growth opportunities, and partnerships with key institutions from the art and educational communities.

- Established in 1989, the Arts High School is an innovative, tuition-free, public high school delivering comprehensive education centered in the arts for up to 310 students in 11th and 12th grade from every congressional district in the state.
- The PCAE Library maintains and makes available to all Minnesota adults a unique collection of instructional materials in dance, literary arts, theater, media arts, music, and the visual arts.

**Center-wide Issues**

*Site Topography.* PCAE facilities are sited on land that is an integral part of the Bassett Creek Watershed District. Concerns about rate of flow and water quality have prompted the watershed district and city of Golden Valley to require the development of a water management plan for the campus that anticipates the PCAE's architectural master plan.

*Age of Facilities and Deferred Maintenance.* Most campus buildings were built in the early to mid 1960s and 1970s and are inadequately designed for their current purposes. The state purchased the 33 acres campus with its five major buildings in 1990. The previous owner performed little facility maintenance and invested minimally in building infrastructure; the campus has required considerable upgrading. Poorly designed heating and ventilating systems impact health, staff productivity, and the life cycle of facility equipment. Two buildings have been demolished due to asbestos and mold contamination.

*Technology.* PCAE is committed to the use of electronic technology to support all its functions, including instruction, student guidance, counseling, professional development, research, administrative services, and maintenance of general communication networks: local, state, and national.

*Security.* Schools as "safe zones" can no longer be assumed. Arson, theft, vandalism, and deadly assaults are real possibilities. This unfortunate trend has implications for how buildings are designed, maintained, and staffed. In the case of a residential high school, it presents special challenges. The security systems, doors, and windows at the Delta dorm need to be upgraded to current standards in order to ensure the safety of the residents.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The PCAE was created in statute in 1985 as the Minnesota School for the Arts and was temporarily housed in a leased space while planning was done. While some remodeling was done in 1990 to begin the conversion of a two-year community college to a residential public arts high school and teacher education center, the facilities, until recently, were inadequate.

In 1996-97 minor renovations to the east building were undertaken. In 1998 work began on the major west wing addition of 42,000 square feet. and further renovations to the east wing and the Gaia Building. By 1999, PCAE was able to consolidate the Arts High School in the Delta Dorm and the east and west wings of the main building. The construction of the new "west wing," now allows some staff, students, materials, and equipment to be housed in spaces that are functionally appropriate, climate-controlled year-round, and ventilated properly. The east end of the "east wing" was provided air conditioning. This includes the PCAE Library, Media arts classrooms, galleries, and dance studio.

Additional space will still be needed for instruction, performance, student recreation and exercise, storage for resource materials, and repair and maintenance functions.

**Capital Budget Plan**

PCAE's capital budget plan is the result of a master planning process undertaken in the spring of 1995 and updated in 1997 and 1999. The master plan projects completed are outlined below along with the FY 2008 Capital Budget Plan.

| | Description | Status |
|---|---|---|
| 1. | Completed: Sewer Line | Replace a main branch of the sewer line to eradicate back-up problem. |
| 2. | Completed: East Wing Climate Control Improvements | Air-conditioning, air quality and ventilation project. |
| 3. | Completed: Roof Replacement | Roof replacement and asbestos removal. |
| 4. | Completed: Climate Stabilization of Delta Dormitory | Mold mitigation and installation of central air conditioning to the hallways. |
| 5. | Completed: Demolition of Beta Bldg | Demolition of the Beta Bldg |
| 6. | Master Plan: Update Capital Budget Project needs. | Assess and plan for the next decade by reviewing strategic goals and needs. |
| 7. | Asset Preservation: Sidewalk and Road Repair | Proposed Repair of damaged campus sidewalks and roads. |
| 8. | Asset Preservation: Drain-tile | Install drain-tile on the east, south and north sides of the Administration Bldg on the campus. |
| 9. | Asset Preservation: Chain-linked Security Fence | Install chain-linked security fence on south-side of campus. |
| 10. | Delta Dormitory: Installation of windows | Complete renovations that started in 2006 by installing energy efficient windows. |
| 11. | Storage Bldg: Install prefabricated storage building. | Installing a prefabricated storage unit for needed work and storage space. |

**Agency Process Used To Arrive At These Capital Requests:**

During the past several years, organizational changes within PCAE along with constrained capital budgets have curtailed progress on the strategic plan that was created in 1995. With new agency leadership now in place, PCAE plans to move beyond asset preservation and refocus on long-term strategic investments that advance the organization's mission. PCAE's 2010 capital budget request will reflect this more comprehensive approach.

In the spring of 1995, PCAE undertook a master planning process to examine its emerging capital needs in a comprehensive way. Center management felt strongly that planning needed to be guided by those who would actually use the new facilities. The Adams Group was selected to lead the process because of their significant experience in school design and use of a participatory design model driven by the needs of the client. The process was informed by staff interviews, program documents, strategic planning work, surveys, student and staff design “gaming,” review of existing building plans and other informal feedback.

The master plan has been revised twice since 1995. The master plan process culminated in a strategic document that charts a course of capital improvement and new development for the agency over an extended period of time. It assumes continued programmatic success, increased interest in Center initiatives and opportunities, and optimum capital outcomes. Biennial capital budget requests are based on extensive planning.

**Agency Capital Budget Projects Proposed In 2008**

| | ($ in Thousands) | |
|---|---|---|
| Master Plan and Pre-design | $206 | 2008 |
| Asset Preservation | $355 | 2008 |
| Delta Dormitory Windows | $385 | 2008 |
| Storage Building | $ 53 | 2008 |

# Perpich Center for Arts Education

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Master Plan & Predesign | 1 | GO | $206 | $0 | $0 | $206 | $0 | $0 |
| Asset Preservation | 2 | GO | 355 | 300 | 300 | 355 | 300 | 300 |
| Delta Dorm-Window Project | 3 | GO | 385 | 0 | 0 | 385 | 0 | 0 |
| Pre-Fab Storage Building | 4 | GO | 53 | 0 | 0 | 53 | 0 | 0 |
| Project Total | | | $999 | $300 | $300 | $999 | $300 | $300 |
| General Obligation Bonding (GO) | | | $999 | $300 | $300 | $999 | $300 | $300 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Perpich Center for Arts Education | Project Narrative

## Master Plan & Predesign

**2008 STATE APPROPRIATION REQUEST:** $206,000

**AGENCY PROJECT PRIORITY:** 1 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance:**

Master Plan Update and pre-design for capital budget project needs for the campus of the Perpich Center for Arts Education (PCAE).

**Project Description**

In 1995, PCAE published a Master Plan using its own funds to outline future projects and strategic goals. More than a decade later these goals need to be reevaluated and aligned with current needs, which will expand the services offered throughout the state and increase revenues for the agency. An updated Master Plan will assess PCAE project planning by incorporating the strategic goals of the agency with current and future facility needs. This project includes campus planning relating to:

- Technology and Distance Learning
- Student Wellness and Health
- Statewide Mission Hosting Conferences and Events
- Campus Maintenance and Storage
- Address removing Alpha Bldg

**Impact on Agency Operating Budgets (Facilities Notes)**

We do not anticipate an impact on agency operating budgets.

**Other Considerations**

The PCAE has a robust role in promoting the arts and innovative educational programs to thousands of students and teachers through-out the state. The campus serves as state-of-the art vehicle for its role as an education leader in Minnesota. Many campus planning factors will be considered--including the role of the agency in distance learning outreach to the state, as well as it activities in hosting visiting programs from across Minnesota.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $206.000 for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 197 | 0 | 0 | 197 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 9 | 0 | 0 | 9 |
| **TOTAL** | **0** | **206** | **0** | **0** | **206** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 206 | 0 | 0 | 206 |
| **State Funds Subtotal** | 0 | 206 | 0 | 0 | 206 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **206** | **0** | **0** | **206** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 206 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $355,000

**AGENCY PROJECT PRIORITY:** 2 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

Project At A Glance:

- Repair campus sidewalks and roads
- Install drain-tile on the east, south and north sides of the Administration Building on the Perpich Center Campus.
- Install chain-linked security fence on south-side of campus.

**Project Description**

Repair roadways and sidewalks that are cracked and/or broken. Install drain tile where seepage enters the administration building in areas that include locker rooms, the library and the south-side utility tunnel. Remove the current wood fence that is damaged, and replace it with a chain-linked security fence of approximately 1,700 feet on the south-side of campus.

- Sidewalks and Paving ($130,000): Sidewalk degradation has occurred in numerous locations on this campus between its three principal buildings. There are several areas for paving improvements around parking lots and driveways that have been problematic for delivery vehicles as well as visitors. This work is to focus on areas that are in the worst condition utilizing contracted pricing for such items.
- Drain-tile ($132,700): Water has been entering the building in several places when it rains and needs to be averted so that it does not cause more costly damage to the building. Installing drain-tile on the east, south, and north sides of the Administration building would eliminate the water seepage problem and prevent further damage.
- Chain-linked security fence ($92,300): Security has always been a major concern on the campus. A new chain-linked fence would better secure the premises and replace the damaged wooden fence that is currently on the south-side of the campus.

**Impact on Agency Operating Budgets (Facilities Notes)**

We do not anticipate an impact on agency operating budgets.

**Previous Appropriations for this Project**

- In 1998, $465,000 was allocated for asset preservation improvements on the campus including design and construction of sprinkler systems, demolition of the main entry to the administration/classroom building, foundation repairs, reconstruction of campus roads and parking areas, and replacement of deteriorated sidewalks.

- In 2000, the Center received a $500,000 allocation for asset preservation capital improvements on the campus including design and construction of window replacement, removal of pre-cast panels, installation of walls and insulation, and new water piping.

- In the 2002 bonding bill, $643,000 was allocated to replace air handlers, some ducts, to do some abatement, to improve east wing lighting and ceilings, and to air condition the entire wing. This was not enough funding to do everything; the agency consequently opted to delay the chiller installation component of the project.

- In the 2005 bonding bill $558,000 was allocated for asset preservation. The Center is planning to use $468,000 for preservation focused on Delta Dormitory mold abatement and related renovation of bathrooms. The legislation also set aside $90,000 to replace lighting in the theater and to reconstruct the stage for both teaching and performance usage.

- In 2006, $1.051 million in capital bonding funds were directed toward asset preservation projects at the Perpich Center for Arts Education (PCAE). Asset preservation areas did include pavement repair, but all funds had to be directed to completing the roof replacement project for the PCAE's Administration building (asbestos removal was an unanticipated factor).

**Other Considerations**

These projects pertain to security, and maintaining the campus properly, preventing potential damages from water seepage, and maintaining appropriate walking and driving surfaces.

**Project Contact Person**

Nathan Davis, Executive Director
Email: nathan.davis@pcae.k12.mn.us
Phone: (763) 591-4719

**Governor's Recommendations**

The governor recommends general obligation bonding of $355,000 for this project. Also included are budget planning estimates of $300,000 in 2010 and $300,000 in 2012.

# Perpich Center for Arts Education — Project Detail

## Asset Preservation — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 333 | 251 | 227 | 811 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 22 | 49 | 73 | 144 |
| **TOTAL** | **0** | **355** | **300** | **300** | **955** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 355 | 300 | 300 | 955 |
| **State Funds Subtotal** | 0 | 355 | 300 | 300 | 955 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **355** | **300** | **300** | **955** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 355 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Perpich Center for Arts Education | Project Narrative

## Delta Dorm-Window Project

**2008 STATE APPROPRIATION REQUEST:** $385,000

**AGENCY PROJECT PRIORITY:** 3 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance:**

- Install new windows in the Perpich Center for Arts Education's (PCAE's) Delta Dormitory.
- This work will complete the building renovations (that included mold removal and installation of central air conditioning to hallways) begun in 2006.
- Replacing the building's original windows (from the 1960s) will improve climate control and energy efficiency.

**Project Description**

In 2006, renovations were initiated that included extensive mold removal and the addition of central air conditioning in the Delta Dormitory. This work was the beginning of enhanced climate control for the entire building. The installation of new windows through a whole-building window replacement project will complete the building renovation and provide energy efficiency throughout the dormitory.

**Impact on Agency Operating Budgets (Facilities Notes)**

Installing up-to-date energy efficient windows throughout this building will lower heating costs in the winter and air conditioning energy expenses in the summer.

**Previous Appropriations for this Project**

In 2006, PCAE received $731,000 in the bonding bill, and an additional $470,000 in CAPRA funding, to design and renovate the dormitory.

**Other Considerations**

The PCAE has begun to host summer programs for youth and adults from across the state. Improved environmental control from these changes will assist the agency in attracting adult summer programs and youth camps to its campus.

**Project Contact Person**

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Executive Director
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Phone: (763) 591-4719

**Governor's Recommendations**

The governor recommends general obligation bonding of $385,000 for this project.

# Perpich Center for Arts Education — Project Detail

## Delta Dorm-Window Project — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 352 | 0 | 0 | 352 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 33 | 0 | 0 | 33 |
| **TOTAL** | **0** | **385** | **0** | **0** | **385** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 385 | 0 | 0 | 385 |
| **State Funds Subtotal** | 0 | 385 | 0 | 0 | 385 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **385** | **0** | **0** | **385** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 385 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Perpich Center for Arts Education | Project Narrative

## Pre-Fab Storage Building

**2008 STATE APPROPRIATION REQUEST:** $53,000

**AGENCY PROJECT PRIORITY:** 4 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance:**

Construction of a prefabricated storage/workshop building for added storage to address the current needs of the campus.

**Project Description**

Install a prefabricated storage unit next to the maintenance/boiler room to provide additional storage and work space for current maintenance staff.

**Impact on Agency Operating Budgets (Facilities Notes)**

None. The cost incurred to heat this unit in the winter will be off-set by the accomplishment of more in-house repairs – especially welding jobs.

**Other Considerations**

The Perpich Center for Arts Education campus lacks sufficient storage space for repair tools and equipment. We are fortunate that many repair tasks can be done by our talented staff and wish to facilitate their efforts to better serve the Agency.

**Project Contact Person**

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Phone: (763) 591-4719

**Governor's Recommendations**

The governor recommends general obligation bonding of $53,000 for this project.

# Perpich Center for Arts Education — Project Detail

## Pre-Fab Storage Building — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 50 | 0 | 0 | 50 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 3 | 0 | 0 | 3 |
| **TOTAL** | **0** | **53** | **0** | **0** | **53** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 53 | 0 | 0 | 53 |
| **State Funds Subtotal** | 0 | 53 | 0 | 0 | 53 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **53** | **0** | **0** | **53** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 53 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Perpich Center for Arts Education

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Master Plan & Predesign | 1 | $206 | $0 | $0 | $206 | $206 | $0 | $0 |
| Asset Preservation | 2 | 355 | 300 | 300 | 955 | 355 | 300 | 300 |
| Delta Dorm-Window Project | 3 | 385 | 0 | 0 | 385 | 385 | 0 | 0 |
| Pre-Fab Storage Building | 4 | 53 | 0 | 0 | 53 | 53 | 0 | 0 |
| **Total Project Requests** | | $999 | $300 | $300 | $1,599 | $999 | $300 | $300 |

**Agency Profile At A Glance**

- More than 15,000 teachers, artists, students, college faculty, and parents from 750 Minnesota towns have participated in PCAE professional development programs.
- Over 2,200 students from 380 Minnesota towns have graduated from the Arts High School.
- During the past three years, Arts High graduates have attended over 70 colleges in 25 states and Canada.
- 2,100 Minnesota teachers and artists currently enjoy access to reference materials.

**Agency Purpose**

Reflecting Minnesota's dedication to excellence in education, the Perpich Center for Arts Education (PCAE) is an agency of the state of Minnesota. Created by statute in 1985, Perpich's mission is to improve K-12 education for all Minnesota students and educators through innovative programs and partnerships centered in the arts. A 30-acre campus in Golden Valley houses the Center's Professional Development and Research (PDR), Arts High School (AHS), and the PCAE Library. PCAE serves as the principal resource for arts education in Minnesota, and is nationally recognized for its innovative and rigorous programs.

**Core Functions**

The Professional Development and Research Group (PDR) is a network of educators, arts teachers, teaching artists, and administrators in schools and arts organizations throughout Minnesota who are focused on the improvement of education in and through the arts. PDR fosters a model for accountability in education by providing professional development opportunities to help teachers develop improved curricula, implement standards for graduation, and assess student achievement. PDR team members have expertise in all arts areas as well as interdisciplinary arts education.

PDR at Perpich:

- Facilitates innovation in curriculum development, classroom instruction, and learning assessment by providing workshops and other opportunities for professional growth to educators ("training the trainers").
- Fosters and maintains partnerships with key institutions from the arts and educational communities statewide.
- Promotes school effectiveness by disseminating research and best practices for teachers and practitioners.
- Provides professional and technical support in the arts areas of Dance, Literary Arts, Media Arts, Music, Theater, and Visual Arts for preschool, elementary, middle, and secondary schools.
- Increases students' accessibility to arts education by providing critical financial assistance for schools statewide.
- Leverages state dollars. Approximately $45,000 in annual state funding attracted $650,000 in private and federal funds for the unique Perpich regional Quality Teaching Networks (QTNs). PDR also received funding from the U.S. Department of Education ($1 million over a three-year period) to extend QTNs to teachers from high poverty schools across Minnesota.
- Designs programs that impact over 30,000 students annually.
- Maintains ongoing contact with 297 school districts (87.4 percent of the statewide total).

**The Arts High School (AHS)** is a tuition-free, public high school that delivers a comprehensive education centered in the arts. The school is open to all 11th and 12th grade students who are Minnesota residents; residential option is offered for students enrolled from outside the Twin Cities. With enrollment limited to 310 students, AHS offers the benefit of learning in a small community while allowing students to take advantage of the significant arts resources in the Twin Cities.

At Perpich, the AHS partners with PDR to incubate student-centered and arts-focused curricular models for all Minnesota students. It is the school of choice for students from across the state to develop skills and work processes associated with high-level attainment in the arts. While AHS provides serious pre-professional training for emerging artists, it also gives students the tools to pursue excellence in many disciplines and walks-of-life throughout their higher education and professional careers. The school

embodies a unique approach to learning focused on each student's personal goals, skills, learning styles, and aspirations. The curriculum is based on clearly defined, high standards of achievement that meet or exceed state and national academic standards for graduation.

AHS offers instruction in six arts areas: Dance, Literary Arts, Media Arts, Music, Theater, and Visual Arts. Students also study English, Math, Science, Social Studies, and World Languages. AHS integrates arts and academics to provide learning experiences that stay with students throughout their lives. Our liberal arts program prepares students to succeed in a range of public and private colleges and universities in Minnesota and throughout the nation.

Arts High School students excel both artistically and academically. In 2006, over 25 students—in just the media and visual arts areas alone—received state and national awards and commendations. In 2005, a Literary Arts student placed sixth out of 1,000 entrants in the prestigious Siemens Westinghouse Competition in Math, Science and Technology. In 2004, a Visual Arts student was one of only two Minnesota students to be named a Presidential Scholar in the Arts.

AHS graduates attain admission to top national and regional colleges, universities, and professional arts programs. Successful alumni include those in the art, design, literary, music performance and production, photography, film, and television fields, as well as many others engaged in careers associated with the "creative economy," such as communication, informatics, and technology.

**The PCAE Library** supports the work of PDR and AHS by maintaining a collection specializing in arts instruction materials for educators. It includes over 13,000 titles, including books, videos, DVDs, audiotapes, CDs, and periodicals. The library offers print and non-print interdisciplinary and multicultural resources. Many K-12 and post-secondary teachers, as well as artists and arts organizations from every part of the state check out materials for use in schools, program development, and research. The library also lends materials to other academic and state agency libraries through a statewide inter-library loan network. Any Minnesota resident 18 years of age or older may apply to borrow materials from the PCAE library collection free-of-charge. Reference assistance is provided by library staff, and materials are searchable and available to borrow on the website.

**Operations**

The Perpich Center's operations are organized around its three core functions: the Professional Development and Research Group (PDR), the Arts High School (AHS), and the Library. The administrative structure includes a Deputy Director, PDR Director and AHS Director reporting to the Executive Director. Approximately one-half of the Center's resources support PDR and statewide outreach, with the other half funding the operations of AHS. Perpich's 30-acre campus in Golden Valley includes a residential dormitory for out-state students, and buildings dedicated to outreach operations and the Arts High School.

**Key Measures**

Improve education for K-12 students in Minnesota through engagement in and through the arts and increase educator participation in arts-based professional development activities.

- In 2006, QTN facilitated by PCAE impacted over 27,250 students, teachers, community members, artists, and parents.
- The Perpich Center for Arts Education has active connections and contacts in 297 school districts, (87.4 percent of the statewide total).
- Since 1985, 231 (67.9 percent) of Minnesota's 340 of school districts have participated in the Comprehensive Arts Planning Program (CAPP) sponsored by PCAE, the Minnesota State Arts Board, and the Minnesota Alliance for Arts in Education.

*Help Minnesota schools meet academic accountability standards in arts disciplines.*

- Developed, published, and disseminated Engaging Students in the Arts to assist K-12 educators in meeting the Minnesota Academic Standards in the arts.

*Provide a rigorous, arts-centered high school education that prepares students for the future.*

- In 2006, the AHS had a 100 percent graduation rate.
- In 2006, 87 percent of the AHS students pursued post-secondary education immediately following graduation.

- In 2006, the 100 AHS students who took the ACT exam achieved a composite score of 24.0. Minnesota's statewide composite score was 22.3, which placed it first in the nation among the 25 states in which more than half the college-bound students took the test.
- As measured by the ACT exam, AHS students exceeded the statewide average in college readiness in 2006:

**College Readiness as Measured by ACT Exam**

| Subject Area | College Readiness Cut Score | Percentage of AHS Students Achieving College Readiness | Percentage of Minnesota Students Achieving College Readiness |
|---|---|---|---|
| English | 18 | 93% | 76% |
| Algebra | 22 | 52% | 52% |
| Social Science | 21 | 77% | 62% |
| Biology | 24 | 42% | 37% |
| Proficient in All Four Subject Areas | | 32% | 28% |

*Provide access to materials that support arts-based instruction.*

- In 2006, 21 percent of the PCAE library collection is unique among libraries statewide.

**Contact**

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**At a Glance: Agency Long-Range Strategic Goals**

Perpich Center for Arts Education's (PCAE's) long-range goals are twofold:

- To provide research, development of curriculum, standards, programs for professional development of teachers statewide, and professional expertise to K-12 teachers so that arts education instruction, and general education instruction through the use of the arts, can be improved statewide.
- To educate artistically talented high school students; and provide a lab school where the research and development of curriculum can be tested.

**Agency Strategies Accomplish Our Mission**

**Center-wide Strategic Facility Goals and Operating Principles**

- Protect employee health and safety by ensuring that buildings are free from hazardous substances, designed and operated to maximize air quality, energy efficiency, and secured to current standards.
- Preserve, protect, and secure capital assets, resources, and equipment.
- When financially possible, invest in capital solutions that yield long-term savings, rather than succumbing to short-term fixes with greater costs over time.
- Maintain and enhance partnerships with the city of Golden Valley and other local units of government.
- Increase diversity of student, teacher, and administrator populations.

**Professional Development and Research Group (PDR)**

- Help schools and school districts adopt or create and implement the arts standards for all pupils.
- Help schools and school districts implement ways of assessing student mastery of the arts standards.
- Conduct, facilitate, and disseminate research, which supports the use of arts in classroom instruction.
- Develop curriculum content that is student-centered, engaging, and relevant.
- Develop partnerships with schools and communities to assist with the integration and long-term sustainability of arts education system wide.
- Develop and promote information networks such as "best practice" efforts to share teaching techniques and strategies among practitioners in the field.
- Provide parity of access to areas which have traditionally been under served and geographically isolated by incorporating distance-learning technology.
- Improve participation levels on a sustained basis in professional development programs to provide access for participants statewide.

**Arts High School**

- Provide a lab environment where PDR's research and curriculum development can be tested and effective practices of the Arts High School can be shared statewide.
- Increase student population from greater Minnesota by improving and expanding resident facilities.
- Increase awareness of the school and deepen the applicant pool to ensure those who will benefit most from the program are aware of the opportunity.
- Continue to improve curricular offerings, instruction and assessment to meet a range of students' post-secondary objectives and interests.
- Meet students' recreational, exercise, and social needs more effectively.
- Create stronger links between parents, the community, and residential and commuter students.
- Provide options for community summer school classes, taught by school staff or community personnel.
- Share the school's work outside the agency through a variety of strategies, on-site, off-site, electronically.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Core Functions**

Service is delivered by means of three separate but integrated areas within the agency:

- PDR, established in law in 1985, collaborates with teachers, teaching artists, school administrators, and arts organizations throughout Minnesota to improve teaching and learning in and through the arts for all Minnesota students. PDR provides a statewide network of education

professionals to access tools, information, examples/models, professional growth opportunities, and partnerships with key institutions from the art and educational communities.

- Established in 1989, the Arts High School is an innovative, tuition-free, public high school delivering comprehensive education centered in the arts for up to 310 students in 11th and 12th grade from every congressional district in the state.
- The PCAE Library maintains and makes available to all Minnesota adults a unique collection of instructional materials in dance, literary arts, theater, media arts, music, and the visual arts.

**Center-wide Issues**

*Site Topography.* PCAE facilities are sited on land that is an integral part of the Bassett Creek Watershed District. Concerns about rate of flow and water quality have prompted the watershed district and city of Golden Valley to require the development of a water management plan for the campus that anticipates the PCAE's architectural master plan.

*Age of Facilities and Deferred Maintenance.* Most campus buildings were built in the early to mid 1960s and 1970s and are inadequately designed for their current purposes. The state purchased the 33 acres campus with its five major buildings in 1990. The previous owner performed little facility maintenance and invested minimally in building infrastructure; the campus has required considerable upgrading. Poorly designed heating and ventilating systems impact health, staff productivity, and the life cycle of facility equipment. Two buildings have been demolished due to asbestos and mold contamination.

*Technology.* PCAE is committed to the use of electronic technology to support all its functions, including instruction, student guidance, counseling, professional development, research, administrative services, and maintenance of general communication networks: local, state, and national.

*Security.* Schools as "safe zones" can no longer be assumed. Arson, theft, vandalism, and deadly assaults are real possibilities. This unfortunate trend has implications for how buildings are designed, maintained, and staffed. In the case of a residential high school, it presents special challenges. The security systems, doors, and windows at the Delta dorm need to be upgraded to current standards in order to ensure the safety of the residents.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The PCAE was created in statute in 1985 as the Minnesota School for the Arts and was temporarily housed in a leased space while planning was done. While some remodeling was done in 1990 to begin the conversion of a two-year community college to a residential public arts high school and teacher education center, the facilities, until recently, were inadequate.

In 1996-97 minor renovations to the east building were undertaken. In 1998 work began on the major west wing addition of 42,000 square feet. and further renovations to the east wing and the Gaia Building. By 1999, PCAE was able to consolidate the Arts High School in the Delta Dorm and the east and west wings of the main building. The construction of the new "west wing," now allows some staff, students, materials, and equipment to be housed in spaces that are functionally appropriate, climate-controlled year-round, and ventilated properly. The east end of the "east wing" was provided air conditioning. This includes the PCAE Library, Media arts classrooms, galleries, and dance studio.

Additional space will still be needed for instruction, performance, student recreation and exercise, storage for resource materials, and repair and maintenance functions.

**Capital Budget Plan**

PCAE's capital budget plan is the result of a master planning process undertaken in the spring of 1995 and updated in 1997 and 1999. The master plan projects completed are outlined below along with the FY 2008 Capital Budget Plan.

| | Description | Status |
|---|---|---|
| 1. | Completed: Sewer Line | Replace a main branch of the sewer line to eradicate back-up problem. |
| 2. | Completed: East Wing Climate Control Improvements | Air-conditioning, air quality and ventilation project. |
| 3. | Completed: Roof Replacement | Roof replacement and asbestos removal. |
| 4. | Completed: Climate Stabilization of Delta Dormitory | Mold mitigation and installation of central air conditioning to the hallways. |
| 5. | Completed: Demolition of Beta Bldg | Demolition of the Beta Bldg |
| 6. | Master Plan: Update Capital Budget Project needs. | Assess and plan for the next decade by reviewing strategic goals and needs. |
| 7. | Asset Preservation: Sidewalk and Road Repair | Proposed Repair of damaged campus sidewalks and roads. |
| 8. | Asset Preservation: Drain-tile | Install drain-tile on the east, south and north sides of the Administration Bldg on the campus. |
| 9. | Asset Preservation: Chain-linked Security Fence | Install chain-linked security fence on south-side of campus. |
| 10. | Delta Dormitory: Installation of windows | Complete renovations that started in 2006 by installing energy efficient windows. |
| 11. | Storage Bldg: Install prefabricated storage building. | Installing a prefabricated storage unit for needed work and storage space. |

**Agency Process Used To Arrive At These Capital Requests:**

During the past several years, organizational changes within PCAE along with constrained capital budgets have curtailed progress on the strategic plan that was created in 1995. With new agency leadership now in place, PCAE plans to move beyond asset preservation and refocus on long-term strategic investments that advance the organization's mission. PCAE's 2010 capital budget request will reflect this more comprehensive approach.

In the spring of 1995, PCAE undertook a master planning process to examine its emerging capital needs in a comprehensive way. Center management felt strongly that planning needed to be guided by those who would actually use the new facilities. The Adams Group was selected to lead the process because of their significant experience in school design and use of a participatory design model driven by the needs of the client. The process was informed by staff interviews, program documents, strategic planning work, surveys, student and staff design “gaming,” review of existing building plans and other informal feedback.

The master plan has been revised twice since 1995. The master plan process culminated in a strategic document that charts a course of capital improvement and new development for the agency over an extended period of time. It assumes continued programmatic success, increased interest in Center initiatives and opportunities, and optimum capital outcomes. Biennial capital budget requests are based on extensive planning.

**Agency Capital Budget Projects Proposed In 2008**

| | ($ in Thousands) | |
|---|---|---|
| Master Plan and Pre-design | $206 | 2008 |
| Asset Preservation | $355 | 2008 |
| Delta Dormitory Windows | $385 | 2008 |
| Storage Building | $ 53 | 2008 |

**2008 STATE APPROPRIATION REQUEST:** $206,000

**AGENCY PROJECT PRIORITY:** 1 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance:**

Master Plan Update and pre-design for capital budget project needs for the campus of the Perpich Center for Arts Education (PCAE).

**Project Description**

In 1995, PCAE published a Master Plan using its own funds to outline future projects and strategic goals. More than a decade later these goals need to be reevaluated and aligned with current needs, which will expand the services offered throughout the state and increase revenues for the agency. An updated Master Plan will assess PCAE project planning by incorporating the strategic goals of the agency with current and future facility needs. This project includes campus planning relating to:

- Technology and Distance Learning
- Student Wellness and Health
- Statewide Mission Hosting Conferences and Events
- Campus Maintenance and Storage
- Address removing Alpha Bldg

**Impact on Agency Operating Budgets (Facilities Notes)**

We do not anticipate an impact on agency operating budgets.

**Other Considerations**

The PCAE has a robust role in promoting the arts and innovative educational programs to thousands of students and teachers through-out the state. The campus serves as state-of-the art vehicle for its role as an education leader in Minnesota. Many campus planning factors will be considered--including the role of the agency in distance learning outreach to the state, as well as it activities in hosting visiting programs from across Minnesota.

**Project Contact Person**

Nathan Davis
Executive Director
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Phone: (763) 591-4719

**Governor's Recommendations**

The governor recommends general obligation bonding of $206.000 for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 197 | 0 | 0 | 197 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 9 | 0 | 0 | 9 |
| **TOTAL** | **0** | **206** | **0** | **0** | **206** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 206 | 0 | 0 | 206 |
| **State Funds Subtotal** | 0 | 206 | 0 | 0 | 206 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **206** | **0** | **0** | **206** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 206 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $355,000

**AGENCY PROJECT PRIORITY:** 2 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance**

- Repair campus sidewalks and roads
- Install drain-tile on the east, south and north sides of the Administration Building on the Perpich Center Campus.
- Install chain-linked security fence on south-side of campus.

**Project Description**

Repair roadways and sidewalks that are cracked and/or broken. Install drain tile where seepage enters the administration building in areas that include locker rooms, the library and the south-side utility tunnel. Remove the current wood fence that is damaged, and replace it with a chain-linked security fence of approximately 1,700 feet on the south-side of campus.

- Sidewalks and Paving ($130,000): Sidewalk degradation has occurred in numerous locations on this campus between its three principal buildings. There are several areas for paving improvements around parking lots and driveways that have been problematic for delivery vehicles as well as visitors. This work is to focus on areas that are in the worst condition utilizing contracted pricing for such items.
- Drain-tile ($132,700): Water has been entering the building in several places when it rains and needs to be averted so that it does not cause more costly damage to the building. Installing drain-tile on the east, south, and north sides of the Administration building would eliminate the water seepage problem and prevent further damage.
- Chain-linked security fence ($92,300): Security has always been a major concern on the campus. A new chain-linked fence would better secure the premises and replace the damaged wooden fence that is currently on the south-side of the campus.

**Impact on Agency Operating Budgets (Facilities Notes)**

We do not anticipate an impact on agency operating budgets.

**Previous Appropriations for this Project**

- In 1998, $465,000 was allocated for asset preservation improvements on the campus including design and construction of sprinkler systems, demolition of the main entry to the administration/classroom building, foundation repairs, reconstruction of campus roads and parking areas, and replacement of deteriorated sidewalks.

- In 2000, the Center received a $500,000 allocation for asset preservation capital improvements on the campus including design and construction of window replacement, removal of pre-cast panels, installation of walls and insulation, and new water piping.

- In the 2002 bonding bill, $643,000 was allocated to replace air handlers, some ducts, to do some abatement, to improve east wing lighting and ceilings, and to air condition the entire wing. This was not enough funding to do everything; the agency consequently opted to delay the chiller installation component of the project.

- In the 2005 bonding bill $558,000 was allocated for asset preservation. The Center is planning to use $468,000 for preservation focused on Delta Dormitory mold abatement and related renovation of bathrooms. The legislation also set aside $90,000 to replace lighting in the theater and to reconstruct the stage for both teaching and performance usage.

- In 2006, $1.051 million in capital bonding funds were directed toward asset preservation projects at the Perpich Center for Arts Education (PCAE). Asset preservation areas did include pavement repair, but all funds had to be directed to completing the roof replacement project for the PCAE's Administration building (asbestos removal was an unanticipated factor).

**Other Considerations**

These projects pertain to security, and maintaining the campus properly, preventing potential damages from water seepage, and maintaining appropriate walking and driving surfaces.

**Project Contact Person**

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Phone: (763) 591-4719

**Governor's Recommendations**

The governor recommends general obligation bonding of $355,000 for this project. Also included are budget planning estimates of $300,000 in 2010 and $300,000 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 333 | 251 | 227 | 811 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 22 | 49 | 73 | 144 |
| **TOTAL** | **0** | **355** | **300** | **300** | **955** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 355 | 300 | 300 | 955 |
| **State Funds Subtotal** | 0 | 355 | 300 | 300 | 955 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **355** | **300** | **300** | **955** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 355 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Delta Dorm-Window Project

**2008 STATE APPROPRIATION REQUEST:** $385,000

**AGENCY PROJECT PRIORITY:** 3 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance:**

- Install new windows in the Perpich Center for Arts Education's (PCAE's) Delta Dormitory.
- This work will complete the building renovations (that included mold removal and installation of central air conditioning to hallways) begun in 2006.
- Replacing the building's original windows (from the 1960s) will improve climate control and energy efficiency.

**Project Description**

In 2006, renovations were initiated that included extensive mold removal and the addition of central air conditioning in the Delta Dormitory. This work was the beginning of enhanced climate control for the entire building. The installation of new windows through a whole-building window replacement project will complete the building renovation and provide energy efficiency throughout the dormitory.

**Impact on Agency Operating Budgets (Facilities Notes)**

Installing up-to-date energy efficient windows throughout this building will lower heating costs in the winter and air conditioning energy expenses in the summer.

**Previous Appropriations for this Project**

In 2006, PCAE received $731,000 in the bonding bill, and an additional $470,000 in CAPRA funding, to design and renovate the dormitory.

**Other Considerations**

The PCAE has begun to host summer programs for youth and adults from across the state. Improved environmental control from these changes will assist the agency in attracting adult summer programs and youth camps to its campus.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $385,000 for this project.

# Perpich Center for Arts Education — Project Detail

## Delta Dorm-Window Project — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 352 | 0 | 0 | 352 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 33 | 0 | 0 | 33 |
| **TOTAL** | **0** | **385** | **0** | **0** | **385** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 385 | 0 | 0 | 385 |
| **State Funds Subtotal** | 0 | 385 | 0 | 0 | 385 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **385** | **0** | **0** | **385** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 385 | 100.0% |
| User Financing | 0 | 0.0% |

**STATUTORY AND OTHER REQUIREMENTS**

Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.

| | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Perpich Center for Arts Education | Project Narrative

## Pre-Fab Storage Building

**2008 STATE APPROPRIATION REQUEST:** $53,000

**AGENCY PROJECT PRIORITY:** 4 of 4

**PROJECT LOCATION:** Perpich Center Campus, Golden Valley

**Project At A Glance:**

Construction of a prefabricated storage/workshop building for added storage to address the current needs of the campus.

**Project Description**

Install a prefabricated storage unit next to the maintenance/boiler room to provide additional storage and work space for current maintenance staff.

**Impact on Agency Operating Budgets (Facilities Notes)**

None. The cost incurred to heat this unit in the winter will be off-set by the accomplishment of more in-house repairs – especially welding jobs.

**Other Considerations**

The Perpich Center for Arts Education campus lacks sufficient storage space for repair tools and equipment. We are fortunate that many repair tasks can be done by our talented staff and wish to facilitate their efforts to better serve the Agency.

**Project Contact Person**

Nathan Davis
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Phone: (763) 591-4719

**Governor's Recommendations**

The governor recommends general obligation bonding of $53,000 for this project.

# Perpich Center for Arts Education — Project Detail

## Pre-Fab Storage Building — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 50 | 0 | 0 | 50 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 3 | 0 | 0 | 3 |
| **TOTAL** | **0** | **53** | **0** | **0** | **53** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 53 | 0 | 0 | 53 |
| **State Funds Subtotal** | 0 | 53 | 0 | 0 | 53 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **53** | **0** | **0** | **53** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 53 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

- The Minnesota Pollution Control Agency (MPCA) leverages partnerships and resources to address environmental issues and achieve positive results. By "blending" technology and technical and financial assistance, prevention, management (regulation) and cleanup solutions, complex environmental issues, such as the restoration of impaired waters, can be addressed effectively and efficiently.
- MPCA's product stewardship program provides an innovative approach to conserving resources, reducing waste, and increasing recycling. The program currently includes initiatives for carpet, electronics, paint, and mercury-containing products.
- MPCA performs monitoring at more than 750 sites across the state to determine environmental conditions of air, surface waters, and groundwater.
- MPCA continues to provide resources to local units of government to reduce waste generation and improve the cost effectiveness of recycling, composting and recovery programs.
- MPCA performs permitting, inspection, compliance determination, and enforcement activities for nearly 7,400 facilities that impact air, water, and land.
- MPCA oversees state-financed clean up at 265 contaminated sites and maintains oversees an additional 3,000 sites.

**Agency Purpose**

The mission of the MPCA is to work with Minnesotans to protect, conserve, and improve our environment and enhance our quality of life.

The vision for the MPCA is:
- Clean and sustainable surface and ground water systems
- Clean and clear air
- Land that supports desired uses
- Excellence in operations
- Minnesotans taking responsibility to protect our environment

The results of MPCA's efforts are demonstrable: reduced waste; increased recycling levels; and air, land, and water that are cleaner now than 30 years ago.

**Guiding Principles**

MPCA's mission is implemented through the following guiding principles:
- Focus on priorities and manage for environmental results
- Actively partner to leverage knowledge, ideas, and resources
- Rely on data for decision-making
- Integrate economic, social and environmental sciences when developing environmental policy
- Strive for excellence and innovation in service delivery

**Operations**

Effective July 2005, the Legislature approved combining the existing staff, authorities and expertise of the MPCA with those of the Office of Environmental Assistance (OEA). Combining OEA and MPCA has united and focused the priorities of the two organizations, broadened the tools being applied to an expanding range of environmental issues and given new energy and greater scope to public education and outreach efforts.

MPCA separates its work according to media: water, air and land. Multimedia includes those efforts and activities that cross and combine the three major media. Environmental Assistance now includes many of the activities of the former OEA. Administrative Support enables the delivery of program activities for the whole agency. MPCA's budget structure is made up of six programs: water, air, land, multimedia, environmental assistance and administrative support.

The commissioner's office sets the strategic direction for the MPCA and provides an essential link to stakeholders and partners. In addition, the agency is organized into seven divisions. Programs and services are managed and delivered through MPCA offices in St. Paul, Duluth, Brainerd, Rochester, Mankato, Detroit Lakes, Willmar, and Marshall.

The Environmental Analysis and Outcomes Division monitors and evaluates the physical, chemical, and biological conditions of Minnesota's environment.

The division identifies potential impacts to human health and the environment, helps set environmental goals, establishes environmental standards, helps develop permit limits and reports results to staff, stakeholders and citizens.

The Prevention and Assistance Division provides information and economic, technical and educational assistance that result in the implementation and increased use of environmentally and economically beneficial behaviors, technologies, and products. The Customer Assistance Center responds to requests for information and assistance from citizens. Small business assistance and pollution prevention are also based in this division.

The Remediation Division provides emergency response and remediation (clean-up) services for contaminated sites, redevelopment proposals, and closed landfills. Superfund and leaking storage tank cleanup are also based in this division.

The Regional Division provides for environmental problem solving at the local level. The focus is on building local capacity to restore and improve the environment. Water quality and air quality local planning and implementation programs are based in this division as well as the clean water partnership, feedlots, total maximum daily load (TMDL) implementation, and basin planning.

The Industrial Division provides regulatory services to industrial sources of air, water, and land pollution. Permitting, compliance, and enforcement for water and air quality, industrial solid waste, hazardous waste, and industrial stormwater are based in this division as well as the associated rule-making for storage tanks.

The Municipal Division provides regulatory services to operators of publicly owned wastewater treatment and stormwater facilities. Services are also provided to mixed municipal landfills and transfer stations. The regulatory services include permitting, compliance, and enforcement.

The Operational Support Division oversees MPCA's financial management and its business operations (vehicle fleet, equipment and supplies, facilities and leasing, mail and shipping, and more), human resources and communication services. Division staff is mainly located in St. Paul.

The MPCA Citizens' Board acts on significant and controversial environmental issues.

**Budget**

Twenty or more years ago environmental fees and taxes were created to fund regulatory programs that addressed point source pollution. More recently MPCA identified non-point sources as the major contributors to air and water pollution. Program costs to address non-point pollution do not readily align with the former fee structures. Fund consolidation, authorized by the legislature in 2003, enhanced MPCA's funding flexibility and ability to direct resources to priority activities.

Authorized appropriations in FY 2008-09 for MPCA's six programs totaled $344.4 million. The mix of funding is 17 percent general fund, 38 percent environmental fund, 23 percent remediation fund, 13 percent federal and nine percent other sources.

**Contact**

For more information, contact: Leo Raudys, MPCA Deputy Commissioner, at (651) 296-7305.

In addition, visitors can learn more about environmental issues at www.pca.state.mn.us. The site contains information on pollution prevention, reuse, recycling, responsible waste management, sustainable practices, as well as access to regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality and current "hot topics."

MPCA's strategic plan can be accessed at
www.pca.state.mn.us/publications/reports/strategicplan.html.

**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Minnesota Pollution Control Agency (MPCA) is to work with Minnesotans to protect, conserve and improve our environment and enhance our quality of life. MPCA's vision for Minnesota's environment is summarized below:

- Minnesotans take responsibility to protect our environment
- Minnesota's air is clean and clear
- Minnesota's land supports desired uses
- Minnesota has clean, sustainable surface and ground water

MPCA's priorities are based on environmental risk, environmental stressors, resource conditions, statutory obligations and responsibilities, public and stakeholder expectations, socio-economic trends and other opportunities to conserve and improve the quality of our air, land and water resources.

MPCA's top environmental priorities are:

- Improve impaired waters
- Respond to emergencies
- Reduce and reuse waste
- Maintain core regulatory air, water, and land programs
- Mitigate non-point source pollution in air, water, and land
- Monitor environmental conditions

Minnesota's Waste Management Act guides MPCA and local units of government in solid waste management. The purpose of the Waste Management Act is to protect the state's air, land, water and other natural resources and public health by fostering an integrated waste management system that will manage solid waste in a manner appropriate to the characteristics of the waste stream and maximize the recovery of resources from waste.

In addition to MPCA's responsibilities associated with the management of Minnesota's current waste stream, closed landfills are an outstanding environmental and public health issue for Minnesota. The state, through MPCA's closed landfill program (CLP), has a legal obligation to complete construction at eligible closed landfills and to move those sites into operation and maintenance program levels.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The Capital Assistance Program (CAP) provides financial assistance for local governments to develop various recovery facilities that help to establish an integrated waste management system. CAP is a competitive, two-stage grant application process that enables MPCA to identify and assist projects that will be most beneficial in meeting Minnesota's solid waste management goals. CAP, described in M.S. 115A.49 – 115A.541, is MPCA's main program to assist local governments in financing the infrastructure necessary for an integrated solid waste system.

The three major trends and policies affecting the need for additional investment in integrated solid waste management systems are waste growth, waste flow control, and landfills.

- Waste Growth: The municipal solid waste stream alone grew from 3.8 million tons per year in 1992 to 6.08 million tons per year in 2005, an increase of 58 percent. If waste generation continues to grow at the rates observed during the 1990s, it will overwhelm Minnesota's existing waste management infrastructure.

- Waste Flow Control: Resource recovery projects, funded by CAP, have been subject to substantial legal and financial pressures due to waste flow control issues. Prior to a 1994 U.S. Supreme Court decision that found some flow control/designation ordinances unconstitutional, local governments could direct waste flow through local ordinances. These flow control/designation ordinances were a key component of the environmental, financial, and technical foundation of resource recovery projects. In the Spring of 2007 local authority to control the flow of trash--mixed municipal solid waste (MMSW)--was reinstated by the U.S. Supreme Court in a ruling handed down in April (Oneida v. Herkiemer). The Supreme Court. The decision reinstates the authority of local units of government to direct trash haulers to facilities. Minnesota's solid waste objectives, outlined in the Waste Management Act, M.S. Chapter 115A, could benefit by this ruling. Implementing an integrated waste

management system with resource recovery and landfill abatement projects may be more effective in light of the Court's findings. Minnesota law outlines a process for establishing county flow control regulations called "designation." State oversight and safeguards in Minnesota's designation law require counties to use an orderly and deliberate process to promulgate flow control.

- Landfills: Of the 136 municipal solid waste (MSW) landfills permitted in Minnesota since 1969, 21 continue to accept MSW in 2007. CAP has played a key role in Minnesota's initial shift from total reliance on landfills to resource recovery and processing.

- Recycling and Resource Recovery: Since 1997, Minnesota has recycled about 40 percent of the total MSW waste stream, resource recovery has fallen from 30 percent to 21 percent, while the dumping of unprocessed waste into landfills has increased from 29 percent to 37 percent. Overall, recycling and resource recovery have fallen from 71 percent to 60 percent while landfilling/unprocessed waste is on the rise. Insufficient processing capacity is a factor. Minnesota is losing ground on developing a statewide-integrated solid waste management system.

- Landfill Cleanup Act: In 1994, the legislature passed the Landfill Cleanup Act which authorized MPCA to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 106 closed, state-permitted, municipal solid waste landfills in Minnesota. In 1999 and 2000 the definition of eligibility was broadened. As a result six additional facilities became eligible, increasing total sites to 112. Any MPCA-permitted MMSW landfill that stopped accepting MMSW by 4-9-1994, and demolition debris before 5-1-1995, can qualify for application to this program. Of the 112 landfills in CLP, twenty-seven are state-owned, twenty are privately owned and sixty-five are owned by counties and cities. Because the CLP is a voluntary program, not all closed permitted landfills are in the CLP; however, most closed, permitted facilities in the state have opted to join the CLP.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The state has provided approximately $53 million for 92 CAP projects to help finance the construction and expansion of 66 facilities throughout Minnesota: 25 recycling facilities, 9 transfer stations, 9 waste-to-energy facilities, 12 compost facilities, and 11 special waste stream facilities. A full listing of all grant recipients is available upon request. Public willingness, local government commitment, and CAP funding have all contributed to a successful local/state partnership that helps protect the environment and public health and facilitates recovery of resources and energy.

However, 37 percent of Minnesota's solid waste is neither recovered nor processed. It continues to be dumped into landfills. New facilities and expansion of existing facilities are necessary to ensure the capacity to process the remaining waste and future increases in waste generation. This request will expand Minnesota's capacity to recover resources and energy. Minnesota counties need legislative support and financial assistance to maintain and to continue the development of an integrated solid waste management system where all residents have access to, and use, a primary solid waste processing facility.

At the end of FY 2007, MPCA reported that future state obligations relating to eligible closed landfills were projected at $199 million. These financial obligations are based on needed remedial construction, operation and maintenance of these systems. Twelve publicly owned landfills in the CLP are in need of remedial construction activities in FY 2009 – FY 2012. If this request for general obligation bonds is not authorized, funding for these construction projects will come from other sources such as the remediation fund or the projects will have to wait until bonds are authorized. Similar construction projects at privately owned, closed landfills in CLP also compete for resources from the remediation fund. Given limited resources in the remediation fund, some construction activities are deferred into future years and will come at greater future cost.

**Agency Process Used to Arrive at These Capital Requests**

***CAP Request***
In preparing the request for $11.605 million MPCA relied on interest expressed by past and future applicants. MPCA is basing its extended projection of need on the solid waste management plans developed by the counties, MPCA's Preliminary Assessment of Regional Waste Management Capacity Report, MPCA's 2003 Solid Waste Policy Report, and the 2004 Metropolitan Policy Plan.

The CAP project narrative includes a preliminary listing of interested applicants. This list is the basis for MPCA's funding request for 2008.

For 2010 and 2012, the MPCA projected the minimum need for new MSW processing capacity. Several new projects are needed to serve large areas of greater Minnesota and the metro area. Existing private facilities may expand as well to meet a portion of the metro area needs.

***CLP Request***
MPCA has estimated design and construction costs for the remaining publicly owned closed landfills that need remedial action. Construction activities at each of these sites may include:

- the installation or augmentation of landfill covers to reduce the generation of contaminated leachate;
- the installation of ground water treatment systems to clean up contaminated ground water that threatens public drinking water sources;
- the installation of landfill gas control systems to prevent off-site threats of explosion to buildings and damage to crops; and
- installation of electrical generation equipment to utilize methane gas generated at sites. This construction represented in this bonding request is for $31.4 million.

To determine which sites should be worked on first, MPCA staff holds site forums and calculates a site score based on several factors. The primary goal of the scoring system is to prioritize sites to prevent or respond to releases of hazardous substances or contaminants and decomposition gases at qualified sites. The MPCA Commissioner publishes an update of the priority list each year.

**Major Capital Projects Authorized in 2001, 2002, 2005 and 2006**

The 2005 Legislature appropriated $4 million for CAP with language that directed $2 million for a grant to the city of Red Wing and $2 million for a grant to Olmsted County. The city of Red Wing proposes construction of an up-front materials recovery facility at its existing waste-to-energy facility. Olmsted County proposed construction of a third combustion unit at an existing facility.

The 2006 Legislature also appropriated $4 million for CAP. From this appropriation Olmsted County was awarded an additional $1.2 million toward construction of a third combustion unit at it's current facility and the city of Perham has been invited to submit a final application for $2.8 million for the construction of a third combustion unit at its existing facility as well.

The 1994 Legislature authorized $90 million in state general obligation bonds for design and construction at publicly owned landfills over a ten-year period. Expenditures from the authorized $90 million occurred in 1996 through February 2001 when spending of the unobligated balance was frozen. The unobligated balance of $56.6 million was subsequently cancelled on 7-1-2001. This action was the result of legislation enacted in 2000 that required the commissioner of finance report to the legislature in odd numbered years and cancel unspent or unobligated bond proceeds (M.S. 16A.642). Of the original $90 million bond authorization, $33.4 million was spent on CLP construction projects. Subsequent authorizations have included $20.5 million in 2002, $10 million in 2003, $10 million in 2005 and $7.15 million in 2006, a total of $81.05 million. The current request of $31.4 million is expected to complete the planned construction at currently eligible facilities.

# Pollution Control Agency

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Closed Landfill Program | 1 | GO | $31,400 | $0 | $0 | $15,000 | $10,000 | $6,400 |
| Capital Assistance Program | 2 | GO | 11,605 | 11,605 | 20,000 | 9,605 | 10,000 | 10,000 |
| Project Total | | | $43,005 | $11,605 | $20,000 | $24,605 | $20,000 | $16,400 |
| General Obligation Bonding (GO) | | | $43,005 | $11,605 | $20,000 | $24,605 | $20,000 | $16,400 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**2008 STATE APPROPRIATION REQUEST:** $31,400,000

**AGENCY PROJECT PRIORITY:** 1 of 2

**PROJECT LOCATION:** 12 closed landfills statewide

**Project At A Glance**

- Design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems)
- Construct landfill gas-to-energy systems at four landfills
- Acquire land to ensure public safety once remediation efforts are complete at publicly owned, closed, mixed municipal solid waste landfills throughout Minnesota.

**Project Description**

This request is for $31.4 million to design and construct landfill remedial systems (covers landfill gas mitigation, and ground water treatment systems), to construct four landfill gas-to-energy systems at publicly owned, state-permitted, closed, mixed municipal solid waste landfills throughout Minnesota and to acquire 6.7 acres of land to buffer closed landfills for public safety reasons.

MPCA is authorized under the Landfill Cleanup Act (M.S. 115B.39) to initiate cleanups, complete closures, and take over the long-term operation and maintenance of closed landfills in perpetuity. Currently, 112 landfills are qualified under the Closed Landfill Program (CLP). Bonding authority is intended to be one of the three major funding sources for the closed landfill cleanup program. The other two sources are the solid waste tax and insurance recovery revenue.

The 1994 Legislature authorized up to $90 million in GO bond funds to be used for design and construction work at publicly owned landfills over a 10-year period (Laws of 1994, Ch. 639, Art. 3). Rather than issuing all $90 million at one time, the legislature intentionally restricted the selling and issuance of bonds so that the total amount issued could not exceed: 1) $10 million by 6-30-1996; 2) $35 million by 6-30-1998, 3) $55 million by 6-30-2000; and 4) $75 million by 6-30-2002.

In 2000, the legislature passed a law requiring the Commissioner of Finance in odd years to report to the legislature and to cancel unspent or otherwise unobligated bond proceeds (M.S. 16A.642). Consequently, this statute resulted in the cancellation of $52.46 million in unused bonding authority for closed landfill cleanup construction.

To date the legislature has authorized a total of $81 million, $10 million, $10 million, and $7.15 million respectively to meet MPCA's construction needs through FY 2008. However, the MPCA estimates that an additional $31.4 million is needed to complete remedial construction at 12 sites in FY 2009-12 and to construct landfill gas-to-energy systems at four state owned closed landfills. Authorizing the $31.4 million in bonds will allow MPCA to complete the remedial construction at publicly owned landfills, meeting the list of known outstanding needs at these sites.

**Impact on Agency Operating Budgets (Facilities Notes)**

The legislature directly appropriates funds from the Remediation Fund to pay the administrative costs of the CLP. Funding this capital request will not adversely affect MPCA's operating budgets.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L94, Chapter 639 | $90.00 million* | *MPCA cancelled $52.46 million of this appropriation |
| L01, 1SS, Chapter 12 | 20.50 million | |
| L02, Chapter 393 | 10.00 million | |
| L05, Chapter 20 | 10.00 million | |
| L06, Chapter 258 | 7.15 million | |

**Other Considerations**

In August 2006, MPCA estimated the cost of future state obligations relating to eligible closed landfills at $199 million. These financial obligations are based on needed remedial construction, and on-going operation and maintenance of these systems.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $15 million for this program. Also included is a budget planning estimate of $10 million in 2010 and $6.4 million in 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 7,988 | 710 | 0 | 0 | 8,698 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 73,039 | 30,690 | 0 | 0 | 103,729 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **81,027** | **31,400** | **0** | **0** | **112,427** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 81,027 | 31,400 | 0 | 0 | 112,427 |
| **State Funds Subtotal** | 81,027 | 31,400 | 0 | 0 | 112,427 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **81,027** | **31,400** | **0** | **0** | **112,427** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 31,400 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $11,605,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Solid Waste Processing Facilities Capital Assistance Program (CAP) is a landfill abatement program providing financial incentives to local governmental units (LGUs) for implementing integrated solid waste management systems. Integrated solid waste management systems require new infrastructure that are basic public assets to Minnesota communities.

**Project Description**

This request is for $11.605 million for capital grants to local governments for the construction of solid waste resource recovery facilities.

The purpose of this program is to promote landfill abatement by providing capital grants to local governments for the construction of solid waste resource recovery facilities. These facilities will preserve land, recover valuable resources and energy and create jobs. These facilities will also reduce the environmental risks and potential liabilities related to managing waste.

The goal of the Minnesota Waste Management Act (M.S. Chapter 115A) is to have an integrated waste management system serving all of Minnesota. Since 1985, CAP grants have funded a small portion of the total solid waste project costs. Local governments have financed the balance of development, construction, and operating costs. In addition to CAP financial assistance, technical assistance also is provided to LGUs to address project development and the institutional and operational challenges associated with implementing an integrated solid waste management system.

Eligible recipients under the CAP grant program are limited to Minnesota cities, counties, solid waste management districts, and sanitary districts. Eligible projects are solid waste processing facilities that include some form of resource recovery. Following are examples of eligible projects:

- Waste-to-energy facilities
- Recycling facilities
- Composting facilities
- Transfer stations that will serve waste processing facilities
- Projects to increase recovery of materials or energy, those that substantially reduce the amount or toxicity of waste processing residuals, or those that expand the capacity of an existing resource recovery facility to meet the needs of expanded regions
- Special waste streams (i.e., household hazardous waste)

Depending on project type, a single-county project may receive funding of 25 percent or 50 percent of eligible capital costs, up to a maximum of $2 million. Multi-county cooperative projects can receive 25 percent or 50 percent of the eligible capital costs, or up to $2 million, times the number of participating counties, whichever is less. A new transfer station to serve an existing processing facility may be eligible for up to 75 percent funding of eligible capital costs. Following are examples of eligible costs:

- Final design, engineering, and architectural plans
- Land and structures
- Waste processing equipment
- On-site roads, parking, and landscaping

*Waste-to-Energy background.* The MPCA has a strategic objective to increase the state's waste-to-energy capacity by 60 percent by 2011. Waste-to-energy is clean, reliable, renewable power, and is a vital part of the energy infrastructure in those Minnesota communities where such facilities are located. Currently, nine waste-to-energy facilities in Minnesota process 3,800 tons of mixed solid waste (MSW) per day for industrial heat and electrical generation producing approximately 100,000 megawatts of electrical energy, or enough energy to power 110,000 homes. The incremental energy return from combusting this additional waste from 2007 through 2011 would be 1.3 trillion BTUs, and the reduced carbon dioxide and methane gases resulting from this additional combustion would be the equivalent of 359,000 tons.

*Flow Control update*. An April 2007 Supreme Court decision (Oneida-Herkiemer) restored Minnesota's authority to control the flow of mixed municipal solid waste. The Court reinstates the authority of local units of government to direct trash haulers to use specific facilities. In the opinion, the Court regarded waste management as a typical and traditional power of state and local government and considered local government action to protect health and safety a legitimate use of police powers.

Minnesota's solid waste objectives, as outlined in the Waste Management Act, Chapter 115A, are benefited by this ruling. Minnesota law outlines a process for establishing county flow control regulations called "designation." State oversight requirements and regulatory safeguards provided for in Minnesota's designation law (M.S. 115A.94) requires counties to use an orderly and deliberate process to promulgate solid waste flow control.

The following list identifies *potential* capital project development and construction estimated over the next six years. Two applications totaling $11.605 million have been received for FY 2008-09 CAP funding.

(Amounts in 000's)

| FY 2008-09 | Project Type | Total Capital Cost | Applicant's Capital Cost | CAP Grant |
|---|---|---|---|---|
| Hennepin | HHW | $ 9,710 | $ 7,710 | $ 2,000 |
| Pope/Douglas | W-to-E upgrade and expansion | 19,411 | 9,806 | 9,605 |
| | Subtotal | $29,121 | $17,516 | $11,605 |
| FY 2010-11 | | | | |
| North West Minnesota | Processing | 20,000 | 15,000 | 5,000 |
| North Central Minnesota | Processing | 20,000 | 15,000 | 5,000 |
| | Subtotal | $40,000 | $30,000 | $10,000 |
| FY 2012-13 | | | | |
| West Central Minnesota | Processing | 20,000 | 15,000 | 5,000 |
| South West Minnesota | Processing | 43,000 | 28,000 | 15,000 |
| | Subtotal | $63,000 | $43,000 | $20,000 |

**Impact on Agency Operating Budgets (Facilities Notes)**

Existing MPCA staff that administer the CAP grant program are funded through the Environmental fund. This bonding request does not affect MPCA's operating budget.

Fully funding this 2008 CAP request significantly supports the state's efforts to minimize the volume of waste material destined for landfills. As projects are funded with CAP grants, MPCA staff shift their focus from project development to project implementation and sustainability.

Project development activities include planning, feasibility studies, waste composition analysis, institutional arrangements, and inter-county agreements. Project implementation and sustainability activities include implementing plans, assistance during construction, equipment selection, shakedown and acceptance, marketing of materials and/or energy, and operational and compliance issues.

**Previous Appropriations for this Project**

| | |
|---|---|
| 2006 | $ 4.00 million |
| 2005 | 4.00 million |
| 2002 | 1.15 million |
| 2000 | 2.20 million |
| 1999 | 3.00 million |
| 1998 | 3.50 million |
| 1996 | 3.00 million |
| 1994 | 3.00 million |
| 1992 | 2.00 million |
| 1990 | 7.00 million |
| 1987 | 4.00 million |
| 1985 | 11.40 million |
| 1980 | 8.80 million |
| | $57.05 million |

**Other Considerations**

- For local governments, developing an integrated solid waste management system is a complex, controversial, and expensive endeavor. Without the CAP program's technical and financial assistance, many local governments will not move forward in developing a solid waste management infrastructure.
- The CAP program serves as an incentive to move infrastructure development forward and cultivates a partnership between the state of Minnesota and local governments to develop integrated solid waste management systems. Due to CAP's funding formula, a significant incentive is created to motivate LGU's to work together on regional projects. MPCA's administration and oversight of the CAP grants help to develop projects that are technically, institutionally, and financially sound.

Glossary:

| | |
|---|---|
| HHW | Household Hazardous Waste |
| LGU | Local Government Unit |
| MSW | Mixed Solid Waste |
| Processing | MSW recovery through W-to-E, composting, etc. |
| W-to-E | Waste-to-Energy |

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**Governor's Recommendation**

The governor recommends $9.605 million in general obligation bonding for this program. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 185,313 | 29,121 | 40,000 | 63,000 | 317,434 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **185,313** | **29,121** | **40,000** | **63,000** | **317,434** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 57,050 | 11,605 | 11,605 | 20,000 | 100,260 |
| **State Funds Subtotal** | 57,050 | 11,605 | 11,605 | 20,000 | 100,260 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 128,263 | 17,516 | 30,000 | 43,000 | 218,779 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **185,313** | **29,121** | **41,605** | **63,000** | **319,039** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 11,605 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Pollution Control Agency

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Closed Landfill Program | 1 | GO | $31,400 | $0 | $0 | $15,000 | $10,000 | $6,400 |
| Capital Assistance Program | 2 | GO | 11,605 | 11,605 | 20,000 | 9,605 | 10,000 | 10,000 |
| Project Total | | | $43,005 | $11,605 | $20,000 | $24,605 | $20,000 | $16,400 |
| General Obligation Bonding (GO) | | | $43,005 | $11,605 | $20,000 | $24,605 | $20,000 | $16,400 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

- The Minnesota Pollution Control Agency (MPCA) leverages partnerships and resources to address environmental issues and achieve positive results. By "blending" technology and technical and financial assistance, prevention, management (regulation) and cleanup solutions, complex environmental issues, such as the restoration of impaired waters, can be addressed effectively and efficiently.
- MPCA's product stewardship program provides an innovative approach to conserving resources, reducing waste, and increasing recycling. The program currently includes initiatives for carpet, electronics, paint, and mercury-containing products.
- MPCA performs monitoring at more than 750 sites across the state to determine environmental conditions of air, surface waters, and groundwater.
- MPCA continues to provide resources to local units of government to reduce waste generation and improve the cost effectiveness of recycling, composting and recovery programs.
- MPCA performs permitting, inspection, compliance determination, and enforcement activities for nearly 7,400 facilities that impact air, water, and land.
- MPCA oversees state-financed clean up at 265 contaminated sites and maintains oversees an additional 3,000 sites.

**Agency Purpose**

The mission of the MPCA is to work with Minnesotans to protect, conserve, and improve our environment and enhance our quality of life.

The vision for the MPCA is:
- Clean and sustainable surface and ground water systems
- Clean and clear air
- Land that supports desired uses
- Excellence in operations
- Minnesotans taking responsibility to protect our environment

The results of MPCA's efforts are demonstrable: reduced waste; increased recycling levels; and air, land, and water that are cleaner now than 30 years ago.

**Guiding Principles**

MPCA's mission is implemented through the following guiding principles:
- Focus on priorities and manage for environmental results
- Actively partner to leverage knowledge, ideas, and resources
- Rely on data for decision-making
- Integrate economic, social and environmental sciences when developing environmental policy
- Strive for excellence and innovation in service delivery

**Operations**

Effective July 2005, the Legislature approved combining the existing staff, authorities and expertise of the MPCA with those of the Office of Environmental Assistance (OEA). Combining OEA and MPCA has united and focused the priorities of the two organizations, broadened the tools being applied to an expanding range of environmental issues and given new energy and greater scope to public education and outreach efforts.

MPCA separates its work according to media: water, air and land. Multimedia includes those efforts and activities that cross and combine the three major media. Environmental Assistance now includes many of the activities of the former OEA. Administrative Support enables the delivery of program activities for the whole agency. MPCA's budget structure is made up of six programs: water, air, land, multimedia, environmental assistance and administrative support.

The commissioner's office sets the strategic direction for the MPCA and provides an essential link to stakeholders and partners. In addition, the agency is organized into seven divisions. Programs and services are managed and delivered through MPCA offices in St. Paul, Duluth, Brainerd, Rochester, Mankato, Detroit Lakes, Willmar, and Marshall.

The Environmental Analysis and Outcomes Division monitors and evaluates the physical, chemical, and biological conditions of Minnesota's environment.

The division identifies potential impacts to human health and the environment, helps set environmental goals, establishes environmental standards, helps develop permit limits and reports results to staff, stakeholders and citizens.

The Prevention and Assistance Division provides information and economic, technical and educational assistance that result in the implementation and increased use of environmentally and economically beneficial behaviors, technologies, and products. The Customer Assistance Center responds to requests for information and assistance from citizens. Small business assistance and pollution prevention are also based in this division.

The Remediation Division provides emergency response and remediation (clean-up) services for contaminated sites, redevelopment proposals, and closed landfills. Superfund and leaking storage tank cleanup are also based in this division.

The Regional Division provides for environmental problem solving at the local level. The focus is on building local capacity to restore and improve the environment. Water quality and air quality local planning and implementation programs are based in this division as well as the clean water partnership, feedlots, total maximum daily load (TMDL) implementation, and basin planning.

The Industrial Division provides regulatory services to industrial sources of air, water, and land pollution. Permitting, compliance, and enforcement for water and air quality, industrial solid waste, hazardous waste, and industrial stormwater are based in this division as well as the associated rule-making for storage tanks.

The Municipal Division provides regulatory services to operators of publicly owned wastewater treatment and stormwater facilities. Services are also provided to mixed municipal landfills and transfer stations. The regulatory services include permitting, compliance, and enforcement.

The Operational Support Division oversees MPCA's financial management and its business operations (vehicle fleet, equipment and supplies, facilities and leasing, mail and shipping, and more), human resources and communication services. Division staff is mainly located in St. Paul.

The MPCA Citizens' Board acts on significant and controversial environmental issues.

**Budget**

Twenty or more years ago environmental fees and taxes were created to fund regulatory programs that addressed point source pollution. More recently MPCA identified non-point sources as the major contributors to air and water pollution. Program costs to address non-point pollution do not readily align with the former fee structures. Fund consolidation, authorized by the legislature in 2003, enhanced MPCA's funding flexibility and ability to direct resources to priority activities.

Authorized appropriations in FY 2008-09 for MPCA's six programs totaled $344.4 million. The mix of funding is 17 percent general fund, 38 percent environmental fund, 23 percent remediation fund, 13 percent federal and nine percent other sources.

**Contact**

For more information, contact: Leo Raudys, MPCA Deputy Commissioner, at (651) 296-7305.

In addition, visitors can learn more about environmental issues at www.pca.state.mn.us. The site contains information on pollution prevention, reuse, recycling, responsible waste management, sustainable practices, as well as access to regulatory news and updates, rules, public notices, agency initiatives, details about environmental quality and current "hot topics."

MPCA's strategic plan can be accessed at
www.pca.state.mn.us/publications/reports/strategicplan.html.

**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Minnesota Pollution Control Agency (MPCA) is to work with Minnesotans to protect, conserve and improve our environment and enhance our quality of life. MPCA's vision for Minnesota's environment is summarized below:

- Minnesotans take responsibility to protect our environment
- Minnesota's air is clean and clear
- Minnesota's land supports desired uses
- Minnesota has clean, sustainable surface and ground water

MPCA's priorities are based on environmental risk, environmental stressors, resource conditions, statutory obligations and responsibilities, public and stakeholder expectations, socio-economic trends and other opportunities to conserve and improve the quality of our air, land and water resources.

MPCA's top environmental priorities are:

- Improve impaired waters
- Respond to emergencies
- Reduce and reuse waste
- Maintain core regulatory air, water, and land programs
- Mitigate non-point source pollution in air, water, and land
- Monitor environmental conditions

Minnesota's Waste Management Act guides MPCA and local units of government in solid waste management. The purpose of the Waste Management Act is to protect the state's air, land, water and other natural resources and public health by fostering an integrated waste management system that will manage solid waste in a manner appropriate to the characteristics of the waste stream and maximize the recovery of resources from waste.

In addition to MPCA's responsibilities associated with the management of Minnesota's current waste stream, closed landfills are an outstanding environmental and public health issue for Minnesota. The state, through MPCA's closed landfill program (CLP), has a legal obligation to complete construction at eligible closed landfills and to move those sites into operation and maintenance program levels.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The Capital Assistance Program (CAP) provides financial assistance for local governments to develop various recovery facilities that help to establish an integrated waste management system. CAP is a competitive, two-stage grant application process that enables MPCA to identify and assist projects that will be most beneficial in meeting Minnesota's solid waste management goals. CAP, described in M.S. 115A.49 – 115A.541, is MPCA's main program to assist local governments in financing the infrastructure necessary for an integrated solid waste system.

The three major trends and policies affecting the need for additional investment in integrated solid waste management systems are waste growth, waste flow control, and landfills.

- Waste Growth: The municipal solid waste stream alone grew from 3.8 million tons per year in 1992 to 6.08 million tons per year in 2005, an increase of 58 percent. If waste generation continues to grow at the rates observed during the 1990s, it will overwhelm Minnesota's existing waste management infrastructure.

- Waste Flow Control: Resource recovery projects, funded by CAP, have been subject to substantial legal and financial pressures due to waste flow control issues. Prior to a 1994 U.S. Supreme Court decision that found some flow control/designation ordinances unconstitutional, local governments could direct waste flow through local ordinances. These flow control/designation ordinances were a key component of the environmental, financial, and technical foundation of resource recovery projects. In the Spring of 2007 local authority to control the flow of trash--mixed municipal solid waste (MMSW)--was reinstated by the U.S. Supreme Court in a ruling handed down in April (Oneida v. Herkiemer). The Supreme Court. The decision reinstates the authority of local units of government to direct trash haulers to facilities. Minnesota's solid waste objectives, outlined in the Waste Management Act, M.S. Chapter 115A, could benefit by this ruling. Implementing an integrated waste

management system with resource recovery and landfill abatement projects may be more effective in light of the Court's findings. Minnesota law outlines a process for establishing county flow control regulations called "designation." State oversight and safeguards in Minnesota's designation law require counties to use an orderly and deliberate process to promulgate flow control.

- Landfills: Of the 136 municipal solid waste (MSW) landfills permitted in Minnesota since 1969, 21 continue to accept MSW in 2007. CAP has played a key role in Minnesota's initial shift from total reliance on landfills to resource recovery and processing.

- Recycling and Resource Recovery: Since 1997, Minnesota has recycled about 40 percent of the total MSW waste stream, resource recovery has fallen from 30 percent to 21 percent, while the dumping of unprocessed waste into landfills has increased from 29 percent to 37 percent. Overall, recycling and resource recovery have fallen from 71 percent to 60 percent while landfilling/unprocessed waste is on the rise. Insufficient processing capacity is a factor. Minnesota is losing ground on developing a statewide-integrated solid waste management system.

- Landfill Cleanup Act: In 1994, the legislature passed the Landfill Cleanup Act which authorized MPCA to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 106 closed, state-permitted, municipal solid waste landfills in Minnesota. In 1999 and 2000 the definition of eligibility was broadened. As a result six additional facilities became eligible, increasing total sites to 112. Any MPCA-permitted MMSW landfill that stopped accepting MMSW by 4-9-1994, and demolition debris before 5-1-1995, can qualify for application to this program. Of the 112 landfills in CLP, twenty-seven are state-owned, twenty are privately owned and sixty-five are owned by counties and cities. Because the CLP is a voluntary program, not all closed permitted landfills are in the CLP; however, most closed, permitted facilities in the state have opted to join the CLP.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The state has provided approximately $53 million for 92 CAP projects to help finance the construction and expansion of 66 facilities throughout Minnesota: 25 recycling facilities, 9 transfer stations, 9 waste-to-energy facilities, 12 compost facilities, and 11 special waste stream facilities. A full listing of all grant recipients is available upon request. Public willingness, local government commitment, and CAP funding have all contributed to a successful local/state partnership that helps protect the environment and public health and facilitates recovery of resources and energy.

However, 37 percent of Minnesota's solid waste is neither recovered nor processed. It continues to be dumped into landfills. New facilities and expansion of existing facilities are necessary to ensure the capacity to process the remaining waste and future increases in waste generation. This request will expand Minnesota's capacity to recover resources and energy. Minnesota counties need legislative support and financial assistance to maintain and to continue the development of an integrated solid waste management system where all residents have access to, and use, a primary solid waste processing facility.

At the end of FY 2007, MPCA reported that future state obligations relating to eligible closed landfills were projected at $199 million. These financial obligations are based on needed remedial construction, operation and maintenance of these systems. Twelve publicly owned landfills in the CLP are in need of remedial construction activities in FY 2009 – FY 2012. If this request for general obligation bonds is not authorized, funding for these construction projects will come from other sources such as the remediation fund or the projects will have to wait until bonds are authorized. Similar construction projects at privately owned, closed landfills in CLP also compete for resources from the remediation fund. Given limited resources in the remediation fund, some construction activities are deferred into future years and will come at greater future cost.

**Agency Process Used to Arrive at These Capital Requests**

***CAP Request***
In preparing the request for $11.605 million MPCA relied on interest expressed by past and future applicants. MPCA is basing its extended projection of need on the solid waste management plans developed by the counties, MPCA's Preliminary Assessment of Regional Waste Management Capacity Report, MPCA's 2003 Solid Waste Policy Report, and the 2004 Metropolitan Policy Plan.

The CAP project narrative includes a preliminary listing of interested applicants. This list is the basis for MPCA's funding request for 2008.

For 2010 and 2012, the MPCA projected the minimum need for new MSW processing capacity. Several new projects are needed to serve large areas of greater Minnesota and the metro area. Existing private facilities may expand as well to meet a portion of the metro area needs.

***CLP Request***
MPCA has estimated design and construction costs for the remaining publicly owned closed landfills that need remedial action. Construction activities at each of these sites may include:

- the installation or augmentation of landfill covers to reduce the generation of contaminated leachate;
- the installation of ground water treatment systems to clean up contaminated ground water that threatens public drinking water sources;
- the installation of landfill gas control systems to prevent off-site threats of explosion to buildings and damage to crops; and
- installation of electrical generation equipment to utilize methane gas generated at sites. This construction represented in this bonding request is for $31.4 million.

To determine which sites should be worked on first, MPCA staff holds site forums and calculates a site score based on several factors. The primary goal of the scoring system is to prioritize sites to prevent or respond to releases of hazardous substances or contaminants and decomposition gases at qualified sites. The MPCA Commissioner publishes an update of the priority list each year.

**Major Capital Projects Authorized in 2001, 2002, 2005 and 2006**

The 2005 Legislature appropriated $4 million for CAP with language that directed $2 million for a grant to the city of Red Wing and $2 million for a grant to Olmsted County. The city of Red Wing proposes construction of an up-front materials recovery facility at its existing waste-to-energy facility. Olmsted County proposed construction of a third combustion unit at an existing facility.

The 2006 Legislature also appropriated $4 million for CAP. From this appropriation Olmsted County was awarded an additional $1.2 million toward construction of a third combustion unit at it's current facility and the city of Perham has been invited to submit a final application for $2.8 million for the construction of a third combustion unit at its existing facility as well.

The 1994 Legislature authorized $90 million in state general obligation bonds for design and construction at publicly owned landfills over a ten-year period. Expenditures from the authorized $90 million occurred in 1996 through February 2001 when spending of the unobligated balance was frozen. The unobligated balance of $56.6 million was subsequently cancelled on 7-1-2001. This action was the result of legislation enacted in 2000 that required the commissioner of finance report to the legislature in odd numbered years and cancel unspent or unobligated bond proceeds (M.S. 16A.642). Of the original $90 million bond authorization, $33.4 million was spent on CLP construction projects. Subsequent authorizations have included $20.5 million in 2002, $10 million in 2003, $10 million in 2005 and $7.15 million in 2006, a total of $81.05 million. The current request of $31.4 million is expected to complete the planned construction at currently eligible facilities.

**2008 STATE APPROPRIATION REQUEST:** $31,400,000

**AGENCY PROJECT PRIORITY:** 1 of 2

**PROJECT LOCATION:** 12 closed landfills statewide

**Project At A Glance**

- Design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems)
- Construct landfill gas-to-energy systems at four landfills
- Acquire land to ensure public safety once remediation efforts are complete at publicly owned, closed, mixed municipal solid waste landfills throughout Minnesota.

**Project Description**

This request is for $31.4 million to design and construct landfill remedial systems (covers landfill gas mitigation, and ground water treatment systems), to construct four landfill gas-to-energy systems at publicly owned, state-permitted, closed, mixed municipal solid waste landfills throughout Minnesota and to acquire 6.7 acres of land to buffer closed landfills for public safety reasons.

MPCA is authorized under the Landfill Cleanup Act (M.S. 115B.39) to initiate cleanups, complete closures, and take over the long-term operation and maintenance of closed landfills in perpetuity. Currently, 112 landfills are qualified under the Closed Landfill Program (CLP). Bonding authority is intended to be one of the three major funding sources for the closed landfill cleanup program. The other two sources are the solid waste tax and insurance recovery revenue.

The 1994 Legislature authorized up to $90 million in GO bond funds to be used for design and construction work at publicly owned landfills over a 10-year period (Laws of 1994, Ch. 639, Art. 3). Rather than issuing all $90 million at one time, the legislature intentionally restricted the selling and issuance of bonds so that the total amount issued could not exceed: 1) $10 million by 6-30-1996; 2) $35 million by 6-30-1998, 3) $55 million by 6-30-2000; and 4) $75 million by 6-30-2002.

In 2000, the legislature passed a law requiring the Commissioner of Finance in odd years to report to the legislature and to cancel unspent or otherwise unobligated bond proceeds (M.S. 16A.642). Consequently, this statute resulted in the cancellation of $52.46 million in unused bonding authority for closed landfill cleanup construction.

To date the legislature has authorized a total of $81 million, $10 million, $10 million, and $7.15 million respectively to meet MPCA's construction needs through FY 2008. However, the MPCA estimates that an additional $31.4 million is needed to complete remedial construction at 12 sites in FY 2009-12 and to construct landfill gas-to-energy systems at four state owned closed landfills. Authorizing the $31.4 million in bonds will allow MPCA to complete the remedial construction at publicly owned landfills, meeting the list of known outstanding needs at these sites.

**Impact on Agency Operating Budgets (Facilities Notes)**

The legislature directly appropriates funds from the Remediation Fund to pay the administrative costs of the CLP. Funding this capital request will not adversely affect MPCA's operating budgets.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L94, Chapter 639 | $90.00 million* | *MPCA cancelled $52.46 million of this appropriation |
| L01, 1SS, Chapter 12 | 20.50 million | |
| L02, Chapter 393 | 10.00 million | |
| L05, Chapter 20 | 10.00 million | |
| L06, Chapter 258 | 7.15 million | |

**Other Considerations**

In August 2006, MPCA estimated the cost of future state obligations relating to eligible closed landfills at $199 million. These financial obligations are based on needed remedial construction, and on-going operation and maintenance of these systems.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $15 million for this program. Also included is a budget planning estimate of $10 million in 2010 and $6.4 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 7,988 | 710 | 0 | 0 | 8,698 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 73,039 | 30,690 | 0 | 0 | 103,729 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **81,027** | **31,400** | **0** | **0** | **112,427** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 81,027 | 31,400 | 0 | 0 | 112,427 |
| **State Funds Subtotal** | 81,027 | 31,400 | 0 | 0 | 112,427 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **81,027** | **31,400** | **0** | **0** | **112,427** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 31,400 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $11,605,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Solid Waste Processing Facilities Capital Assistance Program (CAP) is a landfill abatement program providing financial incentives to local governmental units (LGUs) for implementing integrated solid waste management systems. Integrated solid waste management systems require new infrastructure that are basic public assets to Minnesota communities.

**Project Description**

This request is for $11.605 million for capital grants to local governments for the construction of solid waste resource recovery facilities.

The purpose of this program is to promote landfill abatement by providing capital grants to local governments for the construction of solid waste resource recovery facilities. These facilities will preserve land, recover valuable resources and energy and create jobs. These facilities will also reduce the environmental risks and potential liabilities related to managing waste.

The goal of the Minnesota Waste Management Act (M.S. Chapter 115A) is to have an integrated waste management system serving all of Minnesota. Since 1985, CAP grants have funded a small portion of the total solid waste project costs. Local governments have financed the balance of development, construction, and operating costs. In addition to CAP financial assistance, technical assistance also is provided to LGUs to address project development and the institutional and operational challenges associated with implementing an integrated solid waste management system.

Eligible recipients under the CAP grant program are limited to Minnesota cities, counties, solid waste management districts, and sanitary districts. Eligible projects are solid waste processing facilities that include some form of resource recovery. Following are examples of eligible projects:

- Waste-to-energy facilities
- Recycling facilities
- Composting facilities
- Transfer stations that will serve waste processing facilities
- Projects to increase recovery of materials or energy, those that substantially reduce the amount or toxicity of waste processing residuals, or those that expand the capacity of an existing resource recovery facility to meet the needs of expanded regions
- Special waste streams (i.e., household hazardous waste)

Depending on project type, a single-county project may receive funding of 25 percent or 50 percent of eligible capital costs, up to a maximum of $2 million. Multi-county cooperative projects can receive 25 percent or 50 percent of the eligible capital costs, or up to $2 million, times the number of participating counties, whichever is less. A new transfer station to serve an existing processing facility may be eligible for up to 75 percent funding of eligible capital costs. Following are examples of eligible costs:

- Final design, engineering, and architectural plans
- Land and structures
- Waste processing equipment
- On-site roads, parking, and landscaping

*Waste-to-Energy background.* The MPCA has a strategic objective to increase the state's waste-to-energy capacity by 60 percent by 2011. Waste-to-energy is clean, reliable, renewable power, and is a vital part of the energy infrastructure in those Minnesota communities where such facilities are located. Currently, nine waste-to-energy facilities in Minnesota process 3,800 tons of mixed solid waste (MSW) per day for industrial heat and electrical generation producing approximately 100,000 megawatts of electrical energy, or enough energy to power 110,000 homes. The incremental energy return from combusting this additional waste from 2007 through 2011 would be 1.3 trillion BTUs, and the reduced carbon dioxide and methane gases resulting from this additional combustion would be the equivalent of 359,000 tons.

*Flow Control update*. An April 2007 Supreme Court decision (Oneida-Herkiemer) restored Minnesota's authority to control the flow of mixed municipal solid waste. The Court reinstates the authority of local units of government to direct trash haulers to use specific facilities. In the opinion, the Court regarded waste management as a typical and traditional power of state and local government and considered local government action to protect health and safety a legitimate use of police powers.

Minnesota's solid waste objectives, as outlined in the Waste Management Act, Chapter 115A, are benefited by this ruling. Minnesota law outlines a process for establishing county flow control regulations called "designation." State oversight requirements and regulatory safeguards provided for in Minnesota's designation law (M.S. 115A.94) requires counties to use an orderly and deliberate process to promulgate solid waste flow control.

The following list identifies *potential* capital project development and construction estimated over the next six years. Two applications totaling $11.605 million have been received for FY 2008-09 CAP funding.

(Amounts in 000's)

| FY 2008-09 | Project Type | Total Capital Cost | Applicant's Capital Cost | CAP Grant |
|---|---|---|---|---|
| Hennepin | HHW | $ 9,710 | $ 7,710 | $ 2,000 |
| Pope/Douglas | W-to-E upgrade and expansion | 19,411 | 9,806 | 9,605 |
| | Subtotal | $29,121 | $17,516 | $11,605 |
| FY 2010-11 | | | | |
| North West Minnesota | Processing | 20,000 | 15,000 | 5,000 |
| North Central Minnesota | Processing | 20,000 | 15,000 | 5,000 |
| | Subtotal | $40,000 | $30,000 | $10,000 |
| FY 2012-13 | | | | |
| West Central Minnesota | Processing | 20,000 | 15,000 | 5,000 |
| South West Minnesota | Processing | 43,000 | 28,000 | 15,000 |
| | Subtotal | $63,000 | $43,000 | $20,000 |

**Impact on Agency Operating Budgets (Facilities Notes)**

Existing MPCA staff that administer the CAP grant program are funded through the Environmental fund. This bonding request does not affect MPCA's operating budget.

Fully funding this 2008 CAP request significantly supports the state's efforts to minimize the volume of waste material destined for landfills. As projects are funded with CAP grants, MPCA staff shift their focus from project development to project implementation and sustainability.

Project development activities include planning, feasibility studies, waste composition analysis, institutional arrangements, and inter-county agreements. Project implementation and sustainability activities include implementing plans, assistance during construction, equipment selection, shakedown and acceptance, marketing of materials and/or energy, and operational and compliance issues.

**Previous Appropriations for this Project**

| | |
|---|---|
| 2006 | $ 4.00 million |
| 2005 | 4.00 million |
| 2002 | 1.15 million |
| 2000 | 2.20 million |
| 1999 | 3.00 million |
| 1998 | 3.50 million |
| 1996 | 3.00 million |
| 1994 | 3.00 million |
| 1992 | 2.00 million |
| 1990 | 7.00 million |
| 1987 | 4.00 million |
| 1985 | 11.40 million |
| 1980 | 8.80 million |
| | $57.05 million |

**Other Considerations**

- For local governments, developing an integrated solid waste management system is a complex, controversial, and expensive endeavor. Without the CAP program's technical and financial assistance, many local governments will not move forward in developing a solid waste management infrastructure.
- The CAP program serves as an incentive to move infrastructure development forward and cultivates a partnership between the state of Minnesota and local governments to develop integrated solid waste management systems. Due to CAP's funding formula, a significant incentive is created to motivate LGU's to work together on regional projects. MPCA's administration and oversight of the CAP grants help to develop projects that are technically, institutionally, and financially sound.

Glossary:

| | |
|---|---|
| HHW | Household Hazardous Waste |
| LGU | Local Government Unit |
| MSW | Mixed Solid Waste |
| Processing | MSW recovery through W-to-E, composting, etc. |
| W-to-E | Waste-to-Energy |

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**Governor's Recommendation**

The governor recommends $9.605 million in general obligation bonding for this program. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 185,313 | 29,121 | 40,000 | 63,000 | 317,434 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **185,313** | **29,121** | **40,000** | **63,000** | **317,434** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 57,050 | 11,605 | 11,605 | 20,000 | 100,260 |
| **State Funds Subtotal** | 57,050 | 11,605 | 11,605 | 20,000 | 100,260 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 128,263 | 17,516 | 30,000 | 43,000 | 218,779 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **185,313** | **29,121** | **41,605** | **63,000** | **319,039** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 11,605 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

Local Government Delivery System:

Agency responsibilities are delivered with or implemented by local government to assure local priorities are met and participation in private lands management occurs. These include:

- 91 Soil and Water Conservation Districts (SWCD's)
- 44 Watershed Districts
- 27 Watershed Management Organizations
- 230 Cities
- 304 Western Community Action Local Government Units (WCA LGU's)

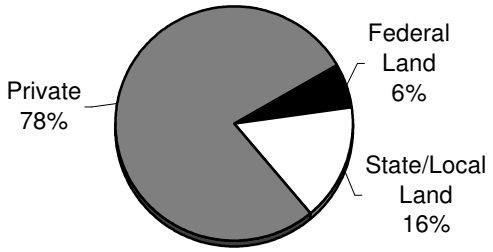
Accomplishments:

- 178,181 acres of wildlife habitat and wetlands restored through Reinvest in Minnesota (RIM) Reserve
- 29,588 acres of wetland loss avoided
- 208 feedlots improved through state cost share grants
- 1.9 million tons per year of soil erosion prevented
- 522,000 tons of sediment kept out of lakes, rivers and streams
- 1,105,000 pounds of phosphorus kept out of lakes, rivers, and streams.

**Agency Purpose**

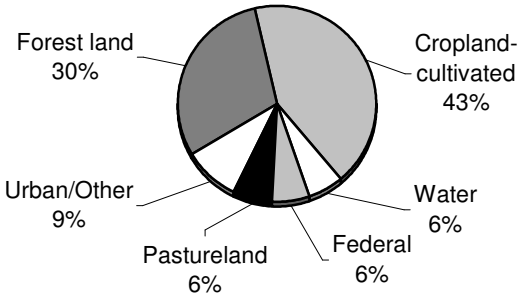
The Board of Water and Soil Resources' (BWSRs) purpose is to protect and enhance the state's irreplaceable soil and water. The board implements the Wetland Conservation Act (WCA) and comprehensive local water management through local units of government. The agency is the state's administrative agency for 91 soil and water conservation districts, 44 watershed districts, 27 metropolitan watersheds, and 80 county water management organizations.

**Land Ownership**




Because 78 percent of the state is privately owned, the agency's focus on private lands is critical to the state attaining its goals for clean water and abundant fish and wildlife. Managed wisely, these working lands – Minnesota's farms, forests, and urban areas – can benefit water quality, preserve and enhance fish and wildlife habitat, prevent loss of wetlands, and preserve open spaces.

**Variety of Land Uses**



Agency programs to assist landowners and local governments have resulted in less sediment and nutrients entering our lakes, rivers and streams; more fish and wildlife habitat and the drastic slowing of wetland losses. These outcomes are achieved, in spite of intensification of agriculture, greater demands for forest products and rapid urbanization in many parts of the state.

**Core Functions**

BWSR's mission is implemented through the following core functions:

- Serves as the state soil conservation agency (M.S. 103B.101)
- Directs soil and water conservation programs through the state's SWCD's, counties, cities, townships, Watershed Districts, and Water Management Organizations (M.S. 103C, 103D)
- Ensures linkage of water resource planning with comprehensive land use planning (M.S. 103B)
- Resolves water policy conflicts and issues (M.S. 103A.211, 103A.305, 103A.315, 103A.311)
- Implements all comprehensive local water management acts (M.S. 103B.201, 103B.255, 103B.301)
- Provides a forum (through the board) for local issues and priorities to be incorporated into state public policy (M.S. 103B.101)
- Enforces the state Wetland Conservation Act (M.S. 103G)
- Coordinates state and federal resources to realize local priorities

**Operations**

The board consists of 17 members representing local government entities delivering BWSR services, state agencies and citizens. The board sets a policy agenda designed to enhance service delivery though local units of government. Agency staff is located in eight locations throughout Minnesota. The focus of agency staff is to provide technical and financial assistance to local governments in order to plan and implement agency policy on privately owned lands. The agency also works with private landowners to implement conservation on the ground. This provides an opportunity to apply state, federal, local, and private resources to projects that help maintain water quality, prevent soil loss and erosion, ensure planning for land use and protect wetlands located on privately owned lands. These partnerships in service delivery ensure that the interest of state policy is implemented with local issues and problems in mind.

**Budget**

Two-year State Budget:

- $8.1 million in operating funds
- $24.1 million in pass-through grants
- $27.8 million in 2005 session capital projects

BWSR funding is primarily from the general fund. The majority of the funds are passed through to local government to administer state policies and programs the agency is responsible for. Outcomes are evaluated to assure conservation policy objectives are attained and that resources are expended to assure program success.

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

The Water and Soil Resources Board's (BWSR) Strategic Plan identifies voluntary resource management strategies and related goals. Resource management strategies are focused on a combination of education, financial incentives, and regulation. The goal is to build local capacity for water resource management by providing assistance to local governments and landowners in preventing natural resource problems and mitigating existing problems.

Agency goals and objectives that are achieved through capital projects include:

- Protecting or retiring marginal agricultural and environmentally sensitive lands
- Targeting limited resources to the highest priority marginal and sensitive lands
- Creating natural retention systems to improve surface water runoff and enhance groundwater recharge
- Achieving the state's policy of no net loss of wetlands
- Installing best management practices on Minnesota lands

BWSR programs, as outlined in the capital budget request, use incentives and include tools local governments can use to enhance local conservation program delivery. Incentives provide opportunities to remove marginal ag-land and environmentally sensitive land from production and provide solutions for extreme shoreland erosion and flood damage to land and wildlife habitat. They encompass both urban and rural values and provide both loan and grant programs.

**Conservation Easement Programs**: As part of the state's effort to protect marginal land and improve water quality, BWSR administers various conservation easement programs. These programs acquire or support the acquisition of easements to restore or protect critical lands.

The state established the Reinvest in Minnesota (RIM) Reserve Program in 1986. Since then, state-funded easement programs have secured more than 121,000 environmentally sensitive acres throughout the state.

The focus for acquiring easements over the past three years has been on the Minnesota River Conservation Reserve Enhancement Program (CREP) to preserve 100,000 acres and realize related water quality and habitat benefits. While not ignoring the Minnesota River's on-going resource needs, the RIM Reserve program will resume a statewide focus. RIM conservation easement programs include:

**RIM Reserve Match to the Minnesota River Basin Project under the CREP**

The purpose of this program is to retire marginal, flood-prone cropland along the Minnesota River and its tributaries and to reduce phosphorus and sediment pollution in the river.

**RIM Reserve: Leverage Funding for Wetland Reserve Partnership (WRP)**

This program restores previously drained wetlands and protects them from future drainage with a perpetual easement. The combination of a 30-year National Resource Conservation Service (NRCS)/WRP easement and a RIM Reserve perpetual easement streamlines the easement process for both local units of government and landowners. The requested funding provides the state match for the program. The geographic focus of this program is the Prairie Pothole Region.

**RIM Reserve and Permanent Wetland Preserves (PWP)**

RIM Reserve takes marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat. PWP protects existing, at-risk, urban and rural wetlands from conversion to other uses by offering financial compensation to landowners in return for a perpetual easement. The geographic focus is statewide. By preserving wetlands, before they are drained, the state can preserve its natural resources at a lower cost.

BWSR will continue to leverage federal funding through CRP, WRP, CREP, the North American Wetland Conservation Council (NAWCC), and other private conservation organizations to maximize program outcomes.

**Public Transportation Wetland Replacement Program**

The Minnesota Local Government Roads Wetland Replacement Program results from a statutory obligation of the state to replace wetlands lost to safety improvements made to public transportation projects (M.S. 103G.222, Subd.1(1). This program supports the "no-net-loss" requirements of both state and federal regulations. It benefits a wide number of constituent groups: local road authorities by assigning responsibility for replacing the inevitable loss of wetlands to the state; environmental interests by establishing higher quality wetland replacement sites; state taxpayers by reducing the overall costs of constructing these replacement wetlands due to economies of scale and citizens by avoiding delays in undertaking public safety enhancements to existing roads due to wetland mitigation costs.

**Streambank, Lakeshore, and Roadside Erosion Control Program**

This program provides for the protection of water quality, fish and wildlife habitat, public infrastructures, and public safety through:

- Protection and restoration of environmentally sensitive lake and river shoreland areas through the purchase of conservation easements, 103F.225 (Shoreland Protection Program).
- Restoration of severely eroded lake and river stream banks through the installation of erosion control practices with cooperating public entities.
- Reduction of flood damage through the installation of road retention projects.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The following trends and issues are shaping the development of programs at BWSR:

- **Non-point source pollution strategy moves to implementation phase.** The strategy for non-point source pollution has moved to the implementation phase, which accelerates the need to install soil erosion and water quality practices on the land. BWSR's local government network provides the means to effectively disseminate conservation, financial and technical assistance to private landowners throughout the state. Through its local water management programs, BWSR can identify, assess, prioritize, and implement programs and practices to address non-point concerns at the local level.
- **Federal action increases pressure**. Federal action has increased pressure on BWSR and local governments to increase their efforts in land and water conservation. The current farm bill authorizes states to apply and have land set-aside of up to 100,000 acres in conservation easements. This program provides the potential for the state to leverage $4 of federal funds for every $1 of state match. Further, decreased USDA staffing for the NRCS has increased pressure on local and state governments to provide the technical assistance necessary to design and install conservation practices. In addition, EPA is requiring states to address impaired waters and nutrient enrichment (hypoxia) in the Gulf of Mexico. These factors have increased demands for service.
- **Increased acknowledgement of and reliance on the role and capabilities of local government**. Over the past several years, state government has grown increasingly dependent on local government to carry out state initiatives. Cooperative resource management is an effective way to maintain or increase resources without increasing funding. Local government officials and staff have advantages that the state does not – they have knowledge of local resources and attitudes, personal friendships, an awareness of local needs and priorities and authority over local land use decisions. Local government capabilities in resource management have grown significantly. They are now at a point, however, where they need a wider variety of training and assistance in technical, leadership, and management issues.
- **Increased natural resource awareness and willingness to take action to ensure a future with high quality natural resources.** Minnesotans are aware of environmental concerns, particularly water quality. With approximately one-third of Minnesota adults either owning a cabin or recreational land, the state's citizens are more willing to make reasonable sacrifices to protect and improve water quality. Going to the cabin is a tradition for many families and they will notice if poor water conditions affect their favorite lake or fishing stream. Residents also are more aware of the need to protect marginal lands, especially those close to critical water resources. The agricultural community has accepted the need to remove marginal agricultural lands from production in order to improve production efficiency and water quality.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The following information outlines the condition of Minnesota's 23 million acres of cropland and related conservation needs.

**Total Minnesota Cropland: 23 Million Acres**

**Soil Conservation Needs:**

**10 Million Acres:**
- Protected from erosion; annual erosion is less than the tolerable rate of soil loss
- On-going need to maintain good management practices

**8 Million Acres:**
- Eroding at one to two times the tolerable rate of soil loss
- Need for technical assistance to landowners to implement sustainable management practices is vital

**2.5 Million Acres:**
- Eroding at greater than twice the tolerable rate of soil loss
- Productive land only if protected with conservation practices
- Targeted cost-share programs for conservation practices and technical assistance to landowners are critical

**2.5 Million Acres *:**

- Drained wetlands
- Marginal cropland
- Highly erodible and located in floodplains
- Targeted land retirement programs are needed

* Funding for BWSR conservation easement programs will be used on portions of these lands.

**Other Resource Protection Needs:**

1,600 miles of eroding streambanks and lakeshore
4,300 cubic yards of soil are lost per year from roadside erosion

**Agency Process Used to Arrive at These Capital Requests**

In determining the amount of this request, acreage and application estimates were compiled based on historical program demands.

Internal agency estimates were used to arrive at the amount requested for PWP program. All requests reflect demands for service or assistance provided to local government and citizens.

**Major Capital Projects Authorized in 2002 and 2003**

Local Government Roads Wetland Banking Appropriations

| | |
|---|---|
| 2002 | $2.7 million (vetoed) |
| 2003 | $2.7 million |
| 2005 | $4.4 million |

Conservation Easement Program Appropriations

| | |
|---|---|
| 2003 | $1.0 million |
| 2005 | $23.0 million |

# Water & Soil Resources Board

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| RIM Reserve Program | 1 | GF | $12,500 | $0 | $0 | $1,800 | $0 | $0 |
| | | GO | 57,500 | 0 | 0 | 20,000 | 0 | 0 |
| Local Government Road Wetland Replacement | 2 | GF | 0 | 0 | 0 | 720 | 720 | 720 |
| | | GO | 8,500 | 8,900 | 9,400 | 4,200 | 4,200 | 4,200 |
| RIM Clean Energy | 3 | GF | 6,000 | 0 | 0 | 300 | 0 | 0 |
| | | GO | 40,000 | 0 | 0 | 3,000 | 0 | 0 |
| Clean Water Legacy - Streambank, Lakeshores | 4 | GO | 2,500 | 2,500 | 2,500 | 0 | 0 | 0 |
| Grass Lake | 5 | GO | 1,700 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $128,700 | $11,400 | $11,900 | $30,020 | $4,920 | $4,920 |
| General Obligation Bonding (GO) | $110,200 | $11,400 | $11,900 | $27,200 | $4,200 | $4,200 |
| General Fund Projects (GF) | $18,500 | $0 | $0 | $2,820 | $720 | $720 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# RIM Reserve Program

**2008 STATE APPROPRIATION REQUEST:** $70,000,000

**AGENCY PROJECT PRIORITY:** 1 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The RIM Reserve and Permanent Wetlands Preserve (PWP) programs acquire conservation easements from private landowners to:

- Protect or retire marginal and environmentally sensitive agricultural lands
- Protect and enhance water quality of rivers, streams, and lakes
- Create fish and wildlife habitat
- Contribute toward a net gain of wetland resources
- Reduce flood damage through the creation of natural water retention systems
- Leverage federal WRP funds

## Project Description

This request is for $70 million to acquire RIM and WRP conservation easements on approximately 25,000 acres of private land. Of that amount, $57.5 million is for easements, $6.25 million is for local government implementation grants and $6.25 million is for BWSR implementation. Implementation costs include the necessary realty, engineering and administrative functions associated with easement acquisition and implementation of conservation practices on easement lands.

The RIM Reserve and PWP programs compensate landowners for granting conservation easements and establishing native vegetation habitat on economically marginal, flood-prone, environmentally sensitive or highly erodable lands. They protect the state's water and soil resources by retiring existing marginal agricultural lands, by restoring drained wetlands and by protecting existing wetlands that are highly susceptible to development.

BWSR's RIM Reserve program is a critical component of the state's efforts to improve water quality by reducing soil erosion, reducing phosphorus and nitrogen loading, and improving wildlife habitat on private lands. RIM Reserve is implemented in cooperation with local Soil and Water Conservation Districts (SWCDs).

Degrading water quality and diminished wildlife habitats can be found throughout Minnesota. Approximately 2.5 million of the state's 23 million acres of cropland have been targeted as having more benefit to the state as restored native prairie wetlands.

Damage to Minnesota resources occurs in the form of soil erosion, sedimentation of eroded soil, and phosphorus. Soil erosion reduces farm productivity, increases the costs of farming, and creates sediment for downstream communities to address. Sedimentation fills rivers and lakes, destroys habitat, carries pollutants, increases flood severities, and reduces recreational value. Phosphorus makes water unsuitable for fish or human activities, promotes excess aquatic plant growth, and promotes eutrophication of water resources.

The RIM Reserve and PWP programs meet the goals and objectives of BWSR's strategic plan. Agency goals that are achieved through capital projects include:

- Protecting or retiring marginal and highly sensitive agricultural lands
- Creating natural retention systems to improve surface water quality and enhance groundwater recharge
- Working toward a net gain of wetland resources
- Installing best management practices on Minnesota lands.

The state of Minnesota achieves quantifiable water quality benefits by removing environmentally sensitive cropland from production. From 1998 to 2002, through BWSR's Local Government Annual Reporting System (LARS), with data reported by SWCDs, BWSR calculated the benefits at 9.6 tons/acre/year sediment reduction, 4.2 tons/acre/year soil loss reduction, and 5.3 pounds/acre/year phosphorous reduction from each acre enrolled in a conservation easement.

**RIM Reserve/ WRP Partnership**

The RIM Reserve/WRP partnership is a state/federal/local partnership that provides Minnesota with an opportunity to leverage significant federal dollars to increase wetland restoration conservation easement enrollment in Minnesota. In 2006, the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) implemented a new appraisal process that was poorly received by Minnesota landowners. As a result, enrollment in WRP in Minnesota has decreased significantly compared to previous years' enrollment levels. The RIM Reserve/WRP partnership is successfully restoring drained wetlands by combining a WRP 30-year easement with a perpetual RIM Reserve easement. With this partnership we can create a combined payment from both programs that is attractive enough for landowners to choose enrollment in the partnership. Without bonding for RIM Reserve in 2008, Minnesota has the potential to lose $15 million per year in 2008 and 2009 of WRP funding from the USDA. This partnership allows Minnesota's BWSR to leverage additional federal WRP dollars for Minnesota and reduce the state's payment to landowners. We expect to enroll approximately 15,000 acres in the RIM Reserve /WRP Partnership in 2008 and 2009. Permanent protection ensures that Minnesota's tax dollars are benefiting all citizens, both current and future.

**RIM Reserve Program**

The RIM Reserve continues to be a major force in Minnesota's soil and water conservation efforts. RIM Reserve increases public and private investment in private lands to improve water quality, and create wildlife habitat and enhance flood storage. These voluntary private-land conservation easements with private landowners are administered in partnership with SWCDs and focus on restoring drained wetlands and enrolling highly erodible, riparian and sensitive groundwater lands.

The RIM Reserve program is Minnesota's largest private land easement program and delivers multiple benefits which include:

- Retiring marginal/environmentally sensitive agricultural land from production
- Improving our water and soil resources
- Establishing wildlife habitat
- Keeping lands in private ownership and on local tax rolls
- Allowing partnership with federal, state and local entities to leverage additional financial resources that enhances the State's investment.

The BWSR is presently conducting an intensive RIM Reserve program review including stakeholder input to determine the agency's priorities for enrollment for the next five years. This review will be completed by the Fall of 2007 and will identify RIM Reserve program priorities and opportunities for targeting enrollment.

The following initiatives provide opportunities for BWSR to target the RIM Reserve program to provide significant public benefits on private lands:

- Enroll priority wetland, grassland and wildlife habitats as identified in federal/state restoration partnerships and other conservation initiatives
- Working Lands Initiatives (WLI) – enrollment in identified WLI focus areas
- Expiring CRP contracts – target enrollment of wetland and critical riparian lands
- Expiring RIM Reserve contracts – target enrollment of critical riparian lands
- Clean Water Legacy – target enrollment in TMDL's implementation areas including both protection and restoration plans
- Riparian buffers – target enrollment of 1.3 million acres of cropland identified within the 100 foot/100 year flood plain
- Army Compatible Use Buffers (ACUB) – target enrollment of targeted lands within a three-mile radius of Camp Ripley
- Wildlife Habitat Corridor Project (HCP) – target enrollment within the eight LCCMR approved project corridors
- Flood Damage Reduction projects – target enrollment of lands that flood during high rainfall periods and/or are within the 100 year flood plain
- Lake Shore easements – Clean Water Legacy protection plans

Priority will be given to expired RIM and CRP contracts. As of September, 2007, approximately 80,000 acres of existing CRP contracts expired. BWSR expects to enroll approximately 10,000 acres in RIM Reserve conservation easements.

**Other Conservation Initiatives**

BWSR has solicited and received matching funds from the federal North American Wetland Conservation Council (NAWCC) for RIM wetland restoration easements. To date, BWSR has received approximately $3.0 million for projects throughout the state. These habitat restoration projects include the Minnesota River watershed, the Heron Lake restoration (in Jackson, Nobles, Cottonwood and Murray counties), Grass Lake restoration (in Kandiyohi County near Willmar), Northern Tallgrass Prairie restoration (covering 18 counties in northwestern Minnesota) and the Prairie Heritage restoration project (cover 38 counties in Southern Minnesota). These projects include numerous partners and have been initiated at the local level. BWSR continues to seek grants from NAWCC to fund conservation easements associated with special projects like those listed above or projects located within priority watersheds. This matching program requires a 1.5:1 match in order to be competitive nationally.

It is anticipated that conservation groups, such as Pheasants Forever, Ducks Unlimited, Isaac Walton League, Minnesota Waterfowl Association, The Nature Conservancy, Trout Unlimited, and the US Fish and Wildlife Service will continue to leverage dollars towards the establishment of conservation practices on RIM Reserve easements. From 1992 to present, these organizations contributed approximately $3.0 million to the program and made additional donations in the form of native grass seed and in-kind services.

**Impact on Agency Operating Budgets (Facilities Notes)**

$12.5 million of this request is required to implement the RIM Reserve program. This amount is required to support the necessary realty, engineering and administrative functions associated with easement acquisition and establishment of conservation practices on those easement lands. SWCDs will receive approximately 50 percent of this total as a Conservation Easement Services Grant to offset their cost to secure easements, develop conservation plans and monitor easement compliance.

**Previous Appropriations for this Project**

| | |
|---|---|
| 1996 | $11.5 million |
| 1998 | $15.0 million |
| 2000 | $21.0 million |
| 2001 | $51.4 million |
| 2003 | $1.0 million |
| 2005 | $23.0 million |

**Other Considerations**

In April of 1998, a citizen's advisory committee issued a report *The Continuing Journey to Preserve Minnesota's Outdoor Heritage*, which sums up the state of wildlife-based recreation in Minnesota. This committee was established by the 1997 Legislature to review the original Reinvest in Minnesota (RIM) program to see if it had been successful. The committee found that RIM had been successful, but that additional funds were needed to avoid negative impacts to Minnesota's fish, wildlife, and native habitats from urban sprawl, agricultural practices and other development. The report recommended a funding level of $20 million per year for expansion of the RIM Reserve, PWP and CREP easement programs.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $20 million for the Permanent Wetlands Preserve (PWP) program, with a general fund appropriation of $1.8 million to implement the program.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 57,500 | 0 | 0 | 57,500 |
| General Fund Projects | 0 | 12,500 | 0 | 0 | 12,500 |
| **State Funds Subtotal** | 0 | 70,000 | 0 | 0 | 70,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **70,000** | **0** | **0** | **70,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
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| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 57,500 | 100.0% |
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| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
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| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
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| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
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| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Local Government Road Wetland Replacement

**2008 STATE APPROPRIATION REQUEST:** $8,500,000

**AGENCY PROJECT PRIORITY:** 2 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Minnesota Local Government Road Wetland Replacement program replaces wetlands lost due to local public road improvements.

## Project Description

The Board of Water and Soil Resources (BWSR) is requesting $8.5 million to acquire 236 acres of wetlands to replace wetlands lost due to local government road construction and to acquire additional wetlands for establishing a 2.5 - year wetland "balance" to expand available wetland banking credits.

The Minnesota Local Government Roads Wetland Replacement program is in response to a state statutory obligation to replace wetlands lost to improvements made to public transportation projects as required under M.S. 103G.222, Subd.1, (l). This program supports the "no-net loss" requirements of both state and federal regulations and it benefits a wide number of constituent groups including: local road authorities by assessing responsibility for replacing inevitable loss of wetlands to the state; environmental interests by establishing high quality wetland replacement sites; state taxpayers by saving land acquisition costs due to economies of scale; and citizens by avoiding delays in undertaking public safety road enhancements due to wetland mitigation costs.

The 1996 and 2000 Legislatures amended the Wetland Conservation Act (WCA) after several years of controversy and regulatory inconsistency among local governments, business interests, environmental groups and others. The Local Government Roads Wetland Replacement Program was a key outcome of these amendments. It transfers responsibility for replacing wetlands lost due to local government road construction from the local road authority to the BWSR. This eliminates the need for local government transportation officials to undertake and finance environmental reclamation projects, and consolidates the necessary technical, financial and other implementation work to provide higher quality, more cost-effective wetland replacement.

The Local Government Roads Wetland Replacement program provides the following benefits:

- Regulatory simplification and efficient wetland mitigation are achieved by eliminating the need for each local road authority to maintain its own staff expertise and budget to mitigate impacts to wetlands from road projects.
- Consolidation of fragmented impacts from road projects in targeted areas to provide habitat, water quality and other wetland functions away from traffic and highway runoff areas at a lower public cost.
- Integration of state and local water management goals such as improving water quality, flood control, greenway preservation, and wildlife corridor enhancement through collective action.
- Coordination with federal, state and local agencies in ranking project proposals and setting program strategies consistent with overall state and federal wetland goals.

There is stakeholder consensus on the benefits of the program and the need to permanently fund it. Local governments have recommended that funding for this program should be part of BWSR's capital budget request each biennium. Without a continued state commitment to this funding, local governments face paying for this work locally, which could result in several negative consequences including:

- Reduced or delayed completion of local government road projects.
- Increased local property tax levies.
- Reversal of the fragile stakeholder consensus that resulted in wetland regulatory reforms (Laws 1996, Chap.462 and Laws 2000, Chap. 382).
- Reversal of an agreement with the Army Corps of Engineers (COE) that allows this program to meet federal regulatory requirements on behalf of local communities. Local road authorities would again have to seek individual approval.

**Impact on Agency Operating Budgets (Facilities Notes)**

The 2005 capital budget request was based on an average of 206 acres of required wetlands replacement every year at an annual cost of 2.06 million. An analysis of required replacement for the period 2004-2006 has determined that the annual need has increased to an average of 236 acres. The number of acres impacted depends most directly on the money available to local governments for road construction. The cost of establishing wetland varies widely, from a low of $4,000 an acre in rural Minnesota to more than $80,000 an acre for metro area projects.

State statute requires the replacement of wetlands to occur before any losses occur, but current practice lags two years behind in wetland replacement due to the availability of funding. This is important because it takes an average of 2.5 years to transform allotted funds into approved wetland credits. Establishing wetland credits requires 2 years to find sites, acquire land and then implement the construction and vegetation plans and another 6 months for the credits to be certified and deposited into the wetland bank. This means that in order to comply with the state and federal regulations that require the replacement to be done prior to or concurrent with the wetland losses, 2.5 years worth of credits or a positive balance of at least 590 acres should be established and maintained.

The current system of replacement has satisfied the federal agencies in the past but BWSR anticipates the need to build this buffer as soon as possible so replacement precedes impacts by a minimum of one growing season. Failure to meet this in advance requirement would increase replacement costs even further.

The increase in funding requested for this program is principally due to the following:

- Increasing need for replacement wetlands based on reporting to BWSR from local road authorities;
- Increasing demand for wetland banking credits and federal interest in establishing 2.5 year balance of wetland banking credits.
- Rising land prices that increase BWSR's cost to supply the required replacement wetlands. Data on farmland sales has documented a 23 percent increase in farmland values over the past two years.

In order to meet the statutory obligation to conduct wetland replacement and establish a 2.5 year balance of wetland credits, BWSR projects that it will need $8.5 million for the upcoming two years (July 2007 through July 2009); however the total dollars needed may increase due to increased road construction activity and continued increases in land values.

**Previous Appropriations for this Project**

| | |
|---|---|
| 1996 | $3.0 million |
| 1998 | $2.75 million |
| 2000 | $2.75 million |
| 2001 | $2.0 million |
| 2002 | $300 thousand |
| 2003 | $2.7 million |
| 2005 | $4.36 million |
| 2006 | $4.2 million |

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**Governor's Recommendations**

The governor recommends general obligation bonding of $4.2 million for this project, with a general fund appropriation of $720,000 to administer the program. Also included are budget planning estimates of $4.920 million in FY 2010 and $4.920 million in FY 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 7,100 | 0 | 0 | 7,100 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 1,400 | 0 | 0 | 1,400 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,500** | **0** | **0** | **8,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 12,862 | 8,500 | 8,900 | 9,400 | 39,662 |
| General Fund Projects | 700 | 0 | 0 | 0 | 700 |
| **State Funds Subtotal** | 13,562 | 8,500 | 8,900 | 9,400 | 40,362 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **13,562** | **8,500** | **8,900** | **9,400** | **40,362** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $46,000,000

**AGENCY PROJECT PRIORITY:** 3 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- The RIM Clean Energy (RIM CE) program will compensate landowners for granting RIM Clean Energy easements to create bio-energy.
- Easements will have a minimum duration of twenty years.
- RIM CE protects and enhances water quality and/or soil health, reduces chemical inputs, increases soil carbon storage, encourages biodiversity and provides wildlife habitat.

**Project Description**

This request is for $46 million to provide financial and technical assistance to landowners to produce native perennial energy crops and crop mixes for bio-energy production. The request includes $40 million for clean energy easements on 13,000 acres of agricultural land, $3 million for RIM CE service grants to local units of government and $3 million to fund program implementation at the Board of Water and Soil Resources (BWSR).

Technology to transform cellulosic biomass (plant fibers) into bio-fuels such as ethanol is rapidly entering the marketplace. Minnesota is uniquely positioned to be at the forefront of this emerging industry. Done correctly, advanced bio-fuels will move us toward greater energy independence, reduce global warming pollution, improve water quality, increase wildlife habitat and drive broad-based rural economic development.

Cellulosic ethanol represents the best opportunity for replacing petroleum with a renewable fuel while improving national, economic and environmental security. In order to ensure that bio-fuels retain their “green” attributes, advanced energy crop growing, harvesting and processing should be sustainable activities. If stewardship criteria are not integrated from the beginning, the threat exists that energy crops may not provide the expected environmental and local community benefits that they have the potential to deliver.

Growing energy crops would help support the development or expansion of bio-fuel facilities for ethanol production, generation of electricity or heat and production of other bio-based products.

Under the RIM CE program, BWSR would designate defined project areas through input received from the CE Technical Committee. Long-term easements would be purchased from farmers for sustainable production of perennial, native, bio-energy crops on agricultural lands. A tiered payment system would be developed for landowners based on the benefits of bio-energy production and the other public benefits achieved by RIM CE easements.

**Other Conservation Initiatives**

The 2007 Federal Farm Bill being considered by congress will likely include a significant bio-fuel element, which would provide an opportunity to leverage federal dollars for bio-energy production that would enhance Minnesota’s RIM CE program. We will be closely monitoring the development of the Federal Farm Bill and its implications to Minnesota’s new RIM CE program.

**Impact on Agency Operating Budgets (Facilities Notes)**

Six million dollars of this request is required to implement the RIM CE program. This amount is necessary to support critical realty, engineering and administrative functions associated with easement acquisition and establishment of bio-energy crops. Soil and Water Conservation Districts will receive approximately 50 percent of this total as a RIM CE service grant to offset their cost to secure easements.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million, with a general fund appropriation of $300,000 to implement a bio-fuels pilot project. Recommendations on future funding would be reserved until results of the pilot project are available.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 40,000 | 0 | 0 | 40,000 |
| General Fund Projects | 0 | 6,000 | 0 | 0 | 6,000 |
| **State Funds Subtotal** | 0 | 46,000 | 0 | 0 | 46,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **46,000** | **0** | **0** | **46,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 40,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Clean Water Legacy - Streambank, Lakeshores

**2008 STATE APPROPRIATION REQUEST:** $2,500,000

**AGENCY PROJECT PRIORITY:** 4 of 5

**PROJECT LOCATION:** Statewide

**Project at a Glance**

- Provides grants for restoring impaired waters and priority lakes and streams.
- Implements local water management plans related to streambank, stream channel, lakeshore, and roadside erosion and sediment control projects, where there is a public interest in the land.
- Reduces sediment and associated nutrient losses to waters adjacent to agricultural land.

**Project Description**

This request is for $2.5 million for cost-share grants to private landowners for implementation of soil and water conservation practices that contribute to the protection or restoration of streams, rivers, and lakes identified in comprehensive local water management plans or TMDL implementation plans. Cost-share grants will provide up to 75 percent of total project costs.

Projects will be selected through a competitive application process based in part on their ability to demonstrate the restoration and/or protection of water quality to the targeted water resource.

Recent studies have concluded that under average flow conditions, streambank erosion accounts for 11 percent of the phosphorous entering Minnesota's surface waters. An overabundance of phosphorous can result in excessive algal production and in waters becoming impaired, i.e. not meeting state water quality standards.

Under high flow conditions the contribution of phosphorous from streambank erosion can be as high as 40 percent. According to a 2003 report from the Soil and Water Conservation Society, the number of days on which heavy and very heavy precipitation events occur shows an upward trend. This upward trend in heavy precipitation events, coupled with an estimated 40 percent of phosphorous loading occurring during high flow conditions, supports the need for programs to address streambank erosion.

Because of the large contribution of pollutants from streambank erosion, it is critical that our Clean Water Legacy strategies for addressing TMDL's for sediment, turbidity, and/or phosphorous include funding for streambank, stream channel, lakeshore and roadside protection and restoration projects.

**Impact on Agency Operating Budgets (Facilities Notes)**

No impact

**Previous Appropriations for this Project**

| | |
|---|---|
| Bonding State – Bonding Appropriation (2006) | $1,000,000 |

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 500 | 500 | 500 | 1,500 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,500** | **2,500** | **2,500** | **7,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,500 | 2,500 | 2,500 | 7,500 |
| **State Funds Subtotal** | 0 | 2,500 | 2,500 | 2,500 | 7,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,500** | **2,500** | **2,500** | **7,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Grass Lake

**2008 STATE APPROPRIATION REQUEST:** $1,700,000

**AGENCY PROJECT PRIORITY:** 5 of 5

**PROJECT LOCATION:** Kandiyohi county

**Project At A Glance**

- Completes restoration of 1,200-acre Grass Lake located adjacent to the city of Willmar in Kandiyohi County
- Benefits wildlife habitat within and adjacent to Grass Lake
- Improves water quality in Lake Wakanda, Little Kandiyohi Lake and the South Fork of the Crow River
- Improves storm water runoff management for the city of Willmar

## Project Description

This request is for $1.7 million for a grant to Kandiyohi County ($1.68 million) and for technical assistance ($20,000) to complete restoration of Grass Lake adjacent to the city of Willmar. Grant funds will be used to acquire easements on 410 acres of land and complete project construction.

The total cost of Grass Lake restoration project is approximately $5.2 million, of which $3 million remains to be funded. Following are total project costs for the Grass Lake project:

| | |
|---|---|
| Land rights acquisition | $1,000,000 |
| Rerouting of County Ditch 23A high flows | $ 900,000 |
| Water Control Structures and Vegetation Practices | $ 500,000 |
| Pump station and primary treatment pond | $2,500,000 |
| Professional and Technical Services | $ 300,000 |
| Total cost | $5,200,000 |
| | |
| Previous State Appropriation (2006) | $2,200,000 |
| Remaining state and local funding need | **$3,000,000** |

Grass Lake was drained many years ago for agricultural and urban development by constructing ditches and subsurface tile within the basin. Incremental restoration of Grass Lake began in 1989 via the Reinvest in Minnesota Reserve (RIM) Program. Between 1989 and 2000, 11 landowners within the Grass Lake basin enrolled lands in RIM perpetual conservation easements for wetland restoration and reestablishment of native prairie vegetation. Two sub basins within Grass Lake have been restored with federal North American Wetland Conservation Act grants.

Further restoration of Grass Lake would enable this large basin to better serve as a contiguous wildlife habitat area, and provide for a runoff detention and bio-retention area. Grass Lake is located in the Prairie Pothole Region of Minnesota, which is a high priority waterfowl habitat restoration area. Restoration of Grass Lake has also been identified as a goal for water quality improvement and flood damage reduction in the Lake Wakanda and Little Kandiyohi Lake areas downstream.

County Ditch 23A is the outlet for stormwater runoff from approximately 3,300 acres within the city of Willmar. During the 1990s, the city commissioned a hydrologic study and preliminary design of two large stormwater lift stations that would enable the abandonment of CD 23A through Grass Lake. However, the associated high costs for construction (approximately $5 million) and for operation (approximately $50,000 per year), together with the fact that all of the involved landowners had not agreed to participate, precluded the city and other project partners from undertaking a plan to fully restore Grass Lake at that time.

An alternative, lower cost plan to restore most of Grass Lake is being developed and implemented as a partnership between the state, Kandiyohi County and the city of Willmar. This plan involves rerouting of CD 23A and high flows around the western and southern sides of Grass Lake, together with construction of a smaller stormwater lift station to pump “first flush” stormwater runoff from Willmar into a restored Grass Lake. This plan also involves primary treatment of pumped stormwater within a treatment pond and secondary treatment within Grass Lake, as well as detention and treatment of runoff from the 7,000-acre Peach Creek watershed. The project plan is being coordinated with the Minnesota Pollution Control Agency (MPCA) in anticipation of the impending impaired waters listing for this hydrologic system.

Key challenges involve the flat topography, highly organic upper soils, rapidly rising land values and the complexities of assuring compliance with existing and anticipated future water quality standards. Implementation of the project plan to restore Grass Lake involves acquisition of additional land rights on approximately 410 acres from seven landowners. A state-county-city partnership is critical for this challenging, yet very beneficial, multi-purpose project.

**Previous Appropriations for this Project**

State – Bonding Appropriation (2006) $2,200,000

**Other Considerations**

During recent years, RIM Reserve Program funding has been dedicated to state-federal partnerships within targeted areas of Minnesota, including the Conservation Reserve Enhancement Program (CREP 1 in the Minnesota River basin, CREP 2 in the Red River, Lower Mississippi River and Missouri River basins) and the Wetland Reserve Enhancement Program (WREP in the CREP 2 target areas). These partnerships have leveraged substantial federal funding for conservation in Minnesota. However, Grass Lake is not within these target areas.

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 520 | 480 | 0 | 0 | 1,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 280 | 20 | 0 | 0 | 300 |
| 5. Construction Costs | 1,400 | 2,500 | 0 | 0 | 3,900 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,200** | **3,000** | **0** | **0** | **5,200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,200 | 1,700 | 0 | 0 | 3,900 |
| **State Funds Subtotal** | 2,200 | 1,700 | 0 | 0 | 3,900 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 1,300 | 0 | 0 | 1,300 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,200** | **3,000** | **0** | **0** | **5,200** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,700 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Water & Soil Resources Board

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| RIM Reserve Program | 1 | GF | $12,500 | $0 | $0 | $1,800 | $0 | $0 |
| | | GO | 57,500 | 0 | 0 | 20,000 | 0 | 0 |
| Local Government Road Wetland Replacement | 2 | GF | 0 | 0 | 0 | 720 | 720 | 720 |
| | | GO | 8,500 | 8,900 | 9,400 | 4,200 | 4,200 | 4,200 |
| RIM Clean Energy | 3 | GF | 6,000 | 0 | 0 | 300 | 0 | 0 |
| | | GO | 40,000 | 0 | 0 | 3,000 | 0 | 0 |
| Clean Water Legacy - Streambank, Lakeshores | 4 | GO | 2,500 | 2,500 | 2,500 | 0 | 0 | 0 |
| Grass Lake | 5 | GO | 1,700 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $128,700 | $11,400 | $11,900 | $30,020 | $4,920 | $4,920 |
| General Obligation Bonding (GO) | $110,200 | $11,400 | $11,900 | $27,200 | $4,200 | $4,200 |
| General Fund Projects (GF) | $18,500 | $0 | $0 | $2,820 | $720 | $720 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

Local Government Delivery System:

Agency responsibilities are delivered with or implemented by local government to assure local priorities are met and participation in private lands management occurs. These include:

- 91 Soil and Water Conservation Districts (SWCD's)
- 44 Watershed Districts
- 27 Watershed Management Organizations
- 230 Cities
- 304 Western Community Action Local Government Units (WCA LGU's)

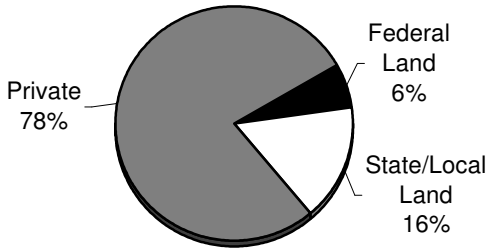
Accomplishments:

- 178,181 acres of wildlife habitat and wetlands restored through Reinvest in Minnesota (RIM) Reserve
- 29,588 acres of wetland loss avoided
- 208 feedlots improved through state cost share grants
- 1.9 million tons per year of soil erosion prevented
- 522,000 tons of sediment kept out of lakes, rivers and streams
- 1,105,000 pounds of phosphorus kept out of lakes, rivers, and streams.

**Agency Purpose**

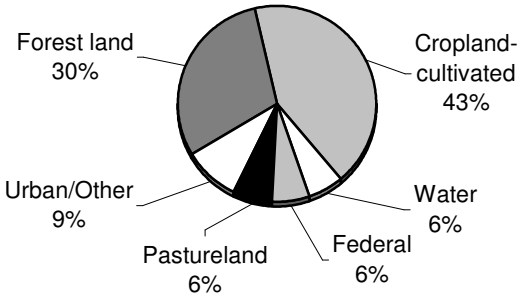
The Board of Water and Soil Resources' (BWSRs) purpose is to protect and enhance the state's irreplaceable soil and water. The board implements the Wetland Conservation Act (WCA) and comprehensive local water management through local units of government. The agency is the state's administrative agency for 91 soil and water conservation districts, 44 watershed districts, 27 metropolitan watersheds, and 80 county water management organizations.

**Land Ownership**




Because 78 percent of the state is privately owned, the agency's focus on private lands is critical to the state attaining its goals for clean water and abundant fish and wildlife. Managed wisely, these working lands – Minnesota's farms, forests, and urban areas – can benefit water quality, preserve and enhance fish and wildlife habitat, prevent loss of wetlands, and preserve open spaces.

**Variety of Land Uses**



Agency programs to assist landowners and local governments have resulted in less sediment and nutrients entering our lakes, rivers and streams; more fish and wildlife habitat and the drastic slowing of wetland losses. These outcomes are achieved, in spite of intensification of agriculture, greater demands for forest products and rapid urbanization in many parts of the state.

**Core Functions**

BWSR's mission is implemented through the following core functions:

- Serves as the state soil conservation agency (M.S. 103B.101)
- Directs soil and water conservation programs through the state's SWCD's, counties, cities, townships, Watershed Districts, and Water Management Organizations (M.S. 103C, 103D)
- Ensures linkage of water resource planning with comprehensive land use planning (M.S. 103B)
- Resolves water policy conflicts and issues (M.S. 103A.211, 103A.305, 103A.315, 103A.311)
- Implements all comprehensive local water management acts (M.S. 103B.201, 103B.255, 103B.301)
- Provides a forum (through the board) for local issues and priorities to be incorporated into state public policy (M.S. 103B.101)
- Enforces the state Wetland Conservation Act (M.S. 103G)
- Coordinates state and federal resources to realize local priorities

**Operations**

The board consists of 17 members representing local government entities delivering BWSR services, state agencies and citizens. The board sets a policy agenda designed to enhance service delivery though local units of government. Agency staff is located in eight locations throughout Minnesota. The focus of agency staff is to provide technical and financial assistance to local governments in order to plan and implement agency policy on privately owned lands. The agency also works with private landowners to implement conservation on the ground. This provides an opportunity to apply state, federal, local, and private resources to projects that help maintain water quality, prevent soil loss and erosion, ensure planning for land use and protect wetlands located on privately owned lands. These partnerships in service delivery ensure that the interest of state policy is implemented with local issues and problems in mind.

**Budget**

Two-year State Budget:

- $8.1 million in operating funds
- $24.1 million in pass-through grants
- $27.8 million in 2005 session capital projects

BWSR funding is primarily from the general fund. The majority of the funds are passed through to local government to administer state policies and programs the agency is responsible for. Outcomes are evaluated to assure conservation policy objectives are attained and that resources are expended to assure program success.

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**At A Glance: Agency Long-Range Strategic Goals**

The Water and Soil Resources Board's (BWSR) Strategic Plan identifies voluntary resource management strategies and related goals. Resource management strategies are focused on a combination of education, financial incentives, and regulation. The goal is to build local capacity for water resource management by providing assistance to local governments and landowners in preventing natural resource problems and mitigating existing problems.

Agency goals and objectives that are achieved through capital projects include:

- Protecting or retiring marginal agricultural and environmentally sensitive lands
- Targeting limited resources to the highest priority marginal and sensitive lands
- Creating natural retention systems to improve surface water runoff and enhance groundwater recharge
- Achieving the state's policy of no net loss of wetlands
- Installing best management practices on Minnesota lands

BWSR programs, as outlined in the capital budget request, use incentives and include tools local governments can use to enhance local conservation program delivery. Incentives provide opportunities to remove marginal ag-land and environmentally sensitive land from production and provide solutions for extreme shoreland erosion and flood damage to land and wildlife habitat. They encompass both urban and rural values and provide both loan and grant programs.

**Conservation Easement Programs**: As part of the state's effort to protect marginal land and improve water quality, BWSR administers various conservation easement programs. These programs acquire or support the acquisition of easements to restore or protect critical lands.

The state established the Reinvest in Minnesota (RIM) Reserve Program in 1986. Since then, state-funded easement programs have secured more than 121,000 environmentally sensitive acres throughout the state.

The focus for acquiring easements over the past three years has been on the Minnesota River Conservation Reserve Enhancement Program (CREP) to preserve 100,000 acres and realize related water quality and habitat benefits. While not ignoring the Minnesota River's on-going resource needs, the RIM Reserve program will resume a statewide focus. RIM conservation easement programs include:

**RIM Reserve Match to the Minnesota River Basin Project under the CREP**

The purpose of this program is to retire marginal, flood-prone cropland along the Minnesota River and its tributaries and to reduce phosphorus and sediment pollution in the river.

**RIM Reserve: Leverage Funding for Wetland Reserve Partnership (WRP)**

This program restores previously drained wetlands and protects them from future drainage with a perpetual easement. The combination of a 30-year National Resource Conservation Service (NRCS)/WRP easement and a RIM Reserve perpetual easement streamlines the easement process for both local units of government and landowners. The requested funding provides the state match for the program. The geographic focus of this program is the Prairie Pothole Region.

**RIM Reserve and Permanent Wetland Preserves (PWP)**

RIM Reserve takes marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat. PWP protects existing, at-risk, urban and rural wetlands from conversion to other uses by offering financial compensation to landowners in return for a perpetual easement. The geographic focus is statewide. By preserving wetlands, before they are drained, the state can preserve its natural resources at a lower cost.

BWSR will continue to leverage federal funding through CRP, WRP, CREP, the North American Wetland Conservation Council (NAWCC), and other private conservation organizations to maximize program outcomes.

**Public Transportation Wetland Replacement Program**

The Minnesota Local Government Roads Wetland Replacement Program results from a statutory obligation of the state to replace wetlands lost to safety improvements made to public transportation projects (M.S. 103G.222, Subd.1(1). This program supports the "no-net-loss" requirements of both state and federal regulations. It benefits a wide number of constituent groups: local road authorities by assigning responsibility for replacing the inevitable loss of wetlands to the state; environmental interests by establishing higher quality wetland replacement sites; state taxpayers by reducing the overall costs of constructing these replacement wetlands due to economies of scale and citizens by avoiding delays in undertaking public safety enhancements to existing roads due to wetland mitigation costs.

**Streambank, Lakeshore, and Roadside Erosion Control Program**

This program provides for the protection of water quality, fish and wildlife habitat, public infrastructures, and public safety through:

- Protection and restoration of environmentally sensitive lake and river shoreland areas through the purchase of conservation easements, 103F.225 (Shoreland Protection Program).
- Restoration of severely eroded lake and river stream banks through the installation of erosion control practices with cooperating public entities.
- Reduction of flood damage through the installation of road retention projects.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The following trends and issues are shaping the development of programs at BWSR:

- **Non-point source pollution strategy moves to implementation phase.** The strategy for non-point source pollution has moved to the implementation phase, which accelerates the need to install soil erosion and water quality practices on the land. BWSR's local government network provides the means to effectively disseminate conservation, financial and technical assistance to private landowners throughout the state. Through its local water management programs, BWSR can identify, assess, prioritize, and implement programs and practices to address non-point concerns at the local level.
- **Federal action increases pressure**. Federal action has increased pressure on BWSR and local governments to increase their efforts in land and water conservation. The current farm bill authorizes states to apply and have land set-aside of up to 100,000 acres in conservation easements. This program provides the potential for the state to leverage $4 of federal funds for every $1 of state match. Further, decreased USDA staffing for the NRCS has increased pressure on local and state governments to provide the technical assistance necessary to design and install conservation practices. In addition, EPA is requiring states to address impaired waters and nutrient enrichment (hypoxia) in the Gulf of Mexico. These factors have increased demands for service.
- **Increased acknowledgement of and reliance on the role and capabilities of local government**. Over the past several years, state government has grown increasingly dependent on local government to carry out state initiatives. Cooperative resource management is an effective way to maintain or increase resources without increasing funding. Local government officials and staff have advantages that the state does not – they have knowledge of local resources and attitudes, personal friendships, an awareness of local needs and priorities and authority over local land use decisions. Local government capabilities in resource management have grown significantly. They are now at a point, however, where they need a wider variety of training and assistance in technical, leadership, and management issues.
- **Increased natural resource awareness and willingness to take action to ensure a future with high quality natural resources.** Minnesotans are aware of environmental concerns, particularly water quality. With approximately one-third of Minnesota adults either owning a cabin or recreational land, the state's citizens are more willing to make reasonable sacrifices to protect and improve water quality. Going to the cabin is a tradition for many families and they will notice if poor water conditions affect their favorite lake or fishing stream. Residents also are more aware of the need to protect marginal lands, especially those close to critical water resources. The agricultural community has accepted the need to remove marginal agricultural lands from production in order to improve production efficiency and water quality.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The following information outlines the condition of Minnesota's 23 million acres of cropland and related conservation needs.

**Total Minnesota Cropland: 23 Million Acres**

**Soil Conservation Needs:**

**10 Million Acres:**
- Protected from erosion; annual erosion is less than the tolerable rate of soil loss
- On-going need to maintain good management practices

**8 Million Acres:**
- Eroding at one to two times the tolerable rate of soil loss
- Need for technical assistance to landowners to implement sustainable management practices is vital

**2.5 Million Acres:**
- Eroding at greater than twice the tolerable rate of soil loss
- Productive land only if protected with conservation practices
- Targeted cost-share programs for conservation practices and technical assistance to landowners are critical

**2.5 Million Acres *:**

- Drained wetlands
- Marginal cropland
- Highly erodible and located in floodplains
- Targeted land retirement programs are needed

* Funding for BWSR conservation easement programs will be used on portions of these lands.

**Other Resource Protection Needs:**

1,600 miles of eroding streambanks and lakeshore
4,300 cubic yards of soil are lost per year from roadside erosion

**Agency Process Used to Arrive at These Capital Requests**

In determining the amount of this request, acreage and application estimates were compiled based on historical program demands.

Internal agency estimates were used to arrive at the amount requested for PWP program. All requests reflect demands for service or assistance provided to local government and citizens.

**Major Capital Projects Authorized in 2002 and 2003**

Local Government Roads Wetland Banking Appropriations

| | |
|---|---|
| 2002 | $2.7 million (vetoed) |
| 2003 | $2.7 million |
| 2005 | $4.4 million |

Conservation Easement Program Appropriations

| | |
|---|---|
| 2003 | $1.0 million |
| 2005 | $23.0 million |

**2008 STATE APPROPRIATION REQUEST:** $70,000,000

**AGENCY PROJECT PRIORITY:** 1 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The RIM Reserve and Permanent Wetlands Preserve (PWP) programs acquire conservation easements from private landowners to:

- Protect or retire marginal and environmentally sensitive agricultural lands
- Protect and enhance water quality of rivers, streams, and lakes
- Create fish and wildlife habitat
- Contribute toward a net gain of wetland resources
- Reduce flood damage through the creation of natural water retention systems
- Leverage federal WRP funds

**Project Description**

This request is for $70 million to acquire RIM and WRP conservation easements on approximately 25,000 acres of private land. Of that amount, $57.5 million is for easements, $6.25 million is for local government implementation grants and $6.25 million is for BWSR implementation. Implementation costs include the necessary realty, engineering and administrative functions associated with easement acquisition and implementation of conservation practices on easement lands.

The RIM Reserve and PWP programs compensate landowners for granting conservation easements and establishing native vegetation habitat on economically marginal, flood-prone, environmentally sensitive or highly erodable lands. They protect the state's water and soil resources by retiring existing marginal agricultural lands, by restoring drained wetlands and by protecting existing wetlands that are highly susceptible to development.

BWSR's RIM Reserve program is a critical component of the state's efforts to improve water quality by reducing soil erosion, reducing phosphorus and nitrogen loading, and improving wildlife habitat on private lands. RIM Reserve is implemented in cooperation with local Soil and Water Conservation Districts (SWCDs).

Degrading water quality and diminished wildlife habitats can be found throughout Minnesota. Approximately 2.5 million of the state's 23 million acres of cropland have been targeted as having more benefit to the state as restored native prairie wetlands.

Damage to Minnesota resources occurs in the form of soil erosion, sedimentation of eroded soil, and phosphorus. Soil erosion reduces farm productivity, increases the costs of farming, and creates sediment for downstream communities to address. Sedimentation fills rivers and lakes, destroys habitat, carries pollutants, increases flood severities, and reduces recreational value. Phosphorus makes water unsuitable for fish or human activities, promotes excess aquatic plant growth, and promotes eutrophication of water resources.

The RIM Reserve and PWP programs meet the goals and objectives of BWSR's strategic plan. Agency goals that are achieved through capital projects include:

- Protecting or retiring marginal and highly sensitive agricultural lands
- Creating natural retention systems to improve surface water quality and enhance groundwater recharge
- Working toward a net gain of wetland resources
- Installing best management practices on Minnesota lands.

The state of Minnesota achieves quantifiable water quality benefits by removing environmentally sensitive cropland from production. From 1998 to 2002, through BWSR's Local Government Annual Reporting System (LARS), with data reported by SWCDs, BWSR calculated the benefits at 9.6 tons/acre/year sediment reduction, 4.2 tons/acre/year soil loss reduction, and 5.3 pounds/acre/year phosphorous reduction from each acre enrolled in a conservation easement.

**RIM Reserve/ WRP Partnership**

The RIM Reserve/WRP partnership is a state/federal/local partnership that provides Minnesota with an opportunity to leverage significant federal dollars to increase wetland restoration conservation easement enrollment in Minnesota. In 2006, the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) implemented a new appraisal process that was poorly received by Minnesota landowners. As a result, enrollment in WRP in Minnesota has decreased significantly compared to previous years' enrollment levels. The RIM Reserve/WRP partnership is successfully restoring drained wetlands by combining a WRP 30-year easement with a perpetual RIM Reserve easement. With this partnership we can create a combined payment from both programs that is attractive enough for landowners to choose enrollment in the partnership. Without bonding for RIM Reserve in 2008, Minnesota has the potential to lose $15 million per year in 2008 and 2009 of WRP funding from the USDA. This partnership allows Minnesota's BWSR to leverage additional federal WRP dollars for Minnesota and reduce the state's payment to landowners. We expect to enroll approximately 15,000 acres in the RIM Reserve /WRP Partnership in 2008 and 2009. Permanent protection ensures that Minnesota's tax dollars are benefiting all citizens, both current and future.

**RIM Reserve Program**

The RIM Reserve continues to be a major force in Minnesota's soil and water conservation efforts. RIM Reserve increases public and private investment in private lands to improve water quality, and create wildlife habitat and enhance flood storage. These voluntary private-land conservation easements with private landowners are administered in partnership with SWCDs and focus on restoring drained wetlands and enrolling highly erodible, riparian and sensitive groundwater lands.

The RIM Reserve program is Minnesota's largest private land easement program and delivers multiple benefits which include:

- Retiring marginal/environmentally sensitive agricultural land from production
- Improving our water and soil resources
- Establishing wildlife habitat
- Keeping lands in private ownership and on local tax rolls
- Allowing partnership with federal, state and local entities to leverage additional financial resources that enhances the State's investment.

The BWSR is presently conducting an intensive RIM Reserve program review including stakeholder input to determine the agency's priorities for enrollment for the next five years. This review will be completed by the Fall of 2007 and will identify RIM Reserve program priorities and opportunities for targeting enrollment.

The following initiatives provide opportunities for BWSR to target the RIM Reserve program to provide significant public benefits on private lands:

- Enroll priority wetland, grassland and wildlife habitats as identified in federal/state restoration partnerships and other conservation initiatives
- Working Lands Initiatives (WLI) – enrollment in identified WLI focus areas
- Expiring CRP contracts – target enrollment of wetland and critical riparian lands
- Expiring RIM Reserve contracts – target enrollment of critical riparian lands
- Clean Water Legacy – target enrollment in TMDL's implementation areas including both protection and restoration plans
- Riparian buffers – target enrollment of 1.3 million acres of cropland identified within the 100 foot/100 year flood plain
- Army Compatible Use Buffers (ACUB) – target enrollment of targeted lands within a three-mile radius of Camp Ripley
- Wildlife Habitat Corridor Project (HCP) – target enrollment within the eight LCCMR approved project corridors
- Flood Damage Reduction projects – target enrollment of lands that flood during high rainfall periods and/or are within the 100 year flood plain
- Lake Shore easements – Clean Water Legacy protection plans

Priority will be given to expired RIM and CRP contracts. As of September, 2007, approximately 80,000 acres of existing CRP contracts expired. BWSR expects to enroll approximately 10,000 acres in RIM Reserve conservation easements.

**Other Conservation Initiatives**

BWSR has solicited and received matching funds from the federal North American Wetland Conservation Council (NAWCC) for RIM wetland restoration easements. To date, BWSR has received approximately $3.0 million for projects throughout the state. These habitat restoration projects include the Minnesota River watershed, the Heron Lake restoration (in Jackson, Nobles, Cottonwood and Murray counties), Grass Lake restoration (in Kandiyohi County near Willmar), Northern Tallgrass Prairie restoration (covering 18 counties in northwestern Minnesota) and the Prairie Heritage restoration project (cover 38 counties in Southern Minnesota). These projects include numerous partners and have been initiated at the local level. BWSR continues to seek grants from NAWCC to fund conservation easements associated with special projects like those listed above or projects located within priority watersheds. This matching program requires a 1.5:1 match in order to be competitive nationally.

It is anticipated that conservation groups, such as Pheasants Forever, Ducks Unlimited, Isaac Walton League, Minnesota Waterfowl Association, The Nature Conservancy, Trout Unlimited, and the US Fish and Wildlife Service will continue to leverage dollars towards the establishment of conservation practices on RIM Reserve easements. From 1992 to present, these organizations contributed approximately $3.0 million to the program and made additional donations in the form of native grass seed and in-kind services.

**Impact on Agency Operating Budgets (Facilities Notes)**

$12.5 million of this request is required to implement the RIM Reserve program. This amount is required to support the necessary realty, engineering and administrative functions associated with easement acquisition and establishment of conservation practices on those easement lands. SWCDs will receive approximately 50 percent of this total as a Conservation Easement Services Grant to offset their cost to secure easements, develop conservation plans and monitor easement compliance.

**Previous Appropriations for this Project**

| | |
|---|---|
| 1996 | $11.5 million |
| 1998 | $15.0 million |
| 2000 | $21.0 million |
| 2001 | $51.4 million |
| 2003 | $1.0 million |
| 2005 | $23.0 million |

**Other Considerations**

In April of 1998, a citizen's advisory committee issued a report *The Continuing Journey to Preserve Minnesota's Outdoor Heritage*, which sums up the state of wildlife-based recreation in Minnesota. This committee was established by the 1997 Legislature to review the original Reinvest in Minnesota (RIM) program to see if it had been successful. The committee found that RIM had been successful, but that additional funds were needed to avoid negative impacts to Minnesota's fish, wildlife, and native habitats from urban sprawl, agricultural practices and other development. The report recommended a funding level of $20 million per year for expansion of the RIM Reserve, PWP and CREP easement programs.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $20 million for the Permanent Wetlands Preserve (PWP) program, with a general fund appropriation of $1.8 million to implement the program.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 57,500 | 0 | 0 | 57,500 |
| General Fund Projects | 0 | 12,500 | 0 | 0 | 12,500 |
| **State Funds Subtotal** | 0 | 70,000 | 0 | 0 | 70,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **70,000** | **0** | **0** | **70,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 57,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Local Government Road Wetland Replacement

**2008 STATE APPROPRIATION REQUEST:** $8,500,000

**AGENCY PROJECT PRIORITY:** 2 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Minnesota Local Government Road Wetland Replacement program replaces wetlands lost due to local public road improvements.

**Project Description**

The Board of Water and Soil Resources (BWSR) is requesting $8.5 million to acquire 236 acres of wetlands to replace wetlands lost due to local government road construction and to acquire additional wetlands for establishing a 2.5 - year wetland "balance" to expand available wetland banking credits.

The Minnesota Local Government Roads Wetland Replacement program is in response to a state statutory obligation to replace wetlands lost to improvements made to public transportation projects as required under M.S. 103G.222, Subd.1, (l). This program supports the "no-net loss" requirements of both state and federal regulations and it benefits a wide number of constituent groups including: local road authorities by assessing responsibility for replacing inevitable loss of wetlands to the state; environmental interests by establishing high quality wetland replacement sites; state taxpayers by saving land acquisition costs due to economies of scale; and citizens by avoiding delays in undertaking public safety road enhancements due to wetland mitigation costs.

The 1996 and 2000 Legislatures amended the Wetland Conservation Act (WCA) after several years of controversy and regulatory inconsistency among local governments, business interests, environmental groups and others. The Local Government Roads Wetland Replacement Program was a key outcome of these amendments. It transfers responsibility for replacing wetlands lost due to local government road construction from the local road authority to the BWSR. This eliminates the need for local government transportation officials to undertake and finance environmental reclamation projects, and consolidates the necessary technical, financial and other implementation work to provide higher quality, more cost-effective wetland replacement.

The Local Government Roads Wetland Replacement program provides the following benefits:

- Regulatory simplification and efficient wetland mitigation are achieved by eliminating the need for each local road authority to maintain its own staff expertise and budget to mitigate impacts to wetlands from road projects.
- Consolidation of fragmented impacts from road projects in targeted areas to provide habitat, water quality and other wetland functions away from traffic and highway runoff areas at a lower public cost.
- Integration of state and local water management goals such as improving water quality, flood control, greenway preservation, and wildlife corridor enhancement through collective action.
- Coordination with federal, state and local agencies in ranking project proposals and setting program strategies consistent with overall state and federal wetland goals.

There is stakeholder consensus on the benefits of the program and the need to permanently fund it. Local governments have recommended that funding for this program should be part of BWSR's capital budget request each biennium. Without a continued state commitment to this funding, local governments face paying for this work locally, which could result in several negative consequences including:

- Reduced or delayed completion of local government road projects.
- Increased local property tax levies.
- Reversal of the fragile stakeholder consensus that resulted in wetland regulatory reforms (Laws 1996, Chap.462 and Laws 2000, Chap. 382).
- Reversal of an agreement with the Army Corps of Engineers (COE) that allows this program to meet federal regulatory requirements on behalf of local communities. Local road authorities would again have to seek individual approval.

**Impact on Agency Operating Budgets (Facilities Notes)**

The 2005 capital budget request was based on an average of 206 acres of required wetlands replacement every year at an annual cost of 2.06 million. An analysis of required replacement for the period 2004-2006 has determined that the annual need has increased to an average of 236 acres. The number of acres impacted depends most directly on the money available to local governments for road construction. The cost of establishing wetland varies widely, from a low of $4,000 an acre in rural Minnesota to more than $80,000 an acre for metro area projects.

State statute requires the replacement of wetlands to occur before any losses occur, but current practice lags two years behind in wetland replacement due to the availability of funding. This is important because it takes an average of 2.5 years to transform allotted funds into approved wetland credits. Establishing wetland credits requires 2 years to find sites, acquire land and then implement the construction and vegetation plans and another 6 months for the credits to be certified and deposited into the wetland bank. This means that in order to comply with the state and federal regulations that require the replacement to be done prior to or concurrent with the wetland losses, 2.5 years worth of credits or a positive balance of at least 590 acres should be established and maintained.

The current system of replacement has satisfied the federal agencies in the past but BWSR anticipates the need to build this buffer as soon as possible so replacement precedes impacts by a minimum of one growing season. Failure to meet this in advance requirement would increase replacement costs even further.

The increase in funding requested for this program is principally due to the following:

- Increasing need for replacement wetlands based on reporting to BWSR from local road authorities;
- Increasing demand for wetland banking credits and federal interest in establishing 2.5 year balance of wetland banking credits.
- Rising land prices that increase BWSR's cost to supply the required replacement wetlands. Data on farmland sales has documented a 23 percent increase in farmland values over the past two years.

In order to meet the statutory obligation to conduct wetland replacement and establish a 2.5 year balance of wetland credits, BWSR projects that it will need $8.5 million for the upcoming two years (July 2007 through July 2009); however the total dollars needed may increase due to increased road construction activity and continued increases in land values.

**Previous Appropriations for this Project**

| | |
|---|---|
| 1996 | $3.0 million |
| 1998 | $2.75 million |
| 2000 | $2.75 million |
| 2001 | $2.0 million |
| 2002 | $300 thousand |
| 2003 | $2.7 million |
| 2005 | $4.36 million |
| 2006 | $4.2 million |

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**Governor's Recommendations**

The governor recommends general obligation bonding of $4.2 million for this project, with a general fund appropriation of $720,000 to administer the program. Also included are budget planning estimates of $4.920 million in FY 2010 and $4.920 million in FY 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 7,100 | 0 | 0 | 7,100 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 1,400 | 0 | 0 | 1,400 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,500** | **0** | **0** | **8,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 12,862 | 8,500 | 8,900 | 9,400 | 39,662 |
| General Fund Projects | 700 | 0 | 0 | 0 | 700 |
| **State Funds Subtotal** | 13,562 | 8,500 | 8,900 | 9,400 | 40,362 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **13,562** | **8,500** | **8,900** | **9,400** | **40,362** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $46,000,000

**AGENCY PROJECT PRIORITY:** 3 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- The RIM Clean Energy (RIM CE) program will compensate landowners for granting RIM Clean Energy easements to create bio-energy.
- Easements will have a minimum duration of twenty years.
- RIM CE protects and enhances water quality and/or soil health, reduces chemical inputs, increases soil carbon storage, encourages biodiversity and provides wildlife habitat.

**Project Description**

This request is for $46 million to provide financial and technical assistance to landowners to produce native perennial energy crops and crop mixes for bio-energy production. The request includes $40 million for clean energy easements on 13,000 acres of agricultural land, $3 million for RIM CE service grants to local units of government and $3 million to fund program implementation at the Board of Water and Soil Resources (BWSR).

Technology to transform cellulosic biomass (plant fibers) into bio-fuels such as ethanol is rapidly entering the marketplace. Minnesota is uniquely positioned to be at the forefront of this emerging industry. Done correctly, advanced bio-fuels will move us toward greater energy independence, reduce global warming pollution, improve water quality, increase wildlife habitat and drive broad-based rural economic development.

Cellulosic ethanol represents the best opportunity for replacing petroleum with a renewable fuel while improving national, economic and environmental security. In order to ensure that bio-fuels retain their “green” attributes, advanced energy crop growing, harvesting and processing should be sustainable activities. If stewardship criteria are not integrated from the beginning, the threat exists that energy crops may not provide the expected environmental and local community benefits that they have the potential to deliver.

Growing energy crops would help support the development or expansion of bio-fuel facilities for ethanol production, generation of electricity or heat and production of other bio-based products.

Under the RIM CE program, BWSR would designate defined project areas through input received from the CE Technical Committee. Long-term easements would be purchased from farmers for sustainable production of perennial, native, bio-energy crops on agricultural lands. A tiered payment system would be developed for landowners based on the benefits of bio-energy production and the other public benefits achieved by RIM CE easements.

**Other Conservation Initiatives**

The 2007 Federal Farm Bill being considered by congress will likely include a significant bio-fuel element, which would provide an opportunity to leverage federal dollars for bio-energy production that would enhance Minnesota’s RIM CE program. We will be closely monitoring the development of the Federal Farm Bill and its implications to Minnesota’s new RIM CE program.

**Impact on Agency Operating Budgets (Facilities Notes)**

Six million dollars of this request is required to implement the RIM CE program. This amount is necessary to support critical realty, engineering and administrative functions associated with easement acquisition and establishment of bio-energy crops. Soil and Water Conservation Districts will receive approximately 50 percent of this total as a RIM CE service grant to offset their cost to secure easements.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million, with a general fund appropriation of $300,000 to implement a bio-fuels pilot project. Recommendations on future funding would be reserved until results of the pilot project are available.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 40,000 | 0 | 0 | 40,000 |
| General Fund Projects | 0 | 6,000 | 0 | 0 | 6,000 |
| **State Funds Subtotal** | 0 | 46,000 | 0 | 0 | 46,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **46,000** | **0** | **0** | **46,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 40,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,500,000

**AGENCY PROJECT PRIORITY:** 4 of 5

**PROJECT LOCATION:** Statewide

**Project at a Glance**

- Provides grants for restoring impaired waters and priority lakes and streams.
- Implements local water management plans related to streambank, stream channel, lakeshore, and roadside erosion and sediment control projects, where there is a public interest in the land.
- Reduces sediment and associated nutrient losses to waters adjacent to agricultural land.

**Project Description**

This request is for $2.5 million for cost-share grants to private landowners for implementation of soil and water conservation practices that contribute to the protection or restoration of streams, rivers, and lakes identified in comprehensive local water management plans or TMDL implementation plans. Cost-share grants will provide up to 75 percent of total project costs.

Projects will be selected through a competitive application process based in part on their ability to demonstrate the restoration and/or protection of water quality to the targeted water resource.

Recent studies have concluded that under average flow conditions, streambank erosion accounts for 11 percent of the phosphorous entering Minnesota's surface waters. An overabundance of phosphorous can result in excessive algal production and in waters becoming impaired, i.e. not meeting state water quality standards.

Under high flow conditions the contribution of phosphorous from streambank erosion can be as high as 40 percent. According to a 2003 report from the Soil and Water Conservation Society, the number of days on which heavy and very heavy precipitation events occur shows an upward trend. This upward trend in heavy precipitation events, coupled with an estimated 40 percent of phosphorous loading occurring during high flow conditions, supports the need for programs to address streambank erosion.

Because of the large contribution of pollutants from streambank erosion, it is critical that our Clean Water Legacy strategies for addressing TMDL's for sediment, turbidity, and/or phosphorous include funding for streambank, stream channel, lakeshore and roadside protection and restoration projects.

**Impact on Agency Operating Budgets (Facilities Notes)**

No impact

**Previous Appropriations for this Project**

| | |
|---|---|
| Bonding State – Bonding Appropriation (2006) | $1,000,000 |

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 500 | 500 | 500 | 1,500 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,500** | **2,500** | **2,500** | **7,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,500 | 2,500 | 2,500 | 7,500 |
| **State Funds Subtotal** | 0 | 2,500 | 2,500 | 2,500 | 7,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,500** | **2,500** | **2,500** | **7,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Grass Lake

**2008 STATE APPROPRIATION REQUEST:** $1,700,000

**AGENCY PROJECT PRIORITY:** 5 of 5

**PROJECT LOCATION:** Kandiyohi county

**Project At A Glance**

- Completes restoration of 1,200-acre Grass Lake located adjacent to the city of Willmar in Kandiyohi County
- Benefits wildlife habitat within and adjacent to Grass Lake
- Improves water quality in Lake Wakanda, Little Kandiyohi Lake and the South Fork of the Crow River
- Improves storm water runoff management for the city of Willmar

**Project Description**

This request is for $1.7 million for a grant to Kandiyohi County ($1.68 million) and for technical assistance ($20,000) to complete restoration of Grass Lake adjacent to the city of Willmar. Grant funds will be used to acquire easements on 410 acres of land and complete project construction.

The total cost of Grass Lake restoration project is approximately $5.2 million, of which $3 million remains to be funded. Following are total project costs for the Grass Lake project:

| | |
|---|---|
| Land rights acquisition | $1,000,000 |
| Rerouting of County Ditch 23A high flows | $ 900,000 |
| Water Control Structures and Vegetation Practices | $ 500,000 |
| Pump station and primary treatment pond | $2,500,000 |
| Professional and Technical Services | $ 300,000 |
| Total cost | $5,200,000 |
| | |
| Previous State Appropriation (2006) | $2,200,000 |
| Remaining state and local funding need | **$3,000,000** |

Grass Lake was drained many years ago for agricultural and urban development by constructing ditches and subsurface tile within the basin. Incremental restoration of Grass Lake began in 1989 via the Reinvest in Minnesota Reserve (RIM) Program. Between 1989 and 2000, 11 landowners within the Grass Lake basin enrolled lands in RIM perpetual conservation easements for wetland restoration and reestablishment of native prairie vegetation. Two sub basins within Grass Lake have been restored with federal North American Wetland Conservation Act grants.

Further restoration of Grass Lake would enable this large basin to better serve as a contiguous wildlife habitat area, and provide for a runoff detention and bio-retention area. Grass Lake is located in the Prairie Pothole Region of Minnesota, which is a high priority waterfowl habitat restoration area. Restoration of Grass Lake has also been identified as a goal for water quality improvement and flood damage reduction in the Lake Wakanda and Little Kandiyohi Lake areas downstream.

County Ditch 23A is the outlet for stormwater runoff from approximately 3,300 acres within the city of Willmar. During the 1990s, the city commissioned a hydrologic study and preliminary design of two large stormwater lift stations that would enable the abandonment of CD 23A through Grass Lake. However, the associated high costs for construction (approximately $5 million) and for operation (approximately $50,000 per year), together with the fact that all of the involved landowners had not agreed to participate, precluded the city and other project partners from undertaking a plan to fully restore Grass Lake at that time.

An alternative, lower cost plan to restore most of Grass Lake is being developed and implemented as a partnership between the state, Kandiyohi County and the city of Willmar. This plan involves rerouting of CD 23A and high flows around the western and southern sides of Grass Lake, together with construction of a smaller stormwater lift station to pump “first flush” stormwater runoff from Willmar into a restored Grass Lake. This plan also involves primary treatment of pumped stormwater within a treatment pond and secondary treatment within Grass Lake, as well as detention and treatment of runoff from the 7,000-acre Peach Creek watershed. The project plan is being coordinated with the Minnesota Pollution Control Agency (MPCA) in anticipation of the impending impaired waters listing for this hydrologic system.

Key challenges involve the flat topography, highly organic upper soils, rapidly rising land values and the complexities of assuring compliance with existing and anticipated future water quality standards. Implementation of the project plan to restore Grass Lake involves acquisition of additional land rights on approximately 410 acres from seven landowners. A state-county-city partnership is critical for this challenging, yet very beneficial, multi-purpose project.

**Previous Appropriations for this Project**

| | |
|---|---|
| State – Bonding Appropriation (2006) | $2,200,000 |

**Other Considerations**

During recent years, RIM Reserve Program funding has been dedicated to state-federal partnerships within targeted areas of Minnesota, including the Conservation Reserve Enhancement Program (CREP 1 in the Minnesota River basin, CREP 2 in the Red River, Lower Mississippi River and Missouri River basins) and the Wetland Reserve Enhancement Program (WREP in the CREP 2 target areas). These partnerships have leveraged substantial federal funding for conservation in Minnesota. However, Grass Lake is not within these target areas.

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 520 | 480 | 0 | 0 | 1,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 280 | 20 | 0 | 0 | 300 |
| 5. Construction Costs | 1,400 | 2,500 | 0 | 0 | 3,900 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,200** | **3,000** | **0** | **0** | **5,200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,200 | 1,700 | 0 | 0 | 3,900 |
| **State Funds Subtotal** | 2,200 | 1,700 | 0 | 0 | 3,900 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 1,300 | 0 | 0 | 1,300 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,200** | **3,000** | **0** | **0** | **5,200** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,700 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Zoo Information:**

- Over one million guests
- Approximately 50,000 Minnesotans reached by the Zoomobile each year
- Over 2,500 animals in a diverse collection
- Over 36 endangered species housed at the zoo
- Over 1,000 volunteers donate over 92,000 hours annually
- Over 320,000 participants in education programs annually

**Master Plan Goals:**

- Increase the Zoo's ability to deliver environmental education
- Increase the capacity to effect conservation in the Zoo and beyond
- Elevate the Zoo to a premier cultural institution and tourist destination, becoming one of the top ten zoos in the United States

## Agency Purpose

The Minnesota Zoological Board (MZB) is established by M.S. Chapter 85A and is charged with operating the Minnesota Zoological Garden (Zoo) as an education, conservation, and recreation organization for the collection, propagation, preservation, care, exhibition, interpretation, examination, and study of wild and domestic animals.

The mission of the Zoo is to connect people, animals and the natural world. To accomplish this, the Zoo provides award-winning **education, recreation,** and **conservation programs.** The Zoo belongs to the people of Minnesota and its facilities and programs are accessible to all Minnesotans.

The Zoo partners with the Minnesota Zoo Foundation, whose purpose is to raise contributed income from individuals, corporations, and foundations to support the Zoo and its mission. The Foundation also conducts the annual Beastly Ball and other events whose net income support conservation and educational activities.

## Core Functions

The Zoo provides opportunities for Minnesotans and out-of-state guests to experience wildlife in meaningful ways. These experiences encourage stewardship for animals and nature and foster a greater appreciation for the earth's rich diversity.

The Zoo's 2001 Master Plan provides a reaffirmation of its purpose. A clear course of action has been established in order to continue the Zoo's active engagement in conservation activities and expansion of programs supporting development of environmentally knowledgeable citizens. In order to meet the increasingly urgent conservation and natural-science education imperatives facing our state and the world, the Zoo is moving forward in the following ways.

- Guest services and exhibit experiences are being upgraded to match the Minnesota public's evolving sophistication and desire to experience wildlife in more meaningful ways.
- Deferred maintenance of the facility is being addressed to protect the public's investment and health and safety of the collection and our guests.
- Animals are being provided with optimal spaces for enriched lives and reproduction as part of critical conservation programs as exhibits are built or renovated.
- Programs are being delivered to provide for lifelong learning and engagement with conservation activities in a dedicated effort to fulfill the Zoo's mission.

## Operations

The MZB is comprised of 30 citizens who have been appointed to supervise and control the operations of the Zoo. The governor appoints 15 members of the board and another 15 members are appointed by the MZB. An important function of the MZB is to foster private sector support for the Zoo. Private funds raised by the Zoo Foundation built – and provide ongoing operations support for – the award-winning Wells Fargo Family Farm. The Zoo's retail and food service partners have invested over $6 million in capital improvements throughout the Zoo. The Zoo is managed to meet and exceed the accreditation standards of the American Zoo and Aquarium Association

(AZA), as well as the regulatory requirements of the United States Department of Agriculture (USDA).

The **Education Programs** unit provides guests with educational interactions with the Zoo's plant and animal collection, designed to foster the development of values supportive of species survival, biodiversity and habitat protection, and environmental stewardship.

- Educational programming is provided through monorail tours, family programs, Zoo Camp, Zoomobile, scout programs, keeper talks, behind the scenes tours, and web-based information.
- Exhibits contain engaging graphics detailing information on animals, their habits, and habitats.
- Outreach is provided through Zoomobile programs in schools and communities and web-based information and interactive programming for those who are unable to visit the Zoo.
- Zoo programming has been provided to pediatric patients at the Mayo Clinic through an active partnership with the Clinic.
- Curricula have been developed to help teachers meet required standards and a web-based game has been developed to help teach genetics."
- The education department assists in delivery of the innovative curriculum at the School of Environmental Studies in partnership with independent School District No. 196. This award winning high school is located on the grounds of the Zoo, and utilizes the Zoo collection and the Zoo staff in delivering its environmental education program.

The Zoo provides family-oriented **recreational experiences** that are educational as well as entertaining. Guests to the Zoo have fun and leave with a greater understanding, appreciation, and respect for animals and nature.

- Approximately one million guests come to the Zoo annually, a figure few zoos in the country match.
- New and exciting exhibits are developed as funding is available. Currently, work was completed to renovate the Minnesota Trail (2007) and work is underway to create a new major exhibit called "Russia's Grizzly Coast" (2008).
- Studies conducted as part of the Master Plan process, recent "Secret Shopper" reports and the most recent guest survey indicate that guests have a largely positive view of the Zoo and the emphasis on animal viewing experiences in a naturalistic setting.
- Zoo guests have the opportunity to view live animal shows featuring our dolphins and bird collections. The Farm allows guests to feed and brush goats, along with viewing milking demonstrations.
- The Zoo hosts a summer concert series that is consistently rated the top outdoor venue in the Metropolitan area.

The Zoo is dedicated to delivering **conservation programs** locally, nationally and internationally. Conservation efforts strive to preserve biodiversity and promote an understanding of animals and nature. The Zoo partners with other organizations to promote the survival of threatened and endangered species and ecosystems.

- The Zoo participates in 24 AZA Species Survival Plans. The Zoo supports AZA studbook keepers for ten species.
- Conservation staff continue to coordinate worldwide tiger conservation programs by: working with the Chinese government to plan reintroduction and recovery program for South China tigers; initiating field programs to sustain and increase populations of Amur Leopards in the Russian Far East (in connection with the Zoo's new Russian's Grizzly Coast exhibit); and participating in the reintroduction of Asian Wild Horses in Mongolia.
- Within Minnesota the Zoo has a long history of participating in the successful reintroduction of Trumpeter Swans (in cooperation with the Department of Natural Resources).

**Key Measures**

**Education Programs**

- Over 320,000 participants are served through Zoo education programs annually, making the Zoo the largest environmental learning center in the state.
- More than 94,800 K-12 students from approximately 1,700 schools visit the Zoo annually.
- Participant reviews are used to evaluate the overall effectiveness and efficiency of the Education Programs unit in fulfilling its mission of conservation education.

- Teacher Focus Groups are used to evaluate existing programs and provide direction for new programming.
- The Zoomobile has traveled over 30,000 miles bringing programs to over 49,000 people. Goal is to increase people participating in Zoomobile outreach programs by 2,000 over FY 2008-09.

**Recreation Programs**

- All Zoo facilities are kept clean with attention to aesthetics to enhance the guest experience.
- Design, construction, and repairs to exhibits ensure that the collection is provided with safe and environmentally adequate surroundings.
- Surveys are utilized to determine the effectiveness of marketing efforts and guest satisfaction with the collection, programs, and facilities. The goal is to improve ratings in a minimum of three surveyed items.
- Marketing plans are developed to focus on education and conservation efforts while generating interest and the attendance necessary to make budgetary goals. The goal is to increase attendance by ten percent by the end of the FY 2008-09 biennium.
- Goals are established to assure growth in revenue. Earned income and corporate partnerships help to support the mission of the Zoo. The goal is to increase membership by 25 percent from FY 2007 to end of FY 2009.

**Conservation Programs**

- The Animal Collection Plan is maintained to guide the Zoo's long-range planning and the cooperative efforts of the conservation and education programs to create rich experiences for our guests.
- The strategic plan is utilized to define, prioritize, and guide the Zoo's local and international conservation goals.
- A collection plan has been completed to evaluate and define each exhibit trail's mission, organization, and species selection, and to guide future growth of the Zoo and its collection.
- The Zoo measures guest understanding and enjoyment of the exhibits and programs through surveys.
- The Zoo maintains accreditation from the AZA under their increasingly rigorous standards.

**Budget**

Funding of the operating budget of the Zoo is a combination of general fund and natural resources fund dollars, earned income from charges to guests at the Zoo, and contributions from the private sector. In the past decade the percentage of state funding has declined, while earned revenue and contributions have increased. In the early 1980s the state appropriation was approximately 60 percent of the total operating budget. In FY 2007 the state appropriation was approximately 39 percent of the total operating budget.

The Minnesota Zoo Foundation, with the support of the MZB, is using recently appropriated state bond funds as leverage to launch a comprehensive campaign for private capital and operating funds.

Approximately 216 people are permanent full, part-time or intermittent employees. During the peak summer months the Zoo adds a large number of part-time and temporary employees and student interns to handle the increased operation needs. They bring the full-time number to 244.

**Contact**

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The Minnesota Zoo website at www.mnzoo.com gives guests easy access to useful information about the Minnesota Zoo, its collection of animals, and the Zoo's involvement in conservation activities.

**At A Glance: Agency Long-Range Strategic Goals**

- Position the Minnesota Zoo as one of the top five attractions in the state.
- Maintain, repair, and enhance existing Zoo facilities.
- Develop a major new exhibit (Russia's Grizzly Coast) offering a state–of–the-art zoo experience by May 2008.
- Improve guest experience, revenue generation and education programming capacity by developing the new Entry/Visitor/Environmental Education Center complex by May 2011.
- Use state funds to leverage private contributions for capital additions and improvements to the Zoo.
- Exhibit animals and provide experiences that meet guest expectations.
- Position the Zoo as an engaging, trusted state-wide resource for providing accurate and relevant conservation education information, species survival, habitat, conservation and ecosystem health expertise.
- Expand educational and interpretive opportunities at the Zoo.
- Improve the quality of our conservation and animal programs to the level of our peer institutions.
- Improve revenue generating and contributed income initiatives to support zoo programs and operations.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Pursuant to direction from the 1999 Legislature, "*A Study of the Potential Impact of a Governance Change on the Minnesota Zoo*" was completed in January 2000. This report addressed a number of issues beyond its primary recommendation that the Minnesota Zoo remain a state agency. Recommendations included:

- Create a compelling vision for the Zoo's future, and a plan to carry it out.
- Invest in capital infrastructure.
- Invest in the capacity to develop contributed income.
- Deepen and expand the Zoo's educational mission.

Based upon these recommendations, the Board commissioned a Facilities Master Plan process. The Master Plan, adopted in October 2001, has guided the Zoo's approach to capital investment. The Master Plan articulates a number of imperatives for the Minnesota Zoo: We need to provide opportunities for Minnesotans and visitors to experience wildlife in more meaningful ways. We need to provide our animals with optimal spaces for enriched lives and reproduction. We need to significantly increase our capacity to deliver conservation education. And we need to find better ways to generate revenue to support our conservation and education mission.

The Minnesota Zoo, a full state agency, receives less than 38 percent of its annual operating budget from the biennial state appropriation. This is down from historical levels of 60 percent state support in the 1980s. The Zoo has aggressively increased both contributed and earned income to adjust to this decline in public funding, but it places the organization in a situation where attendance — the driving force behind much of its revenue generation — becomes an increasingly critical variable. The state has recently invested in the infrastructure and exhibit renewal of the Zoo, which has and will continue to generate greater attendance and community awareness of the Zoo.

Attendance is key to Zoo operations. Attendance not only provides income from admission fees, but also impacts revenue from food sales, gift store sales, stroller rental, and numerous other revenues streams. Many factors can influence attendance; weather, price points, and competition for recreation time and money.

While marketing efforts and serendipitous animal births in zoos and aquariums can spur temporary attendance growth, the most reliable method of stabilizing and growing attendance is the development of major new attractions.

Until recently, the attendance trend for the Minnesota Zoo had been in decline. In FY 2005, attendance rebounded, due in part to an engaging new exhibit (lemurs). This reversal has been sustained with continued capital investment in new attractions. In 2006, **Africa*, Summer on the Savanna*** temporarily exhibited animals with proven public appeal. The opening of the refurbished ***Minnesota Trail*** in 2007 has elicited positive response and increased attendance. Improvements to the Zoo will continue, with the appropriation in FY 2005 of $20.46 million to build ***Russia's Grizzly Coast*** and an additional $7.5 million in FY 2006 that will fund a renovation of the Zoo's ***Central Plaza***. The Zoo — using the strong show of public support demonstrated by the capital investment as leverage — has begun a major private fundraising effort to continue the revitalization of our exhibits and public amenities.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Construction of the Zoo began over 30 years ago and the Zoo has been open to the public for over 28 years. Over one million guests come to the Zoo and experience the Zoo exhibits and park facilities each year. The 485-acre facility is aging and requires increased investment to preserve the asset.

In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate levels of annual building maintenance necessary for state agencies. According to the guidelines developed by this process, the Zoo should dedicate an additional $3.4 million annually to maintenance and preventative maintenance activities for the facility. This has not been possible within the constraints of the Zoo's operating budget, so the identified deferred maintenance has continued.

The current Zoo's facilities do not meet the expectations or needs of the public for increasingly sophisticated conservation education opportunities, nor do they meet the baseline expectations for guest services. In 2001 the Zoo completed its Master Plan which defines a range of compelling opportunities for the Zoo's physical redevelopment. The Plan identifies priority areas for renewal and development, to increase the ability of the Zoo to better serve the people of Minnesota. These opportunities — if effected — will allow the Zoo to deliver the educational and conservation programs people have indicated they want, while providing recreation and entertainment. In the 2005 session, the governor recommended, and the legislature approved, an investment of $20.6 million to create a major new exhibit. This will be new construction on an underutilized site near the main building. Asset preservation funds received in the past two bonding bills have addressed the deterioration of several of the Zoo's older public facilities, including its Minnesota Trail and replacement of the main chiller for the Zoo. The Zoo continues to have a list of over $30 million in asset preservation needs.

In the Fall of 2006, the city of Eagan identified a water inflow and infiltration problem at the Zoo. The Zoo has undertaken a comprehensive water management study to address this issue, along with other challenges on the Zoo site. Recommendations will be received in the Fall of 2007. The Zoo has sought and will continue to seek state asset preservation funding to address this major infrastructure deficiency.

**Agency Process Used to Arrive at These Capital Requests**

In October 2001, the Minnesota Zoological Garden adopted a Facilities and Business Master Plan. This document has guided the Board in capital budget requests since then.

The Board has developed a five-year strategic plan. This plan includes capital components based on the Master Plan, and ties the capital program to the other priority areas, goals and strategies, with an over-arching goal of positioning the Minnesota Zoo among the top ten zoos in the United States. Our current request for $15 million in new capital funds will — in combination with anticipated private fundraising — enable the Zoo to continue its current momentum toward that goal.

The Zoo's infrastructure is nearly 30 years old. While the recent $7.5 million Asset Preservation appropriations have been very helpful in beginning to address infrastructure needs, there continues to be a significant un-met need. Based upon the Department of Administration guidelines for asset preservation, and an analysis of institutional priorities, the Zoo Board authorized our current Asset Preservation request of $15 million which would permit the Zoo to aggressively tackle the backlog of major maintenance items and address the inflow/infiltration issue.

Staff worked with the Board Finance Committee to make recommendations to the Minnesota Zoological Garden Board for budget requests. The Master Plan is the guiding document, along with the strategic plan, guest evaluations and comments regarding the current condition of the facilities and future exhibit additions.

**Major Capital Projects Authorized in 2006 and 2007**

2006 Projects: Asset Preservation was funded at $7.5 million. Master Plan projects received an appropriation of $7.5 million.

2007 Projects: The bonding bill which was not enacted contained an appropriation of $1.526 million to begin to address the inflow /infiltration problem at the Zoo.

# Zoological Gardens

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Asset Preservation | 1 | GO | $15,000 | $10,000 | $10,000 | $7,500 | $7,500 | $7,500 |
| Master Plan Design Construction | 2 | GO | 15,000 | 50,000 | 15,000 | 0 | 0 | 0 |
| Project Total | | | $30,000 | $60,000 | $25,000 | $7,500 | $7,500 | $7,500 |
| General Obligation Bonding (GO) | | | $30,000 | $60,000 | $25,000 | $7,500 | $7,500 | $7,500 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Asset Preservation

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 1 of 2

**PROJECT LOCATION:** Apple Valley

**Project At A Glance**

Minnesota Zoological Garden Asset Preservation of $15 million

## Project Description

State funding of $15 million is requested to repair, replace, and renew facilities at the Minnesota Zoological Garden (the Zoo).

The Zoo is celebrating its 30th anniversary in 2008. The facilities are in need of repair, replacement, and renewal. Over $30 million in needs have been identified. These include, but are not limited to:

- Safety hazards and code compliance issues
- Significant water management issues
- Roof repairs and replacements
- Mechanical and structural deficiencies
- Building envelope work including tuck-pointing, window and door replacement, etc.
- Road, pathways, and parking lot repair and replacement
- Major mechanical and utility system repairs, replacements, and improvements
- Exhibit renewal

This request covers approximately 19 project areas ranging in estimated cost from $25,000 (mechanical projects in one building) to $2.5 million (water management and sanitary sewer corrections). The water issues were first presented and discussed during the 2007 legislative session and remain a top priority. Other projects include such items as insulation repair/replacement, skylight replacement in the Tropics, parking lot and road repairs, elevator work needed for code compliance, fencing and numerous heating, ventilation, and air conditioning (HVAC) projects.

Asset preservation is an ongoing need at the Zoo. In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate level of annual building maintenance necessary for state agency facilities. According to the guidelines, the Zoo should spend an additional $3.4 million annually to maintain and preserve the state's investment in these facilities. The Zoo has spent some operating funds for repair, replacement, and betterment.

## Impact on Agency Operating Budgets (Facilities Notes)

Funding this request will preserve the assets and improve safety, service and operations of the Zoo. If this request is not funded, deterioration and structural decay will continue. The public visiting the Zoo experience a dated, deteriorating facility and attendance and revenues will decrease. Delayed repairs are likely to increase in cost the longer they are postponed. When funds are used to replace outdated equipment with more efficient models, operating costs may actually decrease.

## Previous Appropriations for this Project

The legislature appropriated $7.5 million for the asset preservation needs of the Zoo facility during the 2006 session, $2 million in the 2005 session and $3 million in 2002 session. Projects funded from these appropriations include:

- Replacement of a chiller in the main building
- Air handling work in the animal hospital
- Replacement and repair of decking and railing on main lake bridge
- Expansion and upgrades of fire detection system
- Renewal of the Minnesota Trail exhibit
- Replacement of damaged sidewalks, pathways and curbing
- Repair and replacement of mechanical systems insulation
- Duct cleaning and repair
- Renewal of Tropics Sun Bear exhibit
- Repair and replacement of the perimeter fence

**Other Considerations**

In the past the Zoo has requested funding for specific asset preservation projects including the “roads and pathways” and the “heating supply line/chiller replacement” projects. These projects were partially funded in the previous capital budget appropriations. The need for asset preservation activities at the Zoo has been increasing significantly as the facility ages. This request has been expanded to include the total need for asset preservation funding at the Zoo.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7.5 million for this project. Also included are budget planning estimates of $7.5 million in 2010 and $7.5 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 550 | 200 | 100 | 100 | 950 |
| 4. Project Management | 300 | 550 | 400 | 400 | 1,650 |
| 5. Construction Costs | 11,568 | 13,700 | 9,450 | 9,450 | 44,168 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 82 | 550 | 50 | 50 | 732 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **12,500** | **15,000** | **10,000** | **10,000** | **47,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 12,500 | 15,000 | 10,000 | 10,000 | 47,500 |
| **State Funds Subtotal** | 12,500 | 15,000 | 10,000 | 10,000 | 47,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **12,500** | **15,000** | **10,000** | **10,000** | **47,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Master Plan Design Construction

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Apple Valley

**Project At A Glance**

- This request is for $15 million in state funds for planning, design, and construction of the next phase of the Zoo's Master Plan: the renovation and expansion of the Zoo's entry and main building, to be called the "Northwoods Wander" Visitor Center and Environmental Education Center.
- This project will greatly improve the guest experience, generate additional revenue, result in important educational impact, and drive increased attendance.
- This request assumes state funds will be augmented by significant private funds. The Zoo has launched a comprehensive campaign for private funding called "The Heart of the Zoo."

**Project Description**

This request is for $15 million which, together with private funds, will finance the design and construction of the next significant portion of the new and renovated facilities proposed in the ***2001 Minnesota Zoological Garden Facilities and Business Master Plan***. It includes partial funding for the Zoo's proposed new entry and Visitor Center.

When the Minnesota Zoo opened to the public in 1978, it represented the most up-to-the-minute thinking in zoo design. The original Zoo development was based on a visionary plan completed in 1970 -***The Minnesota Zoological Garden: Mirror to the Environment*** - which laid out a course for building the Zoo based on a sound foundation of education and conservation. The plan proposed many of the elements comprising the Zoo today, including the Northern Trail, the Monorail, and the Tropics Trail. But only about one-third of the original plan was actually built, and numerous additions to the Zoo have been developed, both conceptually and spatially, in ways not anticipated in that plan. The major facilities built at the Zoo after the 1978 opening, including the Bird Show Amphitheater, Discovery Bay and the Family Farm, have added to the Zoo experience but were developed without reference to a unifying long-term plan.

With much of the Zoo now more than 29 years old, and with significant advances in zoological and informal education facility design that have occurred over the last quarter century, the Minnesota Zoo has begun a period of intensive redevelopment. At the direction of the 1999 state-mandated Minnesota Governance Study, a new master planning initiative was undertaken, funded by contributions from members of the Zoo Board and Zoo Foundation Board and a grant from the Bush Foundation. The resulting ***Minnesota Zoological Garden Facilities and Business Master Plan*** provides a strategic, flexible, long-term vision for the Zoo's business approach and physical development and has been used to direct the Zoo's decision-making.

The Zoo's animals must be provided with optimal spaces for enriched lives and reproduction for conservation purposes. Already one of the state's top environmental education centers, the Zoo needs to increase its capacity to deliver these services to more Minnesotans. The Zoo must continue to develop new revenue streams to support its operations and programs. The addition of new exhibits - creating greater density and intensity of experience - is necessary to stabilize and increase attendance.

Enhancements proposed in the Master Plan will improve the experience for all visitors and will specifically improve accessibility for seniors, disabled, and small children. The renewed Zoo will be better able to meet the increasingly sophisticated public demands for education and recreation, while more actively addressing the conservation challenges facing wildlife in Minnesota and around the world.

The Master Plan document was completed and adopted by the Zoo Board in 2001. The major projects, and their status of development, are described below:

- Russia's Grizzly Coast (funded, projected opening 2008) is a state of the art exhibit featuring grizzly bears, sea otters, wild boar and Amur leopards.
- Central Plaza (first phase to reopen 2008), is the gateway to Russia's Grizzly Coast, the Northern Trail and the Wells Fargo Family Farm. It provides an interactive water fountain, covered seating, improved food service and an amphitheater for animal demonstrations and entertainment. Future plans include a Forest Adventure Playground.
- Northwoods Wander, Visitor Center and Environmental Education Center (this request, along with private funds from the Heart of the Zoo campaign will fund these projects) includes the North Woods Wander and the new Zoo Visitor Center which will create a gracious welcoming experience to the Zoo, showcasing the natural beauty and wildlife of the Minnesota landscape while providing improved and expanded amenities for more than one million guests each year.
  - ⇒ As guests enter the Zoo, they will walk past seasonal wildflower displays and a wetland habitat for Sandhill Cranes. In contrast to the current long gauntlet of concrete, the North Woods Wander Entry will establish an immediate connection between Zoo guests, wildlife and wild places.
  - ⇒ The Visitor Center will be a spacious, light-filled gallery where guests can quickly learn about the offerings of the Zoo. It will include additional space available for after-hours events, dramatically improving the Zoo's ability to generate earned revenue and better serve our guests.
  - ⇒ The new Education Center will increase educational program capacity three-fold. The Zoo Education Department functions will be centralized and a teacher resource area will be added. School groups will be able to enter the zoo separately from other guests and the area will provide storage lockers, lunch space and new classrooms. One classroom will support early childhood education programs.
  - ⇒ To continually and immediately immerse Zoo guests in the world of animals, the Visitor Center will include exhibits of three active, social species: meerkats, Japanese macaques (snow monkeys) and penguins of the African Coast.
- Africa Trail (future fundraising campaign), was first envisaged in the zoo's original master plan, as a major exhibit of African animals. After 29 years this remains the development most desired by our guests, and the one that holds the greatest promise for significantly increasing Zoo attendance. The updated Master Plan proposes a dramatic new indoor/outdoor complex of exhibits, where guests will be immersed in a simulated African environment featuring chimpanzees, hippos, giraffes, lions, cheetahs, crocodiles, and other species. Linkages to research programs at the University of Minnesota and conservation programs in Africa will be integral to the development, as will new revenue-generating facilities including food service and group rental spaces.

**Impact on Agency Operating Budgets (Facilities Notes)**

The additional exhibits and buildings to be constructed as envisioned in the Master Plan will require additional expenditures for employees and operations at the Zoo. It should also provide an opportunity for increased revenue.

**Previous Appropriations for this Project**

The legislature appropriated $20.6 million in 2005 and an additional $7.5 million in 2006 for the first project, Russia's Grizzly Coast and the Central Plaza.

**Other Considerations**

Success of the privately funded Wells Fargo Family Farm and spurred by the state's recent commitment of capital support, the Zoo Board and Foundation trustees have undertaken a comprehensive campaign, "Heart of the Zoo." Funds raised by this campaign will supplement the state funds for this project.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 2,600 | 3,000 | 4,300 | 1,200 | 11,100 |
| 4. Project Management | 1,000 | 900 | 1,100 | 300 | 3,300 |
| 5. Construction Costs | 23,890 | 20,000 | 43,000 | 13,000 | 99,890 |
| 6. One Percent for Art | 100 | 100 | 100 | 100 | 400 |
| 7. Relocation Expenses | 0 | 1,000 | 0 | 0 | 1,000 |
| 8. Occupancy | 550 | 1,000 | 1,500 | 400 | 3,450 |
| 9. Inflation | 0 | 4,825 | 0 | 0 | 4,825 |
| **TOTAL** | **28,140** | **30,825** | **50,000** | **15,000** | **123,965** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 28,140 | 15,000 | 50,000 | 15,000 | 108,140 |
| **State Funds Subtotal** | 28,140 | 15,000 | 50,000 | 15,000 | 108,140 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 15,825 | 0 | 0 | 15,825 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **28,140** | **30,825** | **50,000** | **15,000** | **123,965** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 139 | 3,239 | 3,378 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 59 | 394 | 453 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 198 | 3,633 | 3,831 |
| Revenue Offsets | 0 | 0 | <2,143> | <2,143> |
| **TOTAL** | 0 | 198 | 1,490 | 1,688 |
| Change in F.T.E. Personnel | 0.0 | 2.0 | 33.0 | 35.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Zoological Gardens

## Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Asset Preservation | 1 | $15,000 | $10,000 | $10,000 | $35,000 | $7,500 | $7,500 | $7,500 |
| Master Plan Design Construction | 2 | 15,000 | 50,000 | 15,000 | 80,000 | 0 | 0 | 0 |
| **Total Project Requests** | | $30,000 | $60,000 | $25,000 | $115,000 | $7,500 | $7,500 | $7,500 |

**Agency Profile At A Glance**

**Zoo Information:**

- Over one million guests
- Approximately 50,000 Minnesotans reached by the Zoomobile each year
- Over 2,500 animals in a diverse collection
- Over 36 endangered species housed at the zoo
- Over 1,000 volunteers donate over 92,000 hours annually
- Over 320,000 participants in education programs annually

**Master Plan Goals:**

- Increase the Zoo's ability to deliver environmental education
- Increase the capacity to effect conservation in the Zoo and beyond
- Elevate the Zoo to a premier cultural institution and tourist destination, becoming one of the top ten zoos in the United States

## Agency Purpose

The Minnesota Zoological Board (MZB) is established by M.S. Chapter 85A and is charged with operating the Minnesota Zoological Garden (Zoo) as an education, conservation, and recreation organization for the collection, propagation, preservation, care, exhibition, interpretation, examination, and study of wild and domestic animals.

The mission of the Zoo is to connect people, animals and the natural world. To accomplish this, the Zoo provides award-winning **education, recreation,** and **conservation programs.** The Zoo belongs to the people of Minnesota and its facilities and programs are accessible to all Minnesotans.

The Zoo partners with the Minnesota Zoo Foundation, whose purpose is to raise contributed income from individuals, corporations, and foundations to support the Zoo and its mission. The Foundation also conducts the annual Beastly Ball and other events whose net income support conservation and educational activities.

## Core Functions

The Zoo provides opportunities for Minnesotans and out-of-state guests to experience wildlife in meaningful ways. These experiences encourage stewardship for animals and nature and foster a greater appreciation for the earth's rich diversity.

The Zoo's 2001 Master Plan provides a reaffirmation of its purpose. A clear course of action has been established in order to continue the Zoo's active engagement in conservation activities and expansion of programs supporting development of environmentally knowledgeable citizens. In order to meet the increasingly urgent conservation and natural-science education imperatives facing our state and the world, the Zoo is moving forward in the following ways.

- Guest services and exhibit experiences are being upgraded to match the Minnesota public's evolving sophistication and desire to experience wildlife in more meaningful ways.
- Deferred maintenance of the facility is being addressed to protect the public's investment and health and safety of the collection and our guests.
- Animals are being provided with optimal spaces for enriched lives and reproduction as part of critical conservation programs as exhibits are built or renovated.
- Programs are being delivered to provide for lifelong learning and engagement with conservation activities in a dedicated effort to fulfill the Zoo's mission.

## Operations

The MZB is comprised of 30 citizens who have been appointed to supervise and control the operations of the Zoo. The governor appoints 15 members of the board and another 15 members are appointed by the MZB. An important function of the MZB is to foster private sector support for the Zoo. Private funds raised by the Zoo Foundation built – and provide ongoing operations support for – the award-winning Wells Fargo Family Farm. The Zoo's retail and food service partners have invested over $6 million in capital improvements throughout the Zoo. The Zoo is managed to meet and exceed the accreditation standards of the American Zoo and Aquarium Association

(AZA), as well as the regulatory requirements of the United States Department of Agriculture (USDA).

The **Education Programs** unit provides guests with educational interactions with the Zoo's plant and animal collection, designed to foster the development of values supportive of species survival, biodiversity and habitat protection, and environmental stewardship.

- Educational programming is provided through monorail tours, family programs, Zoo Camp, Zoomobile, scout programs, keeper talks, behind the scenes tours, and web-based information.
- Exhibits contain engaging graphics detailing information on animals, their habits, and habitats.
- Outreach is provided through Zoomobile programs in schools and communities and web-based information and interactive programming for those who are unable to visit the Zoo.
- Zoo programming has been provided to pediatric patients at the Mayo Clinic through an active partnership with the Clinic.
- Curricula have been developed to help teachers meet required standards and a web-based game has been developed to help teach genetics."
- The education department assists in delivery of the innovative curriculum at the School of Environmental Studies in partnership with independent School District No. 196. This award winning high school is located on the grounds of the Zoo, and utilizes the Zoo collection and the Zoo staff in delivering its environmental education program.

The Zoo provides family-oriented **recreational experiences** that are educational as well as entertaining. Guests to the Zoo have fun and leave with a greater understanding, appreciation, and respect for animals and nature.

- Approximately one million guests come to the Zoo annually, a figure few zoos in the country match.
- New and exciting exhibits are developed as funding is available. Currently, work was completed to renovate the Minnesota Trail (2007) and work is underway to create a new major exhibit called "Russia's Grizzly Coast" (2008).
- Studies conducted as part of the Master Plan process, recent "Secret Shopper" reports and the most recent guest survey indicate that guests have a largely positive view of the Zoo and the emphasis on animal viewing experiences in a naturalistic setting.
- Zoo guests have the opportunity to view live animal shows featuring our dolphins and bird collections. The Farm allows guests to feed and brush goats, along with viewing milking demonstrations.
- The Zoo hosts a summer concert series that is consistently rated the top outdoor venue in the Metropolitan area.

The Zoo is dedicated to delivering **conservation programs** locally, nationally and internationally. Conservation efforts strive to preserve biodiversity and promote an understanding of animals and nature. The Zoo partners with other organizations to promote the survival of threatened and endangered species and ecosystems.

- The Zoo participates in 24 AZA Species Survival Plans. The Zoo supports AZA studbook keepers for ten species.
- Conservation staff continue to coordinate worldwide tiger conservation programs by: working with the Chinese government to plan reintroduction and recovery program for South China tigers; initiating field programs to sustain and increase populations of Amur Leopards in the Russian Far East (in connection with the Zoo's new Russian's Grizzly Coast exhibit); and participating in the reintroduction of Asian Wild Horses in Mongolia.
- Within Minnesota the Zoo has a long history of participating in the successful reintroduction of Trumpeter Swans (in cooperation with the Department of Natural Resources).

**Key Measures**

**Education Programs**

- Over 320,000 participants are served through Zoo education programs annually, making the Zoo the largest environmental learning center in the state.
- More than 94,800 K-12 students from approximately 1,700 schools visit the Zoo annually.
- Participant reviews are used to evaluate the overall effectiveness and efficiency of the Education Programs unit in fulfilling its mission of conservation education.

- Teacher Focus Groups are used to evaluate existing programs and provide direction for new programming.
- The Zoomobile has traveled over 30,000 miles bringing programs to over 49,000 people. Goal is to increase people participating in Zoomobile outreach programs by 2,000 over FY 2008-09.

**Recreation Programs**

- All Zoo facilities are kept clean with attention to aesthetics to enhance the guest experience.
- Design, construction, and repairs to exhibits ensure that the collection is provided with safe and environmentally adequate surroundings.
- Surveys are utilized to determine the effectiveness of marketing efforts and guest satisfaction with the collection, programs, and facilities. The goal is to improve ratings in a minimum of three surveyed items.
- Marketing plans are developed to focus on education and conservation efforts while generating interest and the attendance necessary to make budgetary goals. The goal is to increase attendance by ten percent by the end of the FY 2008-09 biennium.
- Goals are established to assure growth in revenue. Earned income and corporate partnerships help to support the mission of the Zoo. The goal is to increase membership by 25 percent from FY 2007 to end of FY 2009.

**Conservation Programs**

- The Animal Collection Plan is maintained to guide the Zoo's long-range planning and the cooperative efforts of the conservation and education programs to create rich experiences for our guests.
- The strategic plan is utilized to define, prioritize, and guide the Zoo's local and international conservation goals.
- A collection plan has been completed to evaluate and define each exhibit trail's mission, organization, and species selection, and to guide future growth of the Zoo and its collection.
- The Zoo measures guest understanding and enjoyment of the exhibits and programs through surveys.
- The Zoo maintains accreditation from the AZA under their increasingly rigorous standards.

**Budget**

Funding of the operating budget of the Zoo is a combination of general fund and natural resources fund dollars, earned income from charges to guests at the Zoo, and contributions from the private sector. In the past decade the percentage of state funding has declined, while earned revenue and contributions have increased. In the early 1980s the state appropriation was approximately 60 percent of the total operating budget. In FY 2007 the state appropriation was approximately 39 percent of the total operating budget.

The Minnesota Zoo Foundation, with the support of the MZB, is using recently appropriated state bond funds as leverage to launch a comprehensive campaign for private capital and operating funds.

Approximately 216 people are permanent full, part-time or intermittent employees. During the peak summer months the Zoo adds a large number of part-time and temporary employees and student interns to handle the increased operation needs. They bring the full-time number to 244.

**Contact**

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The Minnesota Zoo website at www.mnzoo.com gives guests easy access to useful information about the Minnesota Zoo, its collection of animals, and the Zoo's involvement in conservation activities.

**At A Glance: Agency Long-Range Strategic Goals**

- Position the Minnesota Zoo as one of the top five attractions in the state.
- Maintain, repair, and enhance existing Zoo facilities.
- Develop a major new exhibit (Russia's Grizzly Coast) offering a state–of–the-art zoo experience by May 2008.
- Improve guest experience, revenue generation and education programming capacity by developing the new Entry/Visitor/Environmental Education Center complex by May 2011.
- Use state funds to leverage private contributions for capital additions and improvements to the Zoo.
- Exhibit animals and provide experiences that meet guest expectations.
- Position the Zoo as an engaging, trusted state-wide resource for providing accurate and relevant conservation education information, species survival, habitat, conservation and ecosystem health expertise.
- Expand educational and interpretive opportunities at the Zoo.
- Improve the quality of our conservation and animal programs to the level of our peer institutions.
- Improve revenue generating and contributed income initiatives to support zoo programs and operations.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Pursuant to direction from the 1999 Legislature, "*A Study of the Potential Impact of a Governance Change on the Minnesota Zoo*" was completed in January 2000. This report addressed a number of issues beyond its primary recommendation that the Minnesota Zoo remain a state agency. Recommendations included:

- Create a compelling vision for the Zoo's future, and a plan to carry it out.
- Invest in capital infrastructure.
- Invest in the capacity to develop contributed income.
- Deepen and expand the Zoo's educational mission.

Based upon these recommendations, the Board commissioned a Facilities Master Plan process. The Master Plan, adopted in October 2001, has guided the Zoo's approach to capital investment. The Master Plan articulates a number of imperatives for the Minnesota Zoo: We need to provide opportunities for Minnesotans and visitors to experience wildlife in more meaningful ways. We need to provide our animals with optimal spaces for enriched lives and reproduction. We need to significantly increase our capacity to deliver conservation education. And we need to find better ways to generate revenue to support our conservation and education mission.

The Minnesota Zoo, a full state agency, receives less than 38 percent of its annual operating budget from the biennial state appropriation. This is down from historical levels of 60 percent state support in the 1980s. The Zoo has aggressively increased both contributed and earned income to adjust to this decline in public funding, but it places the organization in a situation where attendance — the driving force behind much of its revenue generation — becomes an increasingly critical variable. The state has recently invested in the infrastructure and exhibit renewal of the Zoo, which has and will continue to generate greater attendance and community awareness of the Zoo.

Attendance is key to Zoo operations. Attendance not only provides income from admission fees, but also impacts revenue from food sales, gift store sales, stroller rental, and numerous other revenues streams. Many factors can influence attendance; weather, price points, and competition for recreation time and money.

While marketing efforts and serendipitous animal births in zoos and aquariums can spur temporary attendance growth, the most reliable method of stabilizing and growing attendance is the development of major new attractions.

Until recently, the attendance trend for the Minnesota Zoo had been in decline. In FY 2005, attendance rebounded, due in part to an engaging new exhibit (lemurs). This reversal has been sustained with continued capital investment in new attractions. In 2006, **Africa*, Summer on the Savanna*** temporarily exhibited animals with proven public appeal. The opening of the refurbished ***Minnesota Trail*** in 2007 has elicited positive response and increased attendance. Improvements to the Zoo will continue, with the appropriation in FY 2005 of $20.46 million to build ***Russia's Grizzly Coast*** and an additional $7.5 million in FY 2006 that will fund a renovation of the Zoo's ***Central Plaza***. The Zoo — using the strong show of public support demonstrated by the capital investment as leverage — has begun a major private fundraising effort to continue the revitalization of our exhibits and public amenities.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Construction of the Zoo began over 30 years ago and the Zoo has been open to the public for over 28 years. Over one million guests come to the Zoo and experience the Zoo exhibits and park facilities each year. The 485-acre facility is aging and requires increased investment to preserve the asset.

In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate levels of annual building maintenance necessary for state agencies. According to the guidelines developed by this process, the Zoo should dedicate an additional $3.4 million annually to maintenance and preventative maintenance activities for the facility. This has not been possible within the constraints of the Zoo's operating budget, so the identified deferred maintenance has continued.

The current Zoo's facilities do not meet the expectations or needs of the public for increasingly sophisticated conservation education opportunities, nor do they meet the baseline expectations for guest services. In 2001 the Zoo completed its Master Plan which defines a range of compelling opportunities for the Zoo's physical redevelopment. The Plan identifies priority areas for renewal and development, to increase the ability of the Zoo to better serve the people of Minnesota. These opportunities — if effected — will allow the Zoo to deliver the educational and conservation programs people have indicated they want, while providing recreation and entertainment. In the 2005 session, the governor recommended, and the legislature approved, an investment of $20.6 million to create a major new exhibit. This will be new construction on an underutilized site near the main building. Asset preservation funds received in the past two bonding bills have addressed the deterioration of several of the Zoo's older public facilities, including its Minnesota Trail and replacement of the main chiller for the Zoo. The Zoo continues to have a list of over $30 million in asset preservation needs.

In the Fall of 2006, the city of Eagan identified a water inflow and infiltration problem at the Zoo. The Zoo has undertaken a comprehensive water management study to address this issue, along with other challenges on the Zoo site. Recommendations will be received in the Fall of 2007. The Zoo has sought and will continue to seek state asset preservation funding to address this major infrastructure deficiency.

**Agency Process Used to Arrive at These Capital Requests**

In October 2001, the Minnesota Zoological Garden adopted a Facilities and Business Master Plan. This document has guided the Board in capital budget requests since then.

The Board has developed a five-year strategic plan. This plan includes capital components based on the Master Plan, and ties the capital program to the other priority areas, goals and strategies, with an over-arching goal of positioning the Minnesota Zoo among the top ten zoos in the United States. Our current request for $15 million in new capital funds will — in combination with anticipated private fundraising — enable the Zoo to continue its current momentum toward that goal.

The Zoo's infrastructure is nearly 30 years old. While the recent $7.5 million Asset Preservation appropriations have been very helpful in beginning to address infrastructure needs, there continues to be a significant un-met need. Based upon the Department of Administration guidelines for asset preservation, and an analysis of institutional priorities, the Zoo Board authorized our current Asset Preservation request of $15 million which would permit the Zoo to aggressively tackle the backlog of major maintenance items and address the inflow/infiltration issue.

Staff worked with the Board Finance Committee to make recommendations to the Minnesota Zoological Garden Board for budget requests. The Master Plan is the guiding document, along with the strategic plan, guest evaluations and comments regarding the current condition of the facilities and future exhibit additions.

**Major Capital Projects Authorized in 2006 and 2007**

2006 Projects: Asset Preservation was funded at $7.5 million. Master Plan projects received an appropriation of $7.5 million.

2007 Projects: The bonding bill which was not enacted contained an appropriation of $1.526 million to begin to address the inflow /infiltration problem at the Zoo.

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 1 of 2

**PROJECT LOCATION:** Apple Valley

**Project At A Glance**

Minnesota Zoological Garden Asset Preservation of $15 million

**Project Description**

State funding of $15 million is requested to repair, replace, and renew facilities at the Minnesota Zoological Garden (the Zoo).

The Zoo is celebrating its 30th anniversary in 2008. The facilities are in need of repair, replacement, and renewal. Over $30 million in needs have been identified. These include, but are not limited to:

- Safety hazards and code compliance issues
- Significant water management issues
- Roof repairs and replacements
- Mechanical and structural deficiencies
- Building envelope work including tuck-pointing, window and door replacement, etc.
- Road, pathways, and parking lot repair and replacement
- Major mechanical and utility system repairs, replacements, and improvements
- Exhibit renewal

This request covers approximately 19 project areas ranging in estimated cost from $25,000 (mechanical projects in one building) to $2.5 million (water management and sanitary sewer corrections). The water issues were first presented and discussed during the 2007 legislative session and remain a top priority. Other projects include such items as insulation repair/replacement, skylight replacement in the Tropics, parking lot and road repairs, elevator work needed for code compliance, fencing and numerous heating, ventilation, and air conditioning (HVAC) projects.

Asset preservation is an ongoing need at the Zoo. In 1998 the Statewide Facilities Management Group, coordinated by the Department of Administration, assessed the appropriate level of annual building maintenance necessary for state agency facilities. According to the guidelines, the Zoo should spend an additional $3.4 million annually to maintain and preserve the state's investment in these facilities. The Zoo has spent some operating funds for repair, replacement, and betterment.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will preserve the assets and improve safety, service and operations of the Zoo. If this request is not funded, deterioration and structural decay will continue. The public visiting the Zoo experience a dated, deteriorating facility and attendance and revenues will decrease. Delayed repairs are likely to increase in cost the longer they are postponed. When funds are used to replace outdated equipment with more efficient models, operating costs may actually decrease.

**Previous Appropriations for this Project**

The legislature appropriated $7.5 million for the asset preservation needs of the Zoo facility during the 2006 session, $2 million in the 2005 session and $3 million in 2002 session. Projects funded from these appropriations include:

- Replacement of a chiller in the main building
- Air handling work in the animal hospital
- Replacement and repair of decking and railing on main lake bridge
- Expansion and upgrades of fire detection system
- Renewal of the Minnesota Trail exhibit
- Replacement of damaged sidewalks, pathways and curbing
- Repair and replacement of mechanical systems insulation
- Duct cleaning and repair
- Renewal of Tropics Sun Bear exhibit
- Repair and replacement of the perimeter fence

**Other Considerations**

In the past the Zoo has requested funding for specific asset preservation projects including the “roads and pathways” and the “heating supply line/chiller replacement” projects. These projects were partially funded in the previous capital budget appropriations. The need for asset preservation activities at the Zoo has been increasing significantly as the facility ages. This request has been expanded to include the total need for asset preservation funding at the Zoo.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7.5 million for this project. Also included are budget planning estimates of $7.5 million in 2010 and $7.5 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 550 | 200 | 100 | 100 | 950 |
| 4. Project Management | 300 | 550 | 400 | 400 | 1,650 |
| 5. Construction Costs | 11,568 | 13,700 | 9,450 | 9,450 | 44,168 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 82 | 550 | 50 | 50 | 732 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **12,500** | **15,000** | **10,000** | **10,000** | **47,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 12,500 | 15,000 | 10,000 | 10,000 | 47,500 |
| **State Funds Subtotal** | 12,500 | 15,000 | 10,000 | 10,000 | 47,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **12,500** | **15,000** | **10,000** | **10,000** | **47,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** Apple Valley

**Project At A Glance**

- This request is for $15 million in state funds for planning, design, and construction of the next phase of the Zoo's Master Plan: the renovation and expansion of the Zoo's entry and main building, to be called the "Northwoods Wander" Visitor Center and Environmental Education Center.
- This project will greatly improve the guest experience, generate additional revenue, result in important educational impact, and drive increased attendance.
- This request assumes state funds will be augmented by significant private funds. The Zoo has launched a comprehensive campaign for private funding called "The Heart of the Zoo."

**Project Description**

This request is for $15 million which, together with private funds, will finance the design and construction of the next significant portion of the new and renovated facilities proposed in the ***2001 Minnesota Zoological Garden Facilities and Business Master Plan***. It includes partial funding for the Zoo's proposed new entry and Visitor Center.

When the Minnesota Zoo opened to the public in 1978, it represented the most up-to-the-minute thinking in zoo design. The original Zoo development was based on a visionary plan completed in 1970 -***The Minnesota Zoological Garden: Mirror to the Environment*** - which laid out a course for building the Zoo based on a sound foundation of education and conservation. The plan proposed many of the elements comprising the Zoo today, including the Northern Trail, the Monorail, and the Tropics Trail. But only about one-third of the original plan was actually built, and numerous additions to the Zoo have been developed, both conceptually and spatially, in ways not anticipated in that plan. The major facilities built at the Zoo after the 1978 opening, including the Bird Show Amphitheater, Discovery Bay and the Family Farm, have added to the Zoo experience but were developed without reference to a unifying long-term plan.

With much of the Zoo now more than 29 years old, and with significant advances in zoological and informal education facility design that have occurred over the last quarter century, the Minnesota Zoo has begun a period of intensive redevelopment. At the direction of the 1999 state-mandated Minnesota Governance Study, a new master planning initiative was undertaken, funded by contributions from members of the Zoo Board and Zoo Foundation Board and a grant from the Bush Foundation. The resulting ***Minnesota Zoological Garden Facilities and Business Master Plan*** provides a strategic, flexible, long-term vision for the Zoo's business approach and physical development and has been used to direct the Zoo's decision-making.

The Zoo's animals must be provided with optimal spaces for enriched lives and reproduction for conservation purposes. Already one of the state's top environmental education centers, the Zoo needs to increase its capacity to deliver these services to more Minnesotans. The Zoo must continue to develop new revenue streams to support its operations and programs. The addition of new exhibits - creating greater density and intensity of experience - is necessary to stabilize and increase attendance.

Enhancements proposed in the Master Plan will improve the experience for all visitors and will specifically improve accessibility for seniors, disabled, and small children. The renewed Zoo will be better able to meet the increasingly sophisticated public demands for education and recreation, while more actively addressing the conservation challenges facing wildlife in Minnesota and around the world.

The Master Plan document was completed and adopted by the Zoo Board in 2001. The major projects, and their status of development, are described below:

- Russia's Grizzly Coast (funded, projected opening 2008) is a state of the art exhibit featuring grizzly bears, sea otters, wild boar and Amur leopards.
- Central Plaza (first phase to reopen 2008), is the gateway to Russia's Grizzly Coast, the Northern Trail and the Wells Fargo Family Farm. It provides an interactive water fountain, covered seating, improved food service and an amphitheater for animal demonstrations and entertainment. Future plans include a Forest Adventure Playground.
- Northwoods Wander, Visitor Center and Environmental Education Center (this request, along with private funds from the Heart of the Zoo campaign will fund these projects) includes the North Woods Wander and the new Zoo Visitor Center which will create a gracious welcoming experience to the Zoo, showcasing the natural beauty and wildlife of the Minnesota landscape while providing improved and expanded amenities for more than one million guests each year.
  - ⇒ As guests enter the Zoo, they will walk past seasonal wildflower displays and a wetland habitat for Sandhill Cranes. In contrast to the current long gauntlet of concrete, the North Woods Wander Entry will establish an immediate connection between Zoo guests, wildlife and wild places.
  - ⇒ The Visitor Center will be a spacious, light-filled gallery where guests can quickly learn about the offerings of the Zoo. It will include additional space available for after-hours events, dramatically improving the Zoo's ability to generate earned revenue and better serve our guests.
  - ⇒ The new Education Center will increase educational program capacity three-fold. The Zoo Education Department functions will be centralized and a teacher resource area will be added. School groups will be able to enter the zoo separately from other guests and the area will provide storage lockers, lunch space and new classrooms. One classroom will support early childhood education programs.
  - ⇒ To continually and immediately immerse Zoo guests in the world of animals, the Visitor Center will include exhibits of three active, social species: meerkats, Japanese macaques (snow monkeys) and penguins of the African Coast.
- Africa Trail (future fundraising campaign), was first envisaged in the zoo's original master plan, as a major exhibit of African animals. After 29 years this remains the development most desired by our guests, and the one that holds the greatest promise for significantly increasing Zoo attendance. The updated Master Plan proposes a dramatic new indoor/outdoor complex of exhibits, where guests will be immersed in a simulated African environment featuring chimpanzees, hippos, giraffes, lions, cheetahs, crocodiles, and other species. Linkages to research programs at the University of Minnesota and conservation programs in Africa will be integral to the development, as will new revenue-generating facilities including food service and group rental spaces.

**Impact on Agency Operating Budgets (Facilities Notes)**

The additional exhibits and buildings to be constructed as envisioned in the Master Plan will require additional expenditures for employees and operations at the Zoo. It should also provide an opportunity for increased revenue.

**Previous Appropriations for this Project**

The legislature appropriated $20.6 million in 2005 and an additional $7.5 million in 2006 for the first project, Russia's Grizzly Coast and the Central Plaza.

**Other Considerations**

Success of the privately funded Wells Fargo Family Farm and spurred by the state's recent commitment of capital support, the Zoo Board and Foundation trustees have undertaken a comprehensive campaign, "Heart of the Zoo." Funds raised by this campaign will supplement the state funds for this project.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 2,600 | 3,000 | 4,300 | 1,200 | 11,100 |
| 4. Project Management | 1,000 | 900 | 1,100 | 300 | 3,300 |
| 5. Construction Costs | 23,890 | 20,000 | 43,000 | 13,000 | 99,890 |
| 6. One Percent for Art | 100 | 100 | 100 | 100 | 400 |
| 7. Relocation Expenses | 0 | 1,000 | 0 | 0 | 1,000 |
| 8. Occupancy | 550 | 1,000 | 1,500 | 400 | 3,450 |
| 9. Inflation | 0 | 4,825 | 0 | 0 | 4,825 |
| **TOTAL** | **28,140** | **30,825** | **50,000** | **15,000** | **123,965** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 28,140 | 15,000 | 50,000 | 15,000 | 108,140 |
| **State Funds Subtotal** | 28,140 | 15,000 | 50,000 | 15,000 | 108,140 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 15,825 | 0 | 0 | 15,825 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **28,140** | **30,825** | **50,000** | **15,000** | **123,965** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 139 | 3,239 | 3,378 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 59 | 394 | 453 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 198 | 3,633 | 3,831 |
| Revenue Offsets | 0 | 0 | <2,143> | <2,143> |
| **TOTAL** | 0 | 198 | 1,490 | 1,688 |
| Change in F.T.E. Personnel | 0.0 | 2.0 | 33.0 | 35.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Ten Minnesota correctional facilities located at**

- Oak Park Heights
- Stillwater
- St. Cloud
- Rush City
- Faribault
- Lino Lakes
- Willow River/Moose Lake
- Shakopee
- Red Wing
- Togo

**Field Services**

- Probation and Supervised Release
- Reentry Services
- Sex Offender Risk Assessment
- Grants and Subsidies
- Inspection and Enforcement
- Interstate Compacts

## Agency Purpose

The Department of Corrections' (DOC) primary purpose is public safety. The department's mission is to hold offenders accountable and offer opportunities for change while restoring justice to victims and contributing to a safer Minnesota. The department's vision is to focus on reducing risk. This will be accomplished by fostering community partnerships; optimizing best practices; creating a respectful, diverse culture; utilizing effective communication; and strategic and efficient use of resources.

Created by Minnesota law (Chapter 241) in 1959, the department operates secure prisons and provides community supervision of offenders with public safety as the ultimate goal. Prison programs are designed to prepare offenders for release so they become contributing, law-abiding community members.

## Core Functions

Primary responsibilities of the DOC include:

- Secure and safe operation of correctional facilities for adult felons and juveniles committed to the Commissioner of Corrections.
- Provision of work, treatment, faith-based, and education programs that reduce the risk offenders present to the community after release.
- Administration of the Community Corrections Act (CCA) that provides subsidies to 32 counties for local correctional services.
- Supervision of adult felons on probation, supervised release, and parole in the 55 counties that do not participate in the CCA.
- Operation of programs that assign non-dangerous offenders to community work service. This includes the Sentencing to Service program whereby offenders clean up parks, roadways, and rivers; build recreation trails; and complete other improvement projects. Through the Institution Community Work Crew (ICWC) program, minimum-custody inmates build homes for low-income families and perform other work services.
- Inspection and enforcement of standards in all jails throughout the state.
- Administration and management of the department so that it operates as cost-effectively, efficiently, and productively as possible.

The department continues to address rapidly increasing offender populations both in prisons and on supervision in the community. Over the last decade, the prison population has increased 75 percent and the supervised offender population has increased nearly 40 percent. Population projections indicate continued increases through the FY 2008-09 biennium and beyond.

## Operations

During the previous two biennia, the department implemented budget reductions that have successfully reduced prison per diem and other department costs. This all occurred while expanding bed capacities at existing prisons. Multiple-occupancy of level three security prisons has increased from 50 to 80 percent, and a level four security prison was built to

accommodate all multiple occupancy cells. Double bunking of offenders has also added 400 beds at level three prisons.

Other initiatives — such as attaining self-sufficiency for MINNCOR prison industries, centralizing support services previously provided at multiple locations, and sharing of services among correctional facilities – have resulted in substantial savings.

The department is comprised of three program divisions, including institutions, community services, and operations support program.

**Correctional Institutions** – The Correctional Institutions program includes 10 correctional facilities housing male and female felons and support services such as offender education, religious programming, offender transfer and classification, building improvements, and expansions. Additionally, units exist in the areas of investigations, safety, correctional industries, and medical services.

**Community Services** – The Community Services program provides probation and supervised release/parole services and special programs including community service and work release. Other responsibilities include

- Administration of the CCA, grants, and contracts
- Correctional facility/jail inspection
- Administration of offender transfer agreements with other states
- Risk assessment/community notification
- Administration of the county probation subsidy
- Contracts with local programs

**Operations Support** – The Operations Support program provides direction and support that contributes to consistency across agency functions and enables all programs to accomplish the department's mission. The Operations Support program includes the office of diversity, policy and legal services, financial services, office services, human resources, employee development, and information technology units.

**Budget**

The department's biennial general fund budget totals $935 million, of which $147 million is passed through to local entities. The department is projecting $9 million in federal funds for chemical dependency and education programs, and facility construction and operation costs.

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Minnesota Department of Corrections (DOC) is to hold offenders accountable and offer opportunities for change while restoring justice for victims and contributing to a safer Minnesota. The department is authorized under M.S. chapter 241. In carrying out the mission of the DOC, the department has the following objectives that are reflected in this capital budget request:

- Fostering community partnerships
- Optimizing best practices
- Creating a respectful, diverse culture
- Utilizing effective communication
- Strategic and efficient use of resources

The vision of the DOC is to FOCUS on reducing risk.

Capital budget requests are first prioritized to deal with offender population growth, safety, security, and asset preservation. The Minnesota Correctional Facility (MCF)-Faribault (FRB) phase 3 expansion project encompasses all four categories. The fencing of the perimeter at the women's facility in Shakopee (SHK), phase 2 of the fencing project inside the granite wall at the MCF-St. Cloud and a new vocational building for the juvenile facility at Red Wing (RW) will address both safety and security categories. Predesign for a Transitional Control Unit at a level 3 facility; and planning for expansion work at the MCF-SHK including a 46-bed Segregation Unit, intake/transportation/ property renovation, and a nine-bed Transitional Control Unit (TCU) will address population growth needs and provide needed program space. All projects have been reviewed to ensure compliance with Occupational Safety and Health Administration (OSHA) and fire marshal directives.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The DOC continues to seek expansions at the level three (medium-custody) facilities. The department's plan for future bed expansion is to request phase 3 of the MCF-FRB master plan in 2008, which will include the building of an intake/receiving/warehouse/security watch center and demolition of two older offender housing units. That will set the stage for the last phase of the FRB project, a new K-building residential unit anticipated to be requested in the 2010 capital budget. The department continues to explore ways to accommodate growth in the most cost-effective way. These initiatives continue to reduce the agency's per diem and operating expenses.

**Adult Inmate Prison Population Growth:** The number of individuals that the DOC incarcerates is based on admissions from the courts, which is outside the control of the DOC. Since 1989, the legislature and Sentencing Guidelines Commission have substantially increased penalties for serious violent offenders and drug offenses. Life sentences without the possibility of parole were added for specific murderers and life sentences for specific categories of repeat sex offenders were also imposed. In 1989, life sentence minimums were increased from 17 to 30 years. This change started to affect the prison population beginning in 2007. The Sentencing Guidelines Commission estimates the impact of this change will be approximately 300 additional inmates by 2020.

**Adult Male Population Projections:** Based on current laws, trends, and practices, the 2007 prison population projections show an increase of approximately 2,000 offenders by 2015. The department has a plan to accommodate this growth through the expansion at the MCF-FRB and by contracting with local jails, non-profits and for profit facilities. Projections are completed each year. As of January 2007, there were 8,264 male inmates. By 1-1-2015, projections indicate an adult male population of 10,201.

**Adult Female Population:** Based on current laws, the 2007 population projections show an increase of 150 adult women inmates by the end of 2015. Minnesota has one primary facility available to house adult women offenders, the MCF-Shakopee (SHK). Until 1999, the MCF-SHK's capacity was 243. As the facility has become over 80 percent multiple-occupancy, the capacity today is 549. As of January 2007, there were 491 female inmates, including those in the Challenge Incarceration Program (CIP) at the MCF-Thistledew (THD). By 1-1-2015, projections indicate an adult female population of 666.

**Juvenile Offender Population:** The population for the state's juvenile correctional facility in Red Wing (MCF-RW) averages from 135 to 140 with an

additional 10-20 on extended furlough status. The MCF-RW has had to accommodate programming for juvenile sexual offenders, substance abusers, and youth with serious mental health issues. For the most serious and/or chronic juvenile offenders, the Knox Living Unit has been converted into a level five transitional housing unit. Knox accommodates residents during their last 60 days and provides programming space for transition staff. Brown Cottage was converted into a 12-bed mental health supportive living unit, which opened in October of 2001, providing observation rooms, in-house living status and mental health programming for other units.

Thistledew Camp (TC) at the MCF-Togo is a fee-for-service program with an average daily population of 41. TC expanded in 1997, with the addition of the Wilderness Endeavors 21-day program. In the summer of 2001 a separate 21-day pilot program for girls was developed.

**Adult Facility Bed Space Plan Summary:** The plan for FY 2008-09 is to continue to partner with private, local or non-profit correctional facilities for the short-term offenders and level 3 (medium) offenders that meet established criteria. The previously authorized MCF-FRB phase 1 expansion project will be completed during this biennium to add nearly 700 beds for use in FY 2008-09.

In addition, phase 3 of the FRB plan is requested in this bonding budget for the expanding population at that facility. Funding for planning to add 46 segregation beds and a 9-bed Transitional Care Unit (TCU) to the women's facility at Shakopee is also requested.

**Requested Capital Projects**

During the last year, the prison population grew at half the rate previously anticipated. The revised request for phase 3 of the expansion project at the MCF-FRB is to build an intake/receiving/warehouse/security watch center and to demolish two older offender housing units.

The department is also requesting asset preservation funding as many of the correctional facilities are in need of replacement windows, roofs, tuck pointing, upgrading to meet OSHA standards, and other projects to maintain these facilities.

A new vocational building built adjacent to the main school building is requested for the juvenile facility, MCF-RW. The current outbuildings being utilized for vocational education are between 40 and 100 years old and in various stages of disrepair. A new building would be safer, enhance the education of the students, and be cost- efficient.

Funding is requested for a new perimeter security fence system at the MCF-SHK and for completion of the fence system at the MCF-SCL.

The DOC is requesting funds to complete a predesign on a transitional care unit (TCU) at a level 3 facility.

Funding is requested for the MCF-SHK for the planning of a 46-bed Segregation Unit, intake/transportation/property area and 9-bed Transitional Care Unit (TCU).

**Provide a Self-Assessment of the Condition, Suitability and Functionality of Present Facilities, Capital Projects or Assets**

Because of limited funding in the capital budget and Capital Asset Preservation Rehabilitation Account (CAPRA), the department has deferred or delayed many maintenance projects. In addition, ongoing projects such as window replacement, roofing, and tuck-pointing have been deferred.

In the future, as buildings age, additional funding will be needed to maintain these state facilities. Also, the need to meet state fire marshal, OSHA, and code compliance for safety and building standards continues to compete with and consume limited funding available through the capital budget process.

**Agency Process Used to Arrive at These Capital Requests**

DOC management seeks input from the wardens and superintendents of all the correctional facilities. Management provides general guidelines, including types of projects and departmental objectives. Each warden or superintendent develops facility requests. The requests are reviewed, consolidated, and prioritized by the commissioner and deputy commissioners who select the projects needed to meet the mission, goals, and objectives of the department. Various staff in plant operations and the financial area of the

correctional facilities and central office provide data collection. Consultants and engineers are consulted in developing cost estimates.

The DOC continues the process of developing short and long-range plans for the agency, as well as a system to collect necessary data.

**Major Capital Projects Authorized in 2006 and 2007**

| | | |
|---|---|---|
| 2006 | MCF-Faribault – Phase 2 | $27,993,000 |
| 2006 | MCF-Stillwater – Phase 2 – construction of segregation unit | 19,580,000 |
| 2006 | Asset Preservation | 5,000,000 |
| 2006 | MCF-LL – Health Services renovation | 2,494,000 |
| 2006 | MCF-SHK – bed expansion | 5,375,000 |
| 2006 | MCF-RW – design of a new vocational education building | 623,000 |

# Corrections, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| MCF-Faribault Expansion Phase 3 | 1 | GO | $16,341 | $37,050 | $0 | $16,341 | $37,050 | $0 |
| Department-wide - Asset Preservation | 2 | GO | 22,090 | 40,000 | 40,000 | 15,109 | 15,000 | 15,000 |
| MCF-Shakopee - Perimeter Security Fence | 3 | GO | 6,963 | 0 | 0 | 550 | 7,138 | 0 |
| MCF-St Cloud - Perimeter Security Fence | 4 | GO | 3,027 | 0 | 0 | 0 | 0 | 0 |
| MCF-Red Wing - Vocational Building | 5 | GO | 6,218 | 0 | 0 | 0 | 0 | 0 |
| Level 3 TCU Predesign | 6 | GO | 500 | 0 | 0 | 0 | 0 | 0 |
| MCF-Shakopee - Expansion Design | 7 | GO | 443 | 12,165 | 0 | 0 | 0 | 0 |
| MCF-Oak Park Heights - Wind Turbine Project | 8 | GO | 2,000 | 0 | 0 | 0 | 0 | 0 |
| | | Project Total | $57,582 | $89,215 | $40,000 | $32,000 | $59,188 | $15,000 |
| | | General Obligation Bonding (GO) | $57,582 | $89,215 | $40,000 | $32,000 | $59,188 | $15,000 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# MCF-Faribault Expansion Phase 3

**2008 STATE APPROPRIATION REQUEST:** $16,341,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** MCF - Faribault

**Project At A Glance**

The Phase 3 expansion bonding request is a continuation of the expansion project at the Minnesota Correctional Facility-Faribault (MCF-FRB). This phase includes building an intake/receiving/warehouse/security watch center and the demolition of two offender housing units.

**Project Description**

- Improves security and safety of staff, the public and offenders by constructing an intake/receiving/warehouse/security watch center building. All products, supplies and offenders are brought directly into the secure correctional facility and processed. The specified building will provide a secure area to conduct searches of offenders and products prior to the entering facility.
  - ⇒ Limits vehicle traffic into the secure facility.
  - ⇒ Reduces potential security breached through the truck gate.
  - ⇒ Provides a receiving/distribution area to process and search incoming supplies, including the x-raying of products prior to delivery into the correctional facility.
  - ⇒ Provides a secure processing center for offenders received into and transferred from the facility, including a secure bus sally port for writs, intake, and transfers.

- Addresses security concerns and space needs in the administration building resulting from the increased offender population.
  - ⇒ Functions from the administration building will move into the new building, including the Security Watch Center and Offender Due Process. Moving these functions will enhance security by eliminating the need for offender access in the administration building.
  - ⇒ Additional space in the administration building will be freed up for offender records, staff and offender mailroom, Office of Special Investigations, technology, security staff locker area, Safety and Wellness, and offender case management.

- Demolishes two buildings located on the site of the new intake/receiving/warehouse/security building.

- Completes internal infrastructure, i.e., roadways, utilities, communication, etc.

Project Phasing Summary

- Phase 1 of the expansion project at Minnesota Correctional Facility-Faribault was bonded in 2005 and includes construction of three offender housing units, kitchen/dining facility, remodel of a building into a medical clinic, demolition of ten buildings, utilities upgrade, addition to the power plant and three new boilers. Construction for the offender housing units will be completed in January 2008 and increases the facility funded offender capacity from 1226 to 1927.
- Phase 2 construction was bonded in 2006. This includes the 4th offender housing unit, renovation of a building into a long-term care unit, and one new boiler. It increases the offender-funded capacity from 1927 to 2108. This project started October 2007 and will be completed June 2009.
- Offender housing units being demolished in Phase 3 are located in the footprint of the intake/receiving/warehouse/security watch center to be constructed. This results in a reduction of 80 offenders to a funded capacity of 2028. This is a temporary reduction of offender beds until a future bonding request is submitted for offender housing unit five. That would increase the funded capacity to 2289 offenders and complete the expansion at the MCF-Faribault.

**Previous Appropriations for this Project**

$84.844 million in the 2005 bonding bill
$27.993 million in the 2006 bonding bill

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $16.341 million for this project. Also included is a budget planning estimate of $37.05 million in 2010.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 803 | 0 | 0 | 803 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 12,597 | 28,544 | 0 | 41,141 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 555 | 0 | 0 | 555 |
| 9. Inflation | 0 | 2,386 | 8,506 | 0 | 10,892 |
| **TOTAL** | **0** | **16,341** | **37,050** | **0** | **53,391** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 16,341 | 37,050 | 0 | 53,391 |
| **State Funds Subtotal** | 0 | 16,341 | 37,050 | 0 | 53,391 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **16,341** | **37,050** | **0** | **53,391** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 3,680 | 4,170 | 7,850 |
| Other Program Related Expenses | 0 | 3,360 | 3,360 | 6,720 |
| Building Operating Expenses | 0 | 476 | 476 | 952 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 7,516 | 8,006 | 15,522 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 7,516 | 8,006 | 15,522 |
| Change in F.T.E. Personnel | 0.0 | 32.7 | 32.7 | 65.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 16,341 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $22,090,000

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** MCF locations statewide

**Project At A Glance**

This project request involves the repair, replacement, and renewal needs specific to Minnesota's prisons. These needs represent a system-wide assessment of the facility deficiencies.

**Project Description**

This project request involves the repair, replacement, and renewal needs specific to Minnesota's prisons. These needs represent a system-wide assessment of the facility deficiencies, including, but not limited to:

- Safety hazards and code compliance issues
- Emergency power/egress lighting upgrades (life safety)
- Preservation of building exteriors and interiors
- Perimeter security systems replacement/upgrades
- Tuck pointing
- Roof replacement
- Window and door replacement
- Elevator repairs/upgrades/replacements
- Road and parking lot maintenance
- Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and upgrade of systems
- Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.)

In recent years asset preservation requests have become a fundamental component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." These projects require completion so deficiencies can be properly addressed and repairs/ improvements made to maintain state prisons. Funding these requests will reduce future capital requests and will result in overall security, safety, and operating efficiencies.

Staff at each Department of Corrections (DOC) prison is responsible for maintaining a list of projects needed to preserve their capital assets. These perpetual and ever changing lists are comprised of projects directly related to asset preservation or deferred maintenance and renewal. The asset preservation requests must support the future needs of the prison. A list outlining many of the prison asset preservation projects is available upon request.

This request includes funding for the prior recommendation made regarding the mold problem that persists at MCF-Oak Park Heights and the aging security system that continues to present mechanical problems at that maximum security facility.

Funding of this request will enable the DOC to continue efforts toward reducing the level of deferred maintenance at Minnesota's prisons. It is imperative to the safety of Minnesota citizens, DOC staff, and the incarcerated individuals that the physical plant be maintained.

**Impact on Agency Operating Budgets (Facilities Notes)**

Approval of this request and implementation of the related work will not result in any specific (positive or negative) impact on the state operating budget.

**Previous Appropriations for this Project**

2006 Legislature appropriated $5 million for asset preservation for DOC facilities.

**Other Considerations**

The continued funding at the requested level for several bienniums will enable the department to make a significant impact on the system's deferred maintenance problem.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $15.109 million for this project. Also included are budget planning estimates of $15 million in 2010 and $15 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 5,000 | 22,090 | 40,000 | 40,000 | 107,090 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,000** | **22,090** | **40,000** | **40,000** | **107,090** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 5,000 | 22,090 | 40,000 | 40,000 | 107,090 |
| **State Funds Subtotal** | 5,000 | 22,090 | 40,000 | 40,000 | 107,090 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,000** | **22,090** | **40,000** | **40,000** | **107,090** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 22,090 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MCF-Shakopee - Perimeter Security Fence

**2008 STATE APPROPRIATION REQUEST:** $6,963,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** MCF-Shakopee

**Project At A Glance**

The purpose of this project is to design and construct a perimeter security system at the MCF-Shakopee to:

- Reduce the risk of walk-a-way or escape
- Reduce the risk of introduction of contraband
- Increase detection of attempts to walk-a-way or introduce contraband
- Maintain a non-intrusive presence in the community

## Project Description

The perimeter of the Minnesota Correctional Facility-Shakopee (MCF-SHK) is approximately 4,000 linear feet. The perimeter security system will include 12-foot double fence, a fence protection alarm system, additional lighting, and security cameras.

Opened in 1986 as Minnesota's only prison for women, the MCF-SHK was not bounded by a security fence in an effort to foster a low profile presence in the residential community in which it is located. The site perimeter is defined by a low hedge, which contributes to its integration into the residential community but does little in terms of restricting access into or out of the facility. Perimeter security is maintained primarily by means of offender education, frequent offenders counts, and direct staff supervision. Although the lack of a perimeter fence or detection system has not presented a significant security problem over the years, the DOC has identified the following increased risk factors that indicate a more secure perimeter is needed for the protection of the community.

***Increased Risk Factors***

- Facility growth
  Opened in 1986 with 132 beds.
  2006 capital bonding project for 92-bed expansion will increase bed count to 641 when completed

- MCF-SHK Population Growth
  July 1986 population – 93 offenders
  June 2007 population – 513 offenders
  Projected growth through July 2015 – 667 offenders

| Types of Offenses | July 1986 | June 2007 |
|---|---|---|
| Person Offenses | 39 | 180 |
| Property Offenses | 44 | 93 |
| Drug Offenses | 2 | 165 |
| Felony DWI | 0 | 32 |
| Other Offenses | 8 | 43 |

Drug offenses – only two in 1986 – now account for 1/3 of the population.
Ten women are currently serving life sentences
Twenty-five women are incarcerated for sex offenses

- Increased incidents of walk-a-ways/attempted walk-a-ways
- Increased incidents of intrusion and introduction of contraband

## Impact on Agency Operating Budgets (Facilities Notes)

Maintenance and utility costs for the fence, lighting, and electronics will be ongoing. Some staffing increases will result due to the increased security measures required for vehicle access and egress through a controlled gate.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $550,000 for the design of this project. Also included is a budget planning estimate of $7.138 million for construction of this project in 2010.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 489 | 0 | 0 | 489 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 5,706 | 0 | 0 | 5,706 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 768 | 0 | 0 | 768 |
| **TOTAL** | **0** | **6,963** | **0** | **0** | **6,963** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 6,963 | 0 | 0 | 6,963 |
| **State Funds Subtotal** | 0 | 6,963 | 0 | 0 | 6,963 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **6,963** | **0** | **0** | **6,963** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,963 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MCF-St Cloud - Perimeter Security Fence

**2008 STATE APPROPRIATION REQUEST:** $3,027,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:** MCF-St Cloud

**Project At A Glance**

This request is for design and construction for phase 2 of the perimeter security fence inside the existing granite wall at the MCF-St. Cloud.

## Project Description

This request is for design and construction for phase 2 of the perimeter security fence inside the existing granite wall at the Minnesota Correctional Facility-St. Cloud (MCF-SCL). The MCF-SCL currently utilizes a 22-foot high granite wall, staffed towers, and various buildings as perimeter security. During offender occupancy of the outside yard it is necessary for the facility to provide staff to observe offenders and to deter escape. Due to the costs associated with staff wages and benefits, it was determined that inside the existing granite wall a new perimeter security system be installed. This system addressed the issues of security, maintenance, historical impact, and financial feasibility.

Phase 1 of this project included mounting a combination of microwave, taut wire, fence protection systems, coils of razor ribbon, and fencing onto existing buildings. Phase 1 was completed in 2003 at a cost of $1 million. Phase 2 will include a 12-foot high, double fence, a fence protection alarm system, coils of razor ribbon, lighting, security cameras, and a perimeter security path.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 5 | 0 | 0 | 0 | 5 |
| 3. Design Fees | 0 | 75 | 0 | 0 | 75 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,720 | 0 | 0 | 2,720 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 232 | 0 | 0 | 232 |
| **TOTAL** | **5** | **3,027** | **0** | **0** | **3,032** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,027 | 0 | 0 | 3,027 |
| General | 5 | 0 | 0 | 0 | 5 |
| **State Funds Subtotal** | 5 | 3,027 | 0 | 0 | 3,032 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5** | **3,027** | **0** | **0** | **3,032** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 166 | 332 | 498 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 166 | 332 | 498 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 166 | 332 | 498 |
| Change in F.T.E. Personnel | 0.0 | 2.5 | 2.5 | 5.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,027 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MCF-Red Wing - Vocational Building

**2008 STATE APPROPRIATION REQUEST:** $6,218,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** MCF-Red Wing

**Project At A Glance**

This request is for the design and construction of a new vocational education building at the MCF-Red Wing.

**Project Description**

This request is for funding for the design and construction of a new vocational education building at the Minnesota Correctional Facility-Red Wing (MCF-RW). A new combined classroom and shop complex in close proximity to the academic school building will greatly assist the Department of Correction (DOC) to better provide the vocational preparation and education needed by the juvenile resident population.

Per legislative mandate, the MCF-RW is the only state juvenile facility authorized to receive juvenile males committed to the commissioner of corrections.

The three current temporary vocational education buildings are 40 to 100 years old, in various states of disrepair, inadequately equipped, too small to accommodate vocational training, not accessible, costly to maintain, and cannot provide for shared services. If this project is funded, the vocational education building will be attached to the academic education building to allow for shared utilities and mechanical services and more efficient use of classrooms in both structures.

A new complex, with designed-in flexibility, will make it possible to maximize the potential for these juveniles to study marketable vocation skills. This is especially important considering the majority of residents released from the MCF-RW will be entering the job market in our communities and living independently.

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating cost will be for additional costs for utilities and maintenance.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 5 | 0 | 0 | 0 | 5 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 333 | 111 | 0 | 0 | 444 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 285 | 5,325 | 0 | 0 | 5,610 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 171 | 0 | 0 | 171 |
| 9. Inflation | 0 | 611 | 0 | 0 | 611 |
| **TOTAL** | **623** | **6,218** | **0** | **0** | **6,841** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 623 | 6,218 | 0 | 0 | 6,841 |
| **State Funds Subtotal** | 623 | 6,218 | 0 | 0 | 6,841 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **623** | **6,218** | **0** | **0** | **6,841** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 8 | 8 | 16 |
| Building Repair and Replacement Expenses | 0 | 2 | 2 | 4 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 10 | 10 | 20 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 10 | 10 | 20 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,218 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $500,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** At a Level 3 Correctional Facility

**Project At A Glance**

This request is for predesign funds for a Transitional Care Unit (TCU) at a level 3 (medium-custody) correctional facility.

**Project Description**

This request is for predesign funds to expand the department's capacity to provide sub-acute and infirmary care to the male offender population by building a 30-bed Transitional Care Unit (TCU) at a level 3 (medium-custody) facility. Currently, the department has 48 beds dedicated to providing pre- and post-hospital, chronic care, hospice care, and dialysis. This unit is located at the MCF-OPH, which is the department's level 5 (maximum-security) facility. As such, security costs are commensurate with a maximum-security facility as are some operating procedures. For example, cell doors are routinely locked to ensure offender safety. This factor plays a role in accessing offenders immediately. Recently, this unit has been operating at near capacity.

In 1998 there were 310 adult male offenders over the age of 50 in Minnesota's prison system. By 2006 this number had increased to 796, more than double the 1998 number. Current department projections suggest continued growth in the adult male prison population. In addition, more offenders are having health issues that will require health services in prison:

- 15 to 20 percent of Minnesota's prison population is Hepatitis C positive
- Eight percent of adult males in prison are diagnosed with a major mental illness
- 25 percent of adult male offenders are taking psychiatric medications
- 11.4 percent of all prison inmates have diabetes
- At any given time, Minnesota has about 50 offenders known to be HIV positive in prison
- Eight offenders currently need dialysis for kidney failure
- Methamphetamine, drug use, and chemical dependency exacerbate offender medical health and mental health needs.

The agency is proposing to build a 30-bed TCU at a level 3 facility. Expanded capacity will reduce costly hospital stays and allow for additional services to be provided to offenders within the system, which thereby enhances public safety. Any time the Department of Corrections (DOC) provides health care to an offender at a community-based facility, the offender is accompanied by two officers. If a hospital stay is necessary, two officers must guard the offender 24 hours per day, seven days per week. Building a TCU at a level 3 facility will help decrease the need for off-site services, which will result in lower security and transportation costs.

This 24-hour unit will provide skilled nursing care consistent with offender acuity levels above the level of care otherwise available in the DOC facilities. An offender may enter the TCU for close monitoring following surgery, when they develop a respiratory or post-operative infection, or they have wounds or pressure sores/ulcers that require irrigation and a change in dressing two or more times daily. An offender may also enter the TCU if they are in need of IV therapy or antibiotics for excessive dehydration or they require pain medication to be administered by a patient controlled analgesia (PCA) pump. The TCU will also be responsible for dialysis administration, end state disease/hospice care, and medical observation/education for offenders.

The DOC will not be replacing the existing 48-bed TCU at the MCF-OPH with this unit. Instead, this proposed TCU will be additional beds necessary to provide on-site care to our growing population. Due to operating at near capacity, the DOC made an effort to address this matter by creating eight cells, which could be double occupied. The stopgap measure has been helpful in alleviating some pressure, but will not be a long-term solution.

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating costs will not be incurred for this predesign request; however, if construction funds are later provided to complete this project there will be costs to staff and operate the new 30-bed TCU.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 500 | 0 | 0 | 500 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **500** | **0** | **0** | **500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 500 | 0 | 0 | 500 |
| **State Funds Subtotal** | 0 | 500 | 0 | 0 | 500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **500** | **0** | **0** | **500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MCF-Shakopee - Expansion Design

**2008 STATE APPROPRIATION REQUEST:** $443,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** MCF-Shakopee

**Project At A Glance**

This request is for funding to design a 46-bed segregation unit to replace the existing 23-bed unit at the MCF-Shakopee. The existing building will then be adapted for use as a nine-bed Transitional Care Unit (TCU), an Intake/Transportation Unit, and Offender Property Control.

**Project Description**

Only one six-bed section of the Higbee Unit at the MCF-Shakopee now being used as a segregation unit was originally designed for that purpose. Over time cells were added and converted for a current total of 23. As the facility capacity has climbed rapidly to 641, the need for additional segregation beds has also increased. This 23-bed unit is inadequate in size, inefficient, and poorly suited for a high-security segregation due to bad sight lines and furniture and fixtures that constitute significant safety hazards to staff and offenders. Single occupancy cells will be provided consistent with segregation unit operations and sanctions. One of five housing sub-units will be designated a High Level Control (HLC) Unit, including showers and CCTV cameras within each of four cells to minimize offender and staff contact and offender movement. In addition, two observation cells will be equipped with CCTV, showers, and flushing floor drains. This proposed new Segregation Unit, attached to the existing Higbee Building, centralizes all special management housing and support facilities to enhance staff safety, efficiency, and effectiveness.

Conversion of part of the existing unit for use as a TCU will reflect significant cost savings over current off-campus resources. Proximity to the new Segregation Unit for correctional officer back up to medical staff likewise promotes staffing efficiency and effectiveness.

The Intake and Transportation Unit will be relocated to another section of the Higbee Building. All offender admissions, releases, and transportation to and from hospitals or county jails are processed through this unit. This relocation will provide for increased space needs and make good use of existing secure cells within that building. The additional garage is designed to be a “drive through” to accommodate larger transport vehicles and ambulance service.

A third area of the Higbee Building will be used for Offender Property Control. This function has severely outgrown its space allocation as the offender population increased. The location adjacent to the Intake/Transportation Unit provides for efficient processing of property as offenders enter and leave the facility.

**Facility Growth**

- Opened in 1986 with 132 beds
- 2006 capital bonding project for 92-bed expansion will increase bed count to 641

**MCF-SHK Population Growth**

- July 1986 population - 93 offenders
- June 2007 population – 513 offenders
- Projected growth through July 2015 – 667 offenders

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating costs will not be incurred for this design request; however, if construction funds are later provided for this project, staffing for the Segregation Unit would require an additional five correctional officers. To provide 24-hour coverage in the TCU, five additional registered nurses would be needed. There would also be increases in building operating expenses for energy and maintenance of the additional square footage.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 443 | 0 | 0 | 443 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 9,408 | 0 | 9,408 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 2,757 | 0 | 2,757 |
| **TOTAL** | **0** | **443** | **12,165** | **0** | **12,608** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 443 | 12,165 | 0 | 12,608 |
| **State Funds Subtotal** | 0 | 443 | 12,165 | 0 | 12,608 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **443** | **12,165** | **0** | **12,608** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 443 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| No | MS 16A.642: Project Cancellation in 2013 |

# MCF-Oak Park Heights - Wind Turbine Project

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** MCF-Oak Park Heights

**Project At A Glance**

This request is for funding to install a 750 to 1.5 MW wind turbine generator on site and connect it *behind the meter* to the prison. Excess power would be sold to, and power shortfalls would be purchased from, Xcel Energy. The motivations for this project are to reduce energy costs, contribute to the reduction of greenhouse gases, and reduce fossil fuel consumption.

## Project Description

The project would consist of a single 750 to 1.5 MW wind turbine generator located on site, connected to the facility's electrical system via a step up transformer and paralleling gear to serve the main bus. The size of the turbine may vary slightly dependent upon the manufacturer selected. Hub heights for turbines in this size range vary from 65m to 80m, with rotor diameters from 70m to 80m. The wind system would operate in parallel with the grid, serving MCF loads and being supplemented by purchased electricity.

## Impact on Agency Operating Budgets (Facilities Notes)

There is a 10 to 15 year payback on the turbine. The MCF-Oak Park Heights is conducting a study and is in the process of collecting actual wind speed data on site. After six months the data collected will be reviewed and compared to facility electrical load data to get an actual payback time period.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,000 | 0 | 0 | 2,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Corrections, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| MCF-Faribault Expansion Phase 3 | 1 | GO | $16,341 | $37,050 | $0 | $16,341 | $37,050 | $0 |
| Department-wide - Asset Preservation | 2 | GO | 22,090 | 40,000 | 40,000 | 15,109 | 15,000 | 15,000 |
| MCF-Shakopee - Perimeter Security Fence | 3 | GO | 6,963 | 0 | 0 | 550 | 7,138 | 0 |
| MCF-St Cloud - Perimeter Security Fence | 4 | GO | 3,027 | 0 | 0 | 0 | 0 | 0 |
| MCF-Red Wing - Vocational Building | 5 | GO | 6,218 | 0 | 0 | 0 | 0 | 0 |
| Level 3 TCU Predesign | 6 | GO | 500 | 0 | 0 | 0 | 0 | 0 |
| MCF-Shakopee - Expansion Design | 7 | GO | 443 | 12,165 | 0 | 0 | 0 | 0 |
| MCF-Oak Park Heights - Wind Turbine Project | 8 | GO | 2,000 | 0 | 0 | 0 | 0 | 0 |
| | | Project Total | $57,582 | $89,215 | $40,000 | $32,000 | $59,188 | $15,000 |
| | | General Obligation Bonding (GO) | $57,582 | $89,215 | $40,000 | $32,000 | $59,188 | $15,000 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

**Ten Minnesota correctional facilities located at**

- Oak Park Heights
- Stillwater
- St. Cloud
- Rush City
- Faribault
- Lino Lakes
- Willow River/Moose Lake
- Shakopee
- Red Wing
- Togo

**Field Services**

- Probation and Supervised Release
- Reentry Services
- Sex Offender Risk Assessment
- Grants and Subsidies
- Inspection and Enforcement
- Interstate Compacts

## Agency Purpose

The Department of Corrections' (DOC) primary purpose is public safety. The department's mission is to hold offenders accountable and offer opportunities for change while restoring justice to victims and contributing to a safer Minnesota. The department's vision is to focus on reducing risk. This will be accomplished by fostering community partnerships; optimizing best practices; creating a respectful, diverse culture; utilizing effective communication; and strategic and efficient use of resources.

Created by Minnesota law (Chapter 241) in 1959, the department operates secure prisons and provides community supervision of offenders with public safety as the ultimate goal. Prison programs are designed to prepare offenders for release so they become contributing, law-abiding community members.

## Core Functions

Primary responsibilities of the DOC include:

- Secure and safe operation of correctional facilities for adult felons and juveniles committed to the Commissioner of Corrections.
- Provision of work, treatment, faith-based, and education programs that reduce the risk offenders present to the community after release.
- Administration of the Community Corrections Act (CCA) that provides subsidies to 32 counties for local correctional services.
- Supervision of adult felons on probation, supervised release, and parole in the 55 counties that do not participate in the CCA.
- Operation of programs that assign non-dangerous offenders to community work service. This includes the Sentencing to Service program whereby offenders clean up parks, roadways, and rivers; build recreation trails; and complete other improvement projects. Through the Institution Community Work Crew (ICWC) program, minimum-custody inmates build homes for low-income families and perform other work services.
- Inspection and enforcement of standards in all jails throughout the state.
- Administration and management of the department so that it operates as cost-effectively, efficiently, and productively as possible.

The department continues to address rapidly increasing offender populations both in prisons and on supervision in the community. Over the last decade, the prison population has increased 75 percent and the supervised offender population has increased nearly 40 percent. Population projections indicate continued increases through the FY 2008-09 biennium and beyond.

## Operations

During the previous two biennia, the department implemented budget reductions that have successfully reduced prison per diem and other department costs. This all occurred while expanding bed capacities at existing prisons. Multiple-occupancy of level three security prisons has increased from 50 to 80 percent, and a level four security prison was built to

accommodate all multiple occupancy cells. Double bunking of offenders has also added 400 beds at level three prisons.

Other initiatives — such as attaining self-sufficiency for MINNCOR prison industries, centralizing support services previously provided at multiple locations, and sharing of services among correctional facilities – have resulted in substantial savings.

The department is comprised of three program divisions, including institutions, community services, and operations support program.

**Correctional Institutions** – The Correctional Institutions program includes 10 correctional facilities housing male and female felons and support services such as offender education, religious programming, offender transfer and classification, building improvements, and expansions. Additionally, units exist in the areas of investigations, safety, correctional industries, and medical services.

**Community Services** – The Community Services program provides probation and supervised release/parole services and special programs including community service and work release. Other responsibilities include

- Administration of the CCA, grants, and contracts
- Correctional facility/jail inspection
- Administration of offender transfer agreements with other states
- Risk assessment/community notification
- Administration of the county probation subsidy
- Contracts with local programs

**Operations Support** – The Operations Support program provides direction and support that contributes to consistency across agency functions and enables all programs to accomplish the department's mission. The Operations Support program includes the office of diversity, policy and legal services, financial services, office services, human resources, employee development, and information technology units.

**Budget**

The department's biennial general fund budget totals $935 million, of which $147 million is passed through to local entities. The department is projecting $9 million in federal funds for chemical dependency and education programs, and facility construction and operation costs.

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**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Minnesota Department of Corrections (DOC) is to hold offenders accountable and offer opportunities for change while restoring justice for victims and contributing to a safer Minnesota. The department is authorized under M.S. chapter 241. In carrying out the mission of the DOC, the department has the following objectives that are reflected in this capital budget request:

- Fostering community partnerships
- Optimizing best practices
- Creating a respectful, diverse culture
- Utilizing effective communication
- Strategic and efficient use of resources

The vision of the DOC is to FOCUS on reducing risk.

Capital budget requests are first prioritized to deal with offender population growth, safety, security, and asset preservation. The Minnesota Correctional Facility (MCF)-Faribault (FRB) phase 3 expansion project encompasses all four categories. The fencing of the perimeter at the women's facility in Shakopee (SHK), phase 2 of the fencing project inside the granite wall at the MCF-St. Cloud and a new vocational building for the juvenile facility at Red Wing (RW) will address both safety and security categories. Predesign for a Transitional Control Unit at a level 3 facility; and planning for expansion work at the MCF-SHK including a 46-bed Segregation Unit, intake/transportation/ property renovation, and a nine-bed Transitional Control Unit (TCU) will address population growth needs and provide needed program space. All projects have been reviewed to ensure compliance with Occupational Safety and Health Administration (OSHA) and fire marshal directives.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The DOC continues to seek expansions at the level three (medium-custody) facilities. The department's plan for future bed expansion is to request phase 3 of the MCF-FRB master plan in 2008, which will include the building of an intake/receiving/warehouse/security watch center and demolition of two older offender housing units. That will set the stage for the last phase of the FRB project, a new K-building residential unit anticipated to be requested in the 2010 capital budget. The department continues to explore ways to accommodate growth in the most cost-effective way. These initiatives continue to reduce the agency's per diem and operating expenses.

**Adult Inmate Prison Population Growth:** The number of individuals that the DOC incarcerates is based on admissions from the courts, which is outside the control of the DOC. Since 1989, the legislature and Sentencing Guidelines Commission have substantially increased penalties for serious violent offenders and drug offenses. Life sentences without the possibility of parole were added for specific murderers and life sentences for specific categories of repeat sex offenders were also imposed. In 1989, life sentence minimums were increased from 17 to 30 years. This change started to affect the prison population beginning in 2007. The Sentencing Guidelines Commission estimates the impact of this change will be approximately 300 additional inmates by 2020.

**Adult Male Population Projections:** Based on current laws, trends, and practices, the 2007 prison population projections show an increase of approximately 2,000 offenders by 2015. The department has a plan to accommodate this growth through the expansion at the MCF-FRB and by contracting with local jails, non-profits and for profit facilities. Projections are completed each year. As of January 2007, there were 8,264 male inmates. By 1-1-2015, projections indicate an adult male population of 10,201.

**Adult Female Population:** Based on current laws, the 2007 population projections show an increase of 150 adult women inmates by the end of 2015. Minnesota has one primary facility available to house adult women offenders, the MCF-Shakopee (SHK). Until 1999, the MCF-SHK's capacity was 243. As the facility has become over 80 percent multiple-occupancy, the capacity today is 549. As of January 2007, there were 491 female inmates, including those in the Challenge Incarceration Program (CIP) at the MCF-Thistledew (THD). By 1-1-2015, projections indicate an adult female population of 666.

**Juvenile Offender Population:** The population for the state's juvenile correctional facility in Red Wing (MCF-RW) averages from 135 to 140 with an

additional 10-20 on extended furlough status. The MCF-RW has had to accommodate programming for juvenile sexual offenders, substance abusers, and youth with serious mental health issues. For the most serious and/or chronic juvenile offenders, the Knox Living Unit has been converted into a level five transitional housing unit. Knox accommodates residents during their last 60 days and provides programming space for transition staff. Brown Cottage was converted into a 12-bed mental health supportive living unit, which opened in October of 2001, providing observation rooms, in-house living status and mental health programming for other units.

Thistledew Camp (TC) at the MCF-Togo is a fee-for-service program with an average daily population of 41. TC expanded in 1997, with the addition of the Wilderness Endeavors 21-day program. In the summer of 2001 a separate 21-day pilot program for girls was developed.

**Adult Facility Bed Space Plan Summary:** The plan for FY 2008-09 is to continue to partner with private, local or non-profit correctional facilities for the short-term offenders and level 3 (medium) offenders that meet established criteria. The previously authorized MCF-FRB phase 1 expansion project will be completed during this biennium to add nearly 700 beds for use in FY 2008-09.

In addition, phase 3 of the FRB plan is requested in this bonding budget for the expanding population at that facility. Funding for planning to add 46 segregation beds and a 9-bed Transitional Care Unit (TCU) to the women's facility at Shakopee is also requested.

**Requested Capital Projects**

During the last year, the prison population grew at half the rate previously anticipated. The revised request for phase 3 of the expansion project at the MCF-FRB is to build an intake/receiving/warehouse/security watch center and to demolish two older offender housing units.

The department is also requesting asset preservation funding as many of the correctional facilities are in need of replacement windows, roofs, tuck pointing, upgrading to meet OSHA standards, and other projects to maintain these facilities.

A new vocational building built adjacent to the main school building is requested for the juvenile facility, MCF-RW. The current outbuildings being utilized for vocational education are between 40 and 100 years old and in various stages of disrepair. A new building would be safer, enhance the education of the students, and be cost- efficient.

Funding is requested for a new perimeter security fence system at the MCF-SHK and for completion of the fence system at the MCF-SCL.

The DOC is requesting funds to complete a predesign on a transitional care unit (TCU) at a level 3 facility.

Funding is requested for the MCF-SHK for the planning of a 46-bed Segregation Unit, intake/transportation/property area and 9-bed Transitional Care Unit (TCU).

**Provide a Self-Assessment of the Condition, Suitability and Functionality of Present Facilities, Capital Projects or Assets**

Because of limited funding in the capital budget and Capital Asset Preservation Rehabilitation Account (CAPRA), the department has deferred or delayed many maintenance projects. In addition, ongoing projects such as window replacement, roofing, and tuck-pointing have been deferred.

In the future, as buildings age, additional funding will be needed to maintain these state facilities. Also, the need to meet state fire marshal, OSHA, and code compliance for safety and building standards continues to compete with and consume limited funding available through the capital budget process.

**Agency Process Used to Arrive at These Capital Requests**

DOC management seeks input from the wardens and superintendents of all the correctional facilities. Management provides general guidelines, including types of projects and departmental objectives. Each warden or superintendent develops facility requests. The requests are reviewed, consolidated, and prioritized by the commissioner and deputy commissioners who select the projects needed to meet the mission, goals, and objectives of the department. Various staff in plant operations and the financial area of the

correctional facilities and central office provide data collection. Consultants and engineers are consulted in developing cost estimates.

The DOC continues the process of developing short and long-range plans for the agency, as well as a system to collect necessary data.

**Major Capital Projects Authorized in 2006 and 2007**

| | | |
|---|---|---|
| 2006 | MCF-Faribault – Phase 2 | $27,993,000 |
| 2006 | MCF-Stillwater – Phase 2 – construction of segregation unit | 19,580,000 |
| 2006 | Asset Preservation | 5,000,000 |
| 2006 | MCF-LL – Health Services renovation | 2,494,000 |
| 2006 | MCF-SHK – bed expansion | 5,375,000 |
| 2006 | MCF-RW – design of a new vocational education building | 623,000 |

**2008 STATE APPROPRIATION REQUEST:** $16,341,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** MCF - Faribault

**Project At A Glance**

The Phase 3 expansion bonding request is a continuation of the expansion project at the Minnesota Correctional Facility-Faribault (MCF-FRB). This phase includes building an intake/receiving/warehouse/security watch center and the demolition of two offender housing units.

**Project Description**

- Improves security and safety of staff, the public and offenders by constructing an intake/receiving/warehouse/security watch center building. All products, supplies and offenders are brought directly into the secure correctional facility and processed. The specified building will provide a secure area to conduct searches of offenders and products prior to the entering facility.
  - ⇒ Limits vehicle traffic into the secure facility.
  - ⇒ Reduces potential security breached through the truck gate.
  - ⇒ Provides a receiving/distribution area to process and search incoming supplies, including the x-raying of products prior to delivery into the correctional facility.
  - ⇒ Provides a secure processing center for offenders received into and transferred from the facility, including a secure bus sally port for writs, intake, and transfers.

- Addresses security concerns and space needs in the administration building resulting from the increased offender population.
  - ⇒ Functions from the administration building will move into the new building, including the Security Watch Center and Offender Due Process. Moving these functions will enhance security by eliminating the need for offender access in the administration building.
  - ⇒ Additional space in the administration building will be freed up for offender records, staff and offender mailroom, Office of Special Investigations, technology, security staff locker area, Safety and Wellness, and offender case management.

- Demolishes two buildings located on the site of the new intake/receiving/warehouse/security building.

- Completes internal infrastructure, i.e., roadways, utilities, communication, etc.

Project Phasing Summary

- Phase 1 of the expansion project at Minnesota Correctional Facility-Faribault was bonded in 2005 and includes construction of three offender housing units, kitchen/dining facility, remodel of a building into a medical clinic, demolition of ten buildings, utilities upgrade, addition to the power plant and three new boilers. Construction for the offender housing units will be completed in January 2008 and increases the facility funded offender capacity from 1226 to 1927.
- Phase 2 construction was bonded in 2006. This includes the 4th offender housing unit, renovation of a building into a long-term care unit, and one new boiler. It increases the offender-funded capacity from 1927 to 2108. This project started October 2007 and will be completed June 2009.
- Offender housing units being demolished in Phase 3 are located in the footprint of the intake/receiving/warehouse/security watch center to be constructed. This results in a reduction of 80 offenders to a funded capacity of 2028. This is a temporary reduction of offender beds until a future bonding request is submitted for offender housing unit five. That would increase the funded capacity to 2289 offenders and complete the expansion at the MCF-Faribault.

**Previous Appropriations for this Project**

$84.844 million in the 2005 bonding bill
$27.993 million in the 2006 bonding bill

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $16.341 million for this project. Also included is a budget planning estimate of $37.05 million in 2010.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 803 | 0 | 0 | 803 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 12,597 | 28,544 | 0 | 41,141 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 555 | 0 | 0 | 555 |
| 9. Inflation | 0 | 2,386 | 8,506 | 0 | 10,892 |
| **TOTAL** | **0** | **16,341** | **37,050** | **0** | **53,391** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 16,341 | 37,050 | 0 | 53,391 |
| **State Funds Subtotal** | 0 | 16,341 | 37,050 | 0 | 53,391 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **16,341** | **37,050** | **0** | **53,391** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 3,680 | 4,170 | 7,850 |
| Other Program Related Expenses | 0 | 3,360 | 3,360 | 6,720 |
| Building Operating Expenses | 0 | 476 | 476 | 952 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 7,516 | 8,006 | 15,522 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 7,516 | 8,006 | 15,522 |
| Change in F.T.E. Personnel | 0.0 | 32.7 | 32.7 | 65.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 16,341 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $22,090,000

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** MCF locations statewide

**Project At A Glance**

This project request involves the repair, replacement, and renewal needs specific to Minnesota's prisons. These needs represent a system-wide assessment of the facility deficiencies.

**Project Description**

This project request involves the repair, replacement, and renewal needs specific to Minnesota's prisons. These needs represent a system-wide assessment of the facility deficiencies, including, but not limited to:

- Safety hazards and code compliance issues
- Emergency power/egress lighting upgrades (life safety)
- Preservation of building exteriors and interiors
- Perimeter security systems replacement/upgrades
- Tuck pointing
- Roof replacement
- Window and door replacement
- Elevator repairs/upgrades/replacements
- Road and parking lot maintenance
- Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and upgrade of systems
- Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.)

In recent years asset preservation requests have become a fundamental component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." These projects require completion so deficiencies can be properly addressed and repairs/ improvements made to maintain state prisons. Funding these requests will reduce future capital requests and will result in overall security, safety, and operating efficiencies.

Staff at each Department of Corrections (DOC) prison is responsible for maintaining a list of projects needed to preserve their capital assets. These perpetual and ever changing lists are comprised of projects directly related to asset preservation or deferred maintenance and renewal. The asset preservation requests must support the future needs of the prison. A list outlining many of the prison asset preservation projects is available upon request.

This request includes funding for the prior recommendation made regarding the mold problem that persists at MCF-Oak Park Heights and the aging security system that continues to present mechanical problems at that maximum security facility.

Funding of this request will enable the DOC to continue efforts toward reducing the level of deferred maintenance at Minnesota's prisons. It is imperative to the safety of Minnesota citizens, DOC staff, and the incarcerated individuals that the physical plant be maintained.

**Impact on Agency Operating Budgets (Facilities Notes)**

Approval of this request and implementation of the related work will not result in any specific (positive or negative) impact on the state operating budget.

**Previous Appropriations for this Project**

2006 Legislature appropriated $5 million for asset preservation for DOC facilities.

**Other Considerations**

The continued funding at the requested level for several bienniums will enable the department to make a significant impact on the system's deferred maintenance problem.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $15.109 million for this project. Also included are budget planning estimates of $15 million in 2010 and $15 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 5,000 | 22,090 | 40,000 | 40,000 | 107,090 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,000** | **22,090** | **40,000** | **40,000** | **107,090** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 5,000 | 22,090 | 40,000 | 40,000 | 107,090 |
| **State Funds Subtotal** | 5,000 | 22,090 | 40,000 | 40,000 | 107,090 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,000** | **22,090** | **40,000** | **40,000** | **107,090** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 22,090 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MCF-Shakopee - Perimeter Security Fence

**2008 STATE APPROPRIATION REQUEST:** $6,963,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** MCF-Shakopee

**Project At A Glance**

The purpose of this project is to design and construct a perimeter security system at the MCF-Shakopee to:

- Reduce the risk of walk-a-way or escape
- Reduce the risk of introduction of contraband
- Increase detection of attempts to walk-a-way or introduce contraband
- Maintain a non-intrusive presence in the community

**Project Description**

The perimeter of the Minnesota Correctional Facility-Shakopee (MCF-SHK) is approximately 4,000 linear feet. The perimeter security system will include 12-foot double fence, a fence protection alarm system, additional lighting, and security cameras.

Opened in 1986 as Minnesota's only prison for women, the MCF-SHK was not bounded by a security fence in an effort to foster a low profile presence in the residential community in which it is located. The site perimeter is defined by a low hedge, which contributes to its integration into the residential community but does little in terms of restricting access into or out of the facility. Perimeter security is maintained primarily by means of offender education, frequent offenders counts, and direct staff supervision. Although the lack of a perimeter fence or detection system has not presented a significant security problem over the years, the DOC has identified the following increased risk factors that indicate a more secure perimeter is needed for the protection of the community.

***Increased Risk Factors***

- Facility growth
  Opened in 1986 with 132 beds.
  2006 capital bonding project for 92-bed expansion will increase bed count to 641 when completed

- MCF-SHK Population Growth
  July 1986 population – 93 offenders
  June 2007 population – 513 offenders
  Projected growth through July 2015 – 667 offenders

| Types of Offenses | July 1986 | June 2007 |
|---|---|---|
| Person Offenses | 39 | 180 |
| Property Offenses | 44 | 93 |
| Drug Offenses | 2 | 165 |
| Felony DWI | 0 | 32 |
| Other Offenses | 8 | 43 |

Drug offenses – only two in 1986 – now account for 1/3 of the population.
Ten women are currently serving life sentences
Twenty-five women are incarcerated for sex offenses

- Increased incidents of walk-a-ways/attempted walk-a-ways
- Increased incidents of intrusion and introduction of contraband

**Impact on Agency Operating Budgets (Facilities Notes)**

Maintenance and utility costs for the fence, lighting, and electronics will be ongoing. Some staffing increases will result due to the increased security measures required for vehicle access and egress through a controlled gate.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $550,000 for the design of this project. Also included is a budget planning estimate of $7.138 million for construction of this project in 2010.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 489 | 0 | 0 | 489 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 5,706 | 0 | 0 | 5,706 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 768 | 0 | 0 | 768 |
| **TOTAL** | **0** | **6,963** | **0** | **0** | **6,963** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 6,963 | 0 | 0 | 6,963 |
| **State Funds Subtotal** | 0 | 6,963 | 0 | 0 | 6,963 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **6,963** | **0** | **0** | **6,963** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,963 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# MCF-St Cloud - Perimeter Security Fence

**2008 STATE APPROPRIATION REQUEST:** $3,027,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:** MCF-St Cloud

**Project At A Glance**

This request is for design and construction for phase 2 of the perimeter security fence inside the existing granite wall at the MCF-St. Cloud.

**Project Description**

This request is for design and construction for phase 2 of the perimeter security fence inside the existing granite wall at the Minnesota Correctional Facility-St. Cloud (MCF-SCL). The MCF-SCL currently utilizes a 22-foot high granite wall, staffed towers, and various buildings as perimeter security. During offender occupancy of the outside yard it is necessary for the facility to provide staff to observe offenders and to deter escape. Due to the costs associated with staff wages and benefits, it was determined that inside the existing granite wall a new perimeter security system be installed. This system addressed the issues of security, maintenance, historical impact, and financial feasibility.

Phase 1 of this project included mounting a combination of microwave, taut wire, fence protection systems, coils of razor ribbon, and fencing onto existing buildings. Phase 1 was completed in 2003 at a cost of $1 million. Phase 2 will include a 12-foot high, double fence, a fence protection alarm system, coils of razor ribbon, lighting, security cameras, and a perimeter security path.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 5 | 0 | 0 | 0 | 5 |
| 3. Design Fees | 0 | 75 | 0 | 0 | 75 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,720 | 0 | 0 | 2,720 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 232 | 0 | 0 | 232 |
| **TOTAL** | **5** | **3,027** | **0** | **0** | **3,032** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,027 | 0 | 0 | 3,027 |
| General | 5 | 0 | 0 | 0 | 5 |
| **State Funds Subtotal** | 5 | 3,027 | 0 | 0 | 3,032 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5** | **3,027** | **0** | **0** | **3,032** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 166 | 332 | 498 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 166 | 332 | 498 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 166 | 332 | 498 |
| Change in F.T.E. Personnel | 0.0 | 2.5 | 2.5 | 5.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,027 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $6,218,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** MCF-Red Wing

**Project At A Glance**

This request is for the design and construction of a new vocational education building at the MCF-Red Wing.

**Project Description**

This request is for funding for the design and construction of a new vocational education building at the Minnesota Correctional Facility-Red Wing (MCF-RW). A new combined classroom and shop complex in close proximity to the academic school building will greatly assist the Department of Correction (DOC) to better provide the vocational preparation and education needed by the juvenile resident population.

Per legislative mandate, the MCF-RW is the only state juvenile facility authorized to receive juvenile males committed to the commissioner of corrections.

The three current temporary vocational education buildings are 40 to 100 years old, in various states of disrepair, inadequately equipped, too small to accommodate vocational training, not accessible, costly to maintain, and cannot provide for shared services. If this project is funded, the vocational education building will be attached to the academic education building to allow for shared utilities and mechanical services and more efficient use of classrooms in both structures.

A new complex, with designed-in flexibility, will make it possible to maximize the potential for these juveniles to study marketable vocation skills. This is especially important considering the majority of residents released from the MCF-RW will be entering the job market in our communities and living independently.

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating cost will be for additional costs for utilities and maintenance.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 5 | 0 | 0 | 0 | 5 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 333 | 111 | 0 | 0 | 444 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 285 | 5,325 | 0 | 0 | 5,610 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 171 | 0 | 0 | 171 |
| 9. Inflation | 0 | 611 | 0 | 0 | 611 |
| **TOTAL** | **623** | **6,218** | **0** | **0** | **6,841** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 623 | 6,218 | 0 | 0 | 6,841 |
| **State Funds Subtotal** | 623 | 6,218 | 0 | 0 | 6,841 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **623** | **6,218** | **0** | **0** | **6,841** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 8 | 8 | 16 |
| Building Repair and Replacement Expenses | 0 | 2 | 2 | 4 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 10 | 10 | 20 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 10 | 10 | 20 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,218 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $500,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** At a Level 3 Correctional Facility

**Project At A Glance**

This request is for predesign funds for a Transitional Care Unit (TCU) at a level 3 (medium-custody) correctional facility.

**Project Description**

This request is for predesign funds to expand the department's capacity to provide sub-acute and infirmary care to the male offender population by building a 30-bed Transitional Care Unit (TCU) at a level 3 (medium-custody) facility. Currently, the department has 48 beds dedicated to providing pre- and post-hospital, chronic care, hospice care, and dialysis. This unit is located at the MCF-OPH, which is the department's level 5 (maximum-security) facility. As such, security costs are commensurate with a maximum-security facility as are some operating procedures. For example, cell doors are routinely locked to ensure offender safety. This factor plays a role in accessing offenders immediately. Recently, this unit has been operating at near capacity.

In 1998 there were 310 adult male offenders over the age of 50 in Minnesota's prison system. By 2006 this number had increased to 796, more than double the 1998 number. Current department projections suggest continued growth in the adult male prison population. In addition, more offenders are having health issues that will require health services in prison:

- 15 to 20 percent of Minnesota's prison population is Hepatitis C positive
- Eight percent of adult males in prison are diagnosed with a major mental illness
- 25 percent of adult male offenders are taking psychiatric medications
- 11.4 percent of all prison inmates have diabetes
- At any given time, Minnesota has about 50 offenders known to be HIV positive in prison
- Eight offenders currently need dialysis for kidney failure
- Methamphetamine, drug use, and chemical dependency exacerbate offender medical health and mental health needs.

The agency is proposing to build a 30-bed TCU at a level 3 facility. Expanded capacity will reduce costly hospital stays and allow for additional services to be provided to offenders within the system, which thereby enhances public safety. Any time the Department of Corrections (DOC) provides health care to an offender at a community-based facility, the offender is accompanied by two officers. If a hospital stay is necessary, two officers must guard the offender 24 hours per day, seven days per week. Building a TCU at a level 3 facility will help decrease the need for off-site services, which will result in lower security and transportation costs.

This 24-hour unit will provide skilled nursing care consistent with offender acuity levels above the level of care otherwise available in the DOC facilities. An offender may enter the TCU for close monitoring following surgery, when they develop a respiratory or post-operative infection, or they have wounds or pressure sores/ulcers that require irrigation and a change in dressing two or more times daily. An offender may also enter the TCU if they are in need of IV therapy or antibiotics for excessive dehydration or they require pain medication to be administered by a patient controlled analgesia (PCA) pump. The TCU will also be responsible for dialysis administration, end state disease/hospice care, and medical observation/education for offenders.

The DOC will not be replacing the existing 48-bed TCU at the MCF-OPH with this unit. Instead, this proposed TCU will be additional beds necessary to provide on-site care to our growing population. Due to operating at near capacity, the DOC made an effort to address this matter by creating eight cells, which could be double occupied. The stopgap measure has been helpful in alleviating some pressure, but will not be a long-term solution.

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating costs will not be incurred for this predesign request; however, if construction funds are later provided to complete this project there will be costs to staff and operate the new 30-bed TCU.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 500 | 0 | 0 | 500 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **500** | **0** | **0** | **500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 500 | 0 | 0 | 500 |
| **State Funds Subtotal** | 0 | 500 | 0 | 0 | 500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **500** | **0** | **0** | **500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $443,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** MCF-Shakopee

**Project At A Glance**

This request is for funding to design a 46-bed segregation unit to replace the existing 23-bed unit at the MCF-Shakopee. The existing building will then be adapted for use as a nine-bed Transitional Care Unit (TCU), an Intake/Transportation Unit, and Offender Property Control.

**Project Description**

Only one six-bed section of the Higbee Unit at the MCF-Shakopee now being used as a segregation unit was originally designed for that purpose. Over time cells were added and converted for a current total of 23. As the facility capacity has climbed rapidly to 641, the need for additional segregation beds has also increased. This 23-bed unit is inadequate in size, inefficient, and poorly suited for a high-security segregation due to bad sight lines and furniture and fixtures that constitute significant safety hazards to staff and offenders. Single occupancy cells will be provided consistent with segregation unit operations and sanctions. One of five housing sub-units will be designated a High Level Control (HLC) Unit, including showers and CCTV cameras within each of four cells to minimize offender and staff contact and offender movement. In addition, two observation cells will be equipped with CCTV, showers, and flushing floor drains. This proposed new Segregation Unit, attached to the existing Higbee Building, centralizes all special management housing and support facilities to enhance staff safety, efficiency, and effectiveness.

Conversion of part of the existing unit for use as a TCU will reflect significant cost savings over current off-campus resources. Proximity to the new Segregation Unit for correctional officer back up to medical staff likewise promotes staffing efficiency and effectiveness.

The Intake and Transportation Unit will be relocated to another section of the Higbee Building. All offender admissions, releases, and transportation to and from hospitals or county jails are processed through this unit. This relocation will provide for increased space needs and make good use of existing secure cells within that building. The additional garage is designed to be a “drive through” to accommodate larger transport vehicles and ambulance service.

A third area of the Higbee Building will be used for Offender Property Control. This function has severely outgrown its space allocation as the offender population increased. The location adjacent to the Intake/Transportation Unit provides for efficient processing of property as offenders enter and leave the facility.

**Facility Growth**

- Opened in 1986 with 132 beds
- 2006 capital bonding project for 92-bed expansion will increase bed count to 641

**MCF-SHK Population Growth**

- July 1986 population - 93 offenders
- June 2007 population – 513 offenders
- Projected growth through July 2015 – 667 offenders

**Impact on Agency Operating Budgets (Facilities Notes)**

Operating costs will not be incurred for this design request; however, if construction funds are later provided for this project, staffing for the Segregation Unit would require an additional five correctional officers. To provide 24-hour coverage in the TCU, five additional registered nurses would be needed. There would also be increases in building operating expenses for energy and maintenance of the additional square footage.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 443 | 0 | 0 | 443 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 9,408 | 0 | 9,408 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 2,757 | 0 | 2,757 |
| **TOTAL** | **0** | **443** | **12,165** | **0** | **12,608** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 443 | 12,165 | 0 | 12,608 |
| **State Funds Subtotal** | 0 | 443 | 12,165 | 0 | 12,608 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **443** | **12,165** | **0** | **12,608** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 443 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| No | MS 16A.642: Project Cancellation in 2013 |

# MCF-Oak Park Heights - Wind Turbine Project

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** MCF-Oak Park Heights

**Project At A Glance**

This request is for funding to install a 750 to 1.5 MW wind turbine generator on site and connect it *behind the meter* to the prison. Excess power would be sold to, and power shortfalls would be purchased from, Xcel Energy. The motivations for this project are to reduce energy costs, contribute to the reduction of greenhouse gases, and reduce fossil fuel consumption.

**Project Description**

The project would consist of a single 750 to 1.5 MW wind turbine generator located on site, connected to the facility's electrical system via a step up transformer and paralleling gear to serve the main bus. The size of the turbine may vary slightly dependent upon the manufacturer selected. Hub heights for turbines in this size range vary from 65m to 80m, with rotor diameters from 70m to 80m. The wind system would operate in parallel with the grid, serving MCF loads and being supplemented by purchased electricity.

**Impact on Agency Operating Budgets (Facilities Notes)**

There is a 10 to 15 year payback on the turbine. The MCF-Oak Park Heights is conducting a study and is in the process of collecting actual wind speed data on site. After six months the data collected will be reviewed and compared to facility electrical load data to get an actual payback time period.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 2,000 | 0 | 0 | 2,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Operating Environment.** Through economic peaks and valleys, Minnesota continues to be a strong performer, with a broad industry base.

- Minnesota's 20 Fortune 500 firms represent a variety of industries, including, health care, finance, food products, retail, and industrial goods.
- Minnesota's economy is adding jobs. In 2006, businesses added more than 28,000 jobs - a 1.2 percent growth. Preliminary data point to solid growth in 2007 with some notable strength in non-durable manufacturing (e.g. printing and paper goods) and professional services.
- The state has enjoyed widespread business investment with seven greater Minnesota cities among the top 100 U.S. micropolitan areas in the number of new and expanded corporate projects in 2006.

**Performance.** DEED continually monitors its programs for impact, effectiveness, and efficiency.

- As of December 2006, JOBZ partners closed 229 business deals, resulting in $590 million in capital investment, 2,085 retained jobs and 3,639 projected new jobs. (See www.deed.state.mn.us/bizdev/pdfs/jobzdeals.pdf for updated information.)
- In 2006, DEED assisted more than 294,000 Minnesotans to prepare for, find or retain employment, with about 234,000 earning wages that same year.

## Agency Purpose

The Department of Employment and Economic Development (DEED) facilitates an economic environment to produce jobs and improve the quality of the state's workforce. These actions support the economic success of Minnesota individuals, businesses, and communities by providing opportunities for growth.

Most of the statutory authority for this agency resides in M.S. Chapters 116J, 116L, 248, 268, 268A, 446A, and 469. Federal law also provides authority for multiple specific programs; see program and budget activity narratives for specific citations.

## Core Functions

The agency has three major functions:

- To support business creation, expansion, relocation, and retention in Minnesota through the resources and programs of the Business and Community Development Division.
- To stabilize and stimulate the economy in times of downturn and help business retain an available skilled workforce through the benefit payments administered by the Unemployment Insurance Division.
- To support the workforce needs of Minnesota's businesses, workers, and communities through the activities of the Workforce Development Division.

## Operations

The agency's diverse programs directly serve Minnesota's businesses, communities, and workers. In addition, DEED works with a wide range of partners on the federal, state, and local level to ensure the highest levels of program coordination and quality.

**Business and Community Development** programs help companies expand in or relocate to Minnesota, promote international trade, finance business expansions, and help companies find and train employees. In addition, Minnesota communities can tap into the division's financial and technical assistance programs to help spur business growth while addressing important revitalization issues – for example, through tax-exempt Job Opportunity Building Zones. DEED offers grants, loans, and technical assistance for redevelopment projects and activities, including housing and commercial rehabilitation, wastewater treatment facilities and drinking water systems, and contaminated site cleanup.

**Unemployment Insurance** determines program tax rates for Minnesota businesses and collects those revenues for deposit into the Unemployment Insurance Trust Fund. This trust fund supplies weekly benefit payments to eligible individuals. Primarily through internet and phone-based systems, DEED staff computes benefit entitlements for applicants, pays benefits as appropriate, and provides impartial due process hearings for applicants and employers.

**Workforce Development** supports Minnesota's workforce needs and serves customer populations stretching from businesses to job seekers to persons with disabilities. The major service delivery mechanism for this division is the WorkForce Center System, a unique partnership of employment and training organizations reflecting the needs of each community. In addition to the wide range of specific services offered to workers, businesses, students, and those looking for work, each WorkForce Center also houses a Resource Area (similar to a public library) equipped with computers, fax machines, literature, and other aids that will assist job seekers minimize the time they are unemployed.

**Budget**

For FY 2008, DEED manages an approximately $375 million budget covering over 1,490 FTE's spread across the state. It does *not* include the over $1 billion in Unemployment Insurance transactions each year, which run through a federal trust fund.

Of the $375 million, $240 million (or 64 percent) comes from federal sources such as the U.S. Department of Labor, U.S. Department of Education, U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture. Another $50 million (13 percent) comes from the Dedicated Workforce Development fund. About $77 million (20 percent) comes from the state's general fund.

**Contact**

Dan McElroy, Commissioner
Department of Employment and Economic Development
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**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Department of Employment and Economic Development (DEED) is to support the economic success of individuals, businesses, and communities by improving opportunities for growth.

While no government agency can boast the power to grow a state's economy, DEED believes it can influence the fundamental forces that lie beneath the economy. By ensuring an appropriate operating environment, DEED can maximize the chances that private businesses and other economic factors will flourish.

DEED has adopted the following six strategies to achieve its overarching goal of economic growth:

- Enhance Minnesota's environment for business growth and expansion.
- Promote small business growth.
- Meet the workforce needs of Minnesota businesses.
- Promote Minnesota as a destination – for businesses, workers, families, and tourists.
- Provide easier access to state government services for Minnesota businesses.
- Increase community capacity to partner with the state for long-term economic vitality.

**Community Development Programs**
DEED offers grants, loans, and technical assistance for Redevelopment projects and activities, including small cities, housing and commercial rehabilitation, public infrastructure, contaminated site clean-up, and bioscience infrastructure.

**Trends, Policies, and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Community Development Programs**
*Redevelopment:* The Redevelopment Grant Program provides gap financing to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial, and residential uses. The program's goal is to assist in the recycling of land, provide an incentive to develop on in-fill sites, and to assist in the revitalization and blight removal of the developed cities. The program is delivered via competitive grant cycles. To date, the program has been over-subscribed, reinforcing the need for the gap financing this program provides.

Because the cost of developing on formerly used sites is very high, developers target green space land for new subdivisions, industrial parks, and commercial centers. This trend has resulted in significant sprawl. The effect has negatively impacted the tax base and redevelopment prospects in the state's developed cities. Job creation, housing development, and necessary tax base revitalization in our core cities is jeopardized by sprawl. The Redevelopment Grant Program provides financing to level the playing field between formerly used sites and vacant land, providing an incentive for the development community to recycle in-fill sites.

*Public Infrastructure:* The goal of the Greater Minnesota Business Development Public Infrastructure Program is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city.

The Program utilizes state funds along with private/local resources to install expensive infrastructure and stimulate private investment in Greater Minnesota neighborhoods and communities by providing up to 50 percent of the capital costs of the public infrastructure necessary to expand or retain jobs in an area, increase the tax base, or to expand or create new economic development. Providing infrastructure within undeveloped Industrial development parks is critical to maintaining healthy, sustainable communities throughout Greater Minnesota. In FY 2004, the bonding bill allocation of $7.5 million dollars was committed within a period of seven months to 27 projects creating over 470 additional jobs*. In FY 2005 the bonding bill allocation was $10 million. Those funds were committed within a period of six months,

funding 24 applications and creating more than 1100 jobs*. In FY 2006 the bonding bill allocation was $7.75 million (inclusive of two set-asides totaling $1.65 million. Those funds were committed within a period of six months, funding 22 applications and creating more than 400 jobs*. The need for these resources is pervasive as the applications for funding far out weigh the number of applications funded (see chart below).

| | Number of Applications Submitted | Total Amount Requested | Number of Applications Funded | Amount Funded | Number of Jobs created* | Total Investment* |
|---|---|---|---|---|---|---|
| FY 2004 | 40 | $14,422,043 | 27 | $7,500,000 | 478 | $38,020,001 |
| FY 2005 | 32 | $13,968,457 | 24 | $10,000,000 | 1,158 | 26,886,486 |
| FY 2006 | 53 | $26,382,076 | 21 | $7,750,000 | 406 | 39,531,129 |

* From applications funded

*BioScience:* The BioScience Business Development Public Infrastructure Grant Program (BBDI) provides grants to eligible cities for public infrastructure development projects associated with BBDI projects throughout the state. Funding includes up to 50 percent of eligible public infrastructure costs. The goal of the program is to encourage private investment and business expansion in the BioScience and medical device sector. The program utilizes state resources along with private/local investment to stimulate and support BioScience Business Development within the state.

Since 2003, Minnesota has been engaged in enhancing this important sector of the economy. Given the high cost of developing facilities and purchasing equipment in sectors such as renewable energy, biotechnology and medical devices, the BBDI Grant Program plays a key role in sustaining and positioning Minnesota for long-term industry growth.

In 2006, DEED received seven applications for funding and awarded more than $9.25 million to three Minnesota cities. The funded projects will leverage nearly $30 million in local government match and $20 million in private sector match. Previous appropriations in 2005 awarded $18.5 million to four Minnesota cities and will leverage more than $31 million in local government match and nearly $200 million in private sector match.

As the industry continues to develop in Minnesota, so has demand for the program. DEED expects at least seven new applications for 2008 in addition to those who have refined applications since 2006. Thus, the department has requested $10 million in funding for FY 2008-09

*Summary:* DEED's bonding requests for the Redevelopment Grant Program, the Greater Minnesota Business Development Public Infrastructure Program and the Bioscience Infrastructure Program are related in that they will finance public infrastructure. However, they are different in their overall focus which was established by the legislature in the creation of the various programs.

The Redevelopment Grant Program focuses on the redevelopment of formerly used land, inserting dollars to help alleviate the expensive costs of removing blighted buildings, etc. to make land suitable for redevelopment. Bond dollars will help with the necessary component of building public infrastructure that may be needed in the redevelopment of a site. Although the Redevelopment Grant Program is not an infrastructure program, bonding dollars will allow the financing of public infrastructure that is necessary on many of the redevelopment projects.

The Greater Minnesota Business Development Public Infrastructure Program and the Bioscience Program both focus on installing public infrastructure. However, the legislature has created two programs with two distinct focuses; one concentrates on the need for infrastructure in Greater Minnesota and the other gives priority to bioscience businesses.

While public infrastructure is what is being financed through the various programs with bonding dollars, each has a clear and defined target audience established by the legislature. The programs are serving a distinct purpose and should be distinguished accordingly.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Community Development Programs**
DEED does not own or operate facilities covered by this request. This request is for programs to assist communities with infrastructure and redevelopment activities.

**Agency Process Used to Arrive at These Capital Requests**

**Community Development Programs**
To determine the amount of this capital request for the Redevelopment Grant Program, DEED considered grant requests from past funding cycles. Need has been demonstrated in past grant applications for the use of bond proceeds to finance costs such as public infrastructure to help support new primarily private development.

To determine the amount of funding for FY 2008, the amount of requests received the past two funding cycles and how quickly program funds were committed within that time period were taken into consideration. In the past two years the need for financial assistance provided by the program has dramatically outweighed the available resources to address the costly public infrastructure required for expanding economic development in greater Minnesota.

Financing by the Greater Minnesota Business Development Public Infrastructure Grant Program has and will continue to play an important role in assisting greater Minnesota cities finance expensive infrastructure necessary to compete for businesses that create jobs, increase the tax base, and expand economic development opportunities.

**Major Capital Projects Authorized in 2004 and 2005**

**Community Development Programs**
The Redevelopment Grant Program received $15 million in bond proceeds from the 2005 Legislature. There were three specific projects that had funds earmarked leaving $8.4 million to administer through the program. This is the first year the program has received bonding dollars. Since 1999 DEED received a total of 183 applications requesting over $68 million. DEED approved 73 grants, which are on track to create $9.5 million in new tax base, 8,548 jobs, and 1,898 new housing units. Approximately half of the applications included bond eligible activities.

# Employment & Economic Development

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Redevelopment Grant Program | 1 | GO | $20,000 | $20,000 | $20,000 | $20,000 | $20,000 | $20,000 |
| Bioscience Business Dev. Public Infras. Grant Program | 2 | GO | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Greater MN Business Dev. Public Infras. Grant Pgm. | 3 | GO | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | | Project Total | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| | | General Obligation Bonding (GO) | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Redevelopment Grant Program

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 1 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

♦ **Redevelopment Grants** help local authorities renew obsolete or abandoned properties for industrial, commercial, and residential uses.

## Project Description

M.S. 116J.571 to 116J.575, authorizes the Redevelopment Grant Program (the "program") which was created for the purpose of providing financial assistance to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial, and residential uses. Program funds can be used for public improvements that are conducted on publicly owned land. The program will be implemented statewide on a competitive basis with available funds being split between Greater Minnesota and the seven county Metropolitan Areas.

The redevelopment of previously developed land is critical to sustaining private and public investments in our communities and providing additional economic development opportunities. The Redevelopment Grant Program will use state funds to clear previous development, install updated infrastructure and stimulate private reinvestment in existing Minnesota neighborhoods and communities. Recycling existing properties relieves development pressure on the urban fringe and utilizes existing municipal facilities and systems such as schools, fire and police protection, streets and highways, and water and wastewater systems.

## Previous Appropriations for this Project

The Redevelopment Grant Program was created in statute by the 1998 Legislature. The program assisted both metro and greater Minnesota communities from its inception until 2001 when it was made into a Greater Minnesota only program. The 2007 Legislature returned the program back to a statewide program, allowing the available dollars to be split between Greater Minnesota and the seven county metropolitan areas. The funding history of the program is:

| Years | Program | Projects | | Private | Tax Base | Job |
|---|---|---|---|---|---|---|
| | | Awarded | Applications Received | | | |
| 1999-2007 | $42 million | 73 | 183 | $868 million | $13 million | 8,500+ |

## Other Considerations

Financing provided by the Redevelopment Grant Program is an important element in helping communities finance expensive redevelopment projects, allowing communities to remain economically competitive. The Redevelopment Grant Program has been over-subscribed during the years in which it had funds to award. DEED has received 183 applications to date and has only been able to award 73 grants with the available dollars.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $20 million for this project. Also included are budget planning estimates of $20 million in 2010 and $20 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **20,000** | **20,000** | **20,000** | **60,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| **State Funds Subtotal** | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 13,000 | 20,000 | 20,000 | 20,000 | 73,000 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **13,000** | **40,000** | **40,000** | **40,000** | **133,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Bioscience Business Dev. Public Infras. Grant Program

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

**BBDI Grants** provide funding – up to 50 percent of eligible public infrastructure costs related to BioBusiness Development investments statewide.

## Project Description

MN Statute 116J.435, the BioBusiness Development Public Infrastructure Grant Program (BBDI), provides grants to eligible cities for public infrastructure development projects associated with strategic biobusiness investments throughout the state. These eligible capital costs are matched 1:1 from non-state sources and are used to fund publicly owned infrastructure including roads, sewer and water lines. In addition, the BBDI program also allows telecommunications infrastructure, bridges, parking ramps, business incubators facilities and laboratories that support basic science and clinical research infrastructure.

The goal of the BBDI is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city, and to encourage significant private investment, business expansion and relocation in the med-tech and bioscience industries. Funds are available through competitive grants.

For 2008 the Department of Employment and Economic Development (DEED) requests $10 million for BBDI. Past appropriations have leveraged an additional local match of more than $2 for every $1 of state investment, and nearly $8 of private investment.

## Previous Appropriations for this Project

The previous appropriations for this activity have been $10 million in the 2006 bonding bill and $18.5 million in the 2005 bonding bill. Part of the 2005 funding was used to help develop the public infrastructure related to the Medtronic – Cardiac Rhythm Management Division expansion in Mounds View. This project includes $195 million in private investment and the creation of 4,000 new jobs in Minnesota. In addition, the 2005 funding is being utilized to redevelop blighted properties in Minneapolis near the University of Minnesota campus to encourage the location of bioscience and medical device companies a research park near campus. In Rochester the 2006 BBDI funds are leveraging the investment of the Legislature in the Mayo/University of Minnesota bioscience partnership by investing in the construction of a bioscience business incubator facility that will support technology transfer and new business development.

| | Total Number Requested | Total Amount Requested | Number of Applications Funded | Amount Funded | Total Match from Local Government Sources | Total Private Sector Investment to Date |
|---|---|---|---|---|---|---|
| FY 2005 | 4 | $28.5 Million | 4 | $18.5 Million | $31,115,488 | $199 Million |
| FY 2006 | 7 | $11.5 Million | 4 | $9,256,250 | $29,932,198 | $20 Million |

## Other Considerations

Several steps have been taken to strengthen the industry since 2003, the creation of the Biosciences Zones, which provided significant tax credits and exemptions for qualified businesses. Recent legislation gave DEED authority to designate additional zones based on defined criteria and also reaffirmed the commitment to remain globally competitive in the bioscience industry by funding the BioBusiness Alliance, a private–public partnership charged with developing a long term strategy for Minnesota.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $10 million for this project. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| **State Funds Subtotal** | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Greater MN Business Dev. Public Infras. Grant Pgm.

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** Greater Minnesota communities

**Project At A Glance**

**BDPI Grants** provide funding – up to 50 percent of eligible capital costs - to cities in Greater Minnesota to assist them in funding public infrastructure for both industrial parks and business expansion.

## Project Description

Minnesota Statute 116J.431, the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI), provides grants to eligible cities for complex and costly public infrastructure development projects for industrial parks and to facilitate business expansions. The BDPI program pays up to 50 percent of eligible capital costs, not to exceed $1 million in a two year funding period.

The goal of the Greater Minnesota Business Development Public Infrastructure Grant Program is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city. The Department of Employment and Economic Development (DEED) currently delivers the program to greater Minnesota communities on a competitive, open application basis.

The program utilizes state funds along with private/local resources to install eligible publicly owned infrastructure including, but not limited to, sewer, wastewater treatment and/or storm water management systems, facilities for pretreatment of wastewater to remove phosphorus, water supply systems, utility extensions, and streets.

Providing infrastructure within undeveloped industrial development parks is critical in stimulating private investment and maintaining healthy, vital communities throughout greater Minnesota.

For 2008 DEED requests $20 million for the Greater Minnesota Business Development Public Infrastructure Program. There has been increasing demand for the program since its inception in FY 2004. Program funds have leveraged an additional $4 for every $1 of state investment. $2 million of the total state appropriation must be reserved for communities of populations under 5,000.

## Previous Appropriations for this Project

To determine the amount of funding sought for 2008, the department considered the amount of requests received the past three funding cycles and how quickly program funds were committed within that time period. In the past three years the need for financial assistance provided by the program has dramatically outweighed the available resources to address the costly public infrastructure required for expanding economic development in greater Minnesota (see chart below).

| | Number of Applications | Total Amount Requested | Number of Applications Funded | Amount Funded | Number of Jobs created* | Total Investment* |
|---|---|---|---|---|---|---|
| FY 2004 | 40 | 14,422,043 | 27 | 7,500,000 | 478 | 38,063,039 |
| FY 2005 | 32 | 13,968,457 | 26 | 10,000,000 | 1,158 | 23,667,726 |
| FY 2006 | 53 | 26,382,076 | 22 | 7,750,000 | 406 | 39,744,954 |

*from applications funded

## Other Considerations

By providing financing to communities in greater Minnesota for public infrastructure, the Greater Minnesota Business Development Public Infrastructure Grant Program will continue to play an important role in providing eligible cities the opportunity to compete for businesses that create jobs, increase the tax base and expand economic development opportunities.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $20 million for this project. Also included are budget planning estimates of $20 million in 2010 and $20 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 35,000 | 35,000 | 35,000 | 35,000 | 140,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **35,000** | **35,000** | **35,000** | **35,000** | **140,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 17,500 | 20,000 | 20,000 | 20,000 | 77,500 |
| **State Funds Subtotal** | 17,500 | 20,000 | 20,000 | 20,000 | 77,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 17,500 | 20,000 | 20,000 | 20,000 | 77,500 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **35,000** | **40,000** | **40,000** | **40,000** | **155,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Employment & Economic Development

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Redevelopment Grant Program | 1 | GO | $20,000 | $20,000 | $20,000 | $20,000 | $20,000 | $20,000 |
| Bioscience Business Dev. Public Infras. Grant Program | 2 | GO | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Greater MN Business Dev. Public Infras. Grant Pgm. | 3 | GO | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | | Project Total | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |
| | | General Obligation Bonding (GO) | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 | $50,000 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

**Operating Environment.** Through economic peaks and valleys, Minnesota continues to be a strong performer, with a broad industry base.

- Minnesota's 20 Fortune 500 firms represent a variety of industries, including, health care, finance, food products, retail, and industrial goods.
- Minnesota's economy is adding jobs. In 2006, businesses added more than 28,000 jobs - a 1.2 percent growth. Preliminary data point to solid growth in 2007 with some notable strength in non-durable manufacturing (e.g. printing and paper goods) and professional services.
- The state has enjoyed widespread business investment with seven greater Minnesota cities among the top 100 U.S. micropolitan areas in the number of new and expanded corporate projects in 2006.

**Performance.** DEED continually monitors its programs for impact, effectiveness, and efficiency.

- As of December 2006, JOBZ partners closed 229 business deals, resulting in $590 million in capital investment, 2,085 retained jobs and 3,639 projected new jobs. (See www.deed.state.mn.us/bizdev/pdfs/jobzdeals.pdf for updated information.)
- In 2006, DEED assisted more than 294,000 Minnesotans to prepare for, find or retain employment, with about 234,000 earning wages that same year.

**Agency Purpose**

The Department of Employment and Economic Development (DEED) facilitates an economic environment to produce jobs and improve the quality of the state's workforce. These actions support the economic success of Minnesota individuals, businesses, and communities by providing opportunities for growth.

Most of the statutory authority for this agency resides in M.S. Chapters 116J, 116L, 248, 268, 268A, 446A, and 469. Federal law also provides authority for multiple specific programs; see program and budget activity narratives for specific citations.

**Core Functions**

The agency has three major functions:

- To support business creation, expansion, relocation, and retention in Minnesota through the resources and programs of the Business and Community Development Division.
- To stabilize and stimulate the economy in times of downturn and help business retain an available skilled workforce through the benefit payments administered by the Unemployment Insurance Division.
- To support the workforce needs of Minnesota's businesses, workers, and communities through the activities of the Workforce Development Division.

**Operations**

The agency's diverse programs directly serve Minnesota's businesses, communities, and workers. In addition, DEED works with a wide range of partners on the federal, state, and local level to ensure the highest levels of program coordination and quality.

**Business and Community Development** programs help companies expand in or relocate to Minnesota, promote international trade, finance business expansions, and help companies find and train employees. In addition, Minnesota communities can tap into the division's financial and technical assistance programs to help spur business growth while addressing important revitalization issues – for example, through tax-exempt Job Opportunity Building Zones. DEED offers grants, loans, and technical assistance for redevelopment projects and activities, including housing and commercial rehabilitation, wastewater treatment facilities and drinking water systems, and contaminated site cleanup.

**Unemployment Insurance** determines program tax rates for Minnesota businesses and collects those revenues for deposit into the Unemployment Insurance Trust Fund. This trust fund supplies weekly benefit payments to eligible individuals. Primarily through internet and phone-based systems, DEED staff computes benefit entitlements for applicants, pays benefits as appropriate, and provides impartial due process hearings for applicants and employers.

**Workforce Development** supports Minnesota's workforce needs and serves customer populations stretching from businesses to job seekers to persons with disabilities. The major service delivery mechanism for this division is the WorkForce Center System, a unique partnership of employment and training organizations reflecting the needs of each community. In addition to the wide range of specific services offered to workers, businesses, students, and those looking for work, each WorkForce Center also houses a Resource Area (similar to a public library) equipped with computers, fax machines, literature, and other aids that will assist job seekers minimize the time they are unemployed.

**Budget**

For FY 2008, DEED manages an approximately $375 million budget covering over 1,490 FTE's spread across the state. It does *not* include the over $1 billion in Unemployment Insurance transactions each year, which run through a federal trust fund.

Of the $375 million, $240 million (or 64 percent) comes from federal sources such as the U.S. Department of Labor, U.S. Department of Education, U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture. Another $50 million (13 percent) comes from the Dedicated Workforce Development fund. About $77 million (20 percent) comes from the state's general fund.

**Contact**

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Department of Employment and Economic Development
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Website: http://www.deed.state.mn.us/index.htm

**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Department of Employment and Economic Development (DEED) is to support the economic success of individuals, businesses, and communities by improving opportunities for growth.

While no government agency can boast the power to grow a state's economy, DEED believes it can influence the fundamental forces that lie beneath the economy. By ensuring an appropriate operating environment, DEED can maximize the chances that private businesses and other economic factors will flourish.

DEED has adopted the following six strategies to achieve its overarching goal of economic growth:

- Enhance Minnesota's environment for business growth and expansion.
- Promote small business growth.
- Meet the workforce needs of Minnesota businesses.
- Promote Minnesota as a destination – for businesses, workers, families, and tourists.
- Provide easier access to state government services for Minnesota businesses.
- Increase community capacity to partner with the state for long-term economic vitality.

**Community Development Programs**
DEED offers grants, loans, and technical assistance for Redevelopment projects and activities, including small cities, housing and commercial rehabilitation, public infrastructure, contaminated site clean-up, and bioscience infrastructure.

**Trends, Policies, and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Community Development Programs**
*Redevelopment:* The Redevelopment Grant Program provides gap financing to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial, and residential uses. The program's goal is to assist in the recycling of land, provide an incentive to develop on in-fill sites, and to assist in the revitalization and blight removal of the developed cities. The program is delivered via competitive grant cycles. To date, the program has been over-subscribed, reinforcing the need for the gap financing this program provides.

Because the cost of developing on formerly used sites is very high, developers target green space land for new subdivisions, industrial parks, and commercial centers. This trend has resulted in significant sprawl. The effect has negatively impacted the tax base and redevelopment prospects in the state's developed cities. Job creation, housing development, and necessary tax base revitalization in our core cities is jeopardized by sprawl. The Redevelopment Grant Program provides financing to level the playing field between formerly used sites and vacant land, providing an incentive for the development community to recycle in-fill sites.

*Public Infrastructure:* The goal of the Greater Minnesota Business Development Public Infrastructure Program is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city.

The Program utilizes state funds along with private/local resources to install expensive infrastructure and stimulate private investment in Greater Minnesota neighborhoods and communities by providing up to 50 percent of the capital costs of the public infrastructure necessary to expand or retain jobs in an area, increase the tax base, or to expand or create new economic development. Providing infrastructure within undeveloped Industrial development parks is critical to maintaining healthy, sustainable communities throughout Greater Minnesota. In FY 2004, the bonding bill allocation of $7.5 million dollars was committed within a period of seven months to 27 projects creating over 470 additional jobs*. In FY 2005 the bonding bill allocation was $10 million. Those funds were committed within a period of six months,

funding 24 applications and creating more than 1100 jobs*. In FY 2006 the bonding bill allocation was $7.75 million (inclusive of two set-asides totaling $1.65 million. Those funds were committed within a period of six months, funding 22 applications and creating more than 400 jobs*. The need for these resources is pervasive as the applications for funding far out weigh the number of applications funded (see chart below).

| | Number of Applications Submitted | Total Amount Requested | Number of Applications Funded | Amount Funded | Number of Jobs created* | Total Investment* |
|---|---|---|---|---|---|---|
| FY 2004 | 40 | $14,422,043 | 27 | $7,500,000 | 478 | $38,020,001 |
| FY 2005 | 32 | $13,968,457 | 24 | $10,000,000 | 1,158 | 26,886,486 |
| FY 2006 | 53 | $26,382,076 | 21 | $7,750,000 | 406 | 39,531,129 |

* From applications funded

*BioScience:* The BioScience Business Development Public Infrastructure Grant Program (BBDI) provides grants to eligible cities for public infrastructure development projects associated with BBDI projects throughout the state. Funding includes up to 50 percent of eligible public infrastructure costs. The goal of the program is to encourage private investment and business expansion in the BioScience and medical device sector. The program utilizes state resources along with private/local investment to stimulate and support BioScience Business Development within the state.

Since 2003, Minnesota has been engaged in enhancing this important sector of the economy. Given the high cost of developing facilities and purchasing equipment in sectors such as renewable energy, biotechnology and medical devices, the BBDI Grant Program plays a key role in sustaining and positioning Minnesota for long-term industry growth.

In 2006, DEED received seven applications for funding and awarded more than $9.25 million to three Minnesota cities. The funded projects will leverage nearly $30 million in local government match and $20 million in private sector match. Previous appropriations in 2005 awarded $18.5 million to four Minnesota cities and will leverage more than $31 million in local government match and nearly $200 million in private sector match.

As the industry continues to develop in Minnesota, so has demand for the program. DEED expects at least seven new applications for 2008 in addition to those who have refined applications since 2006. Thus, the department has requested $10 million in funding for FY 2008-09

*Summary:* DEED's bonding requests for the Redevelopment Grant Program, the Greater Minnesota Business Development Public Infrastructure Program and the Bioscience Infrastructure Program are related in that they will finance public infrastructure. However, they are different in their overall focus which was established by the legislature in the creation of the various programs.

The Redevelopment Grant Program focuses on the redevelopment of formerly used land, inserting dollars to help alleviate the expensive costs of removing blighted buildings, etc. to make land suitable for redevelopment. Bond dollars will help with the necessary component of building public infrastructure that may be needed in the redevelopment of a site. Although the Redevelopment Grant Program is not an infrastructure program, bonding dollars will allow the financing of public infrastructure that is necessary on many of the redevelopment projects.

The Greater Minnesota Business Development Public Infrastructure Program and the Bioscience Program both focus on installing public infrastructure. However, the legislature has created two programs with two distinct focuses; one concentrates on the need for infrastructure in Greater Minnesota and the other gives priority to bioscience businesses.

While public infrastructure is what is being financed through the various programs with bonding dollars, each has a clear and defined target audience established by the legislature. The programs are serving a distinct purpose and should be distinguished accordingly.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Community Development Programs**
DEED does not own or operate facilities covered by this request. This request is for programs to assist communities with infrastructure and redevelopment activities.

**Agency Process Used to Arrive at These Capital Requests**

**Community Development Programs**
To determine the amount of this capital request for the Redevelopment Grant Program, DEED considered grant requests from past funding cycles. Need has been demonstrated in past grant applications for the use of bond proceeds to finance costs such as public infrastructure to help support new primarily private development.

To determine the amount of funding for FY 2008, the amount of requests received the past two funding cycles and how quickly program funds were committed within that time period were taken into consideration. In the past two years the need for financial assistance provided by the program has dramatically outweighed the available resources to address the costly public infrastructure required for expanding economic development in greater Minnesota.

Financing by the Greater Minnesota Business Development Public Infrastructure Grant Program has and will continue to play an important role in assisting greater Minnesota cities finance expensive infrastructure necessary to compete for businesses that create jobs, increase the tax base, and expand economic development opportunities.

**Major Capital Projects Authorized in 2004 and 2005**

**Community Development Programs**
The Redevelopment Grant Program received $15 million in bond proceeds from the 2005 Legislature. There were three specific projects that had funds earmarked leaving $8.4 million to administer through the program. This is the first year the program has received bonding dollars. Since 1999 DEED received a total of 183 applications requesting over $68 million. DEED approved 73 grants, which are on track to create $9.5 million in new tax base, 8,548 jobs, and 1,898 new housing units. Approximately half of the applications included bond eligible activities.

# Redevelopment Grant Program

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 1 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

♦ **Redevelopment Grants** help local authorities renew obsolete or abandoned properties for industrial, commercial, and residential uses.

## Project Description

M.S. 116J.571 to 116J.575, authorizes the Redevelopment Grant Program (the "program") which was created for the purpose of providing financial assistance to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial, and residential uses. Program funds can be used for public improvements that are conducted on publicly owned land. The program will be implemented statewide on a competitive basis with available funds being split between Greater Minnesota and the seven county Metropolitan Areas.

The redevelopment of previously developed land is critical to sustaining private and public investments in our communities and providing additional economic development opportunities. The Redevelopment Grant Program will use state funds to clear previous development, install updated infrastructure and stimulate private reinvestment in existing Minnesota neighborhoods and communities. Recycling existing properties relieves development pressure on the urban fringe and utilizes existing municipal facilities and systems such as schools, fire and police protection, streets and highways, and water and wastewater systems.

## Previous Appropriations for this Project

The Redevelopment Grant Program was created in statute by the 1998 Legislature. The program assisted both metro and greater Minnesota communities from its inception until 2001 when it was made into a Greater Minnesota only program. The 2007 Legislature returned the program back to a statewide program, allowing the available dollars to be split between Greater Minnesota and the seven county metropolitan areas. The funding history of the program is:

| Years | Program | Projects | | Private | Tax Base | Job |
|---|---|---|---|---|---|---|
| | | Awarded | Applications Received | | | |
| 1999-2007 | $42 million | 73 | 183 | $868 million | $13 million | 8,500+ |

## Other Considerations

Financing provided by the Redevelopment Grant Program is an important element in helping communities finance expensive redevelopment projects, allowing communities to remain economically competitive. The Redevelopment Grant Program has been over-subscribed during the years in which it had funds to award. DEED has received 183 applications to date and has only been able to award 73 grants with the available dollars.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $20 million for this project. Also included are budget planning estimates of $20 million in 2010 and $20 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **20,000** | **20,000** | **20,000** | **60,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| **State Funds Subtotal** | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 13,000 | 20,000 | 20,000 | 20,000 | 73,000 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **13,000** | **40,000** | **40,000** | **40,000** | **133,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Bioscience Business Dev. Public Infras. Grant Program

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

**BBDI Grants** provide funding – up to 50 percent of eligible public infrastructure costs related to BioBusiness Development investments statewide.

## Project Description

MN Statute 116J.435, the BioBusiness Development Public Infrastructure Grant Program (BBDI), provides grants to eligible cities for public infrastructure development projects associated with strategic biobusiness investments throughout the state. These eligible capital costs are matched 1:1 from non-state sources and are used to fund publicly owned infrastructure including roads, sewer and water lines. In addition, the BBDI program also allows telecommunications infrastructure, bridges, parking ramps, business incubators facilities and laboratories that support basic science and clinical research infrastructure.

The goal of the BBDI is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city, and to encourage significant private investment, business expansion and relocation in the med-tech and bioscience industries. Funds are available through competitive grants.

For 2008 the Department of Employment and Economic Development (DEED) requests $10 million for BBDI. Past appropriations have leveraged an additional local match of more than $2 for every $1 of state investment, and nearly $8 of private investment.

## Previous Appropriations for this Project

The previous appropriations for this activity have been $10 million in the 2006 bonding bill and $18.5 million in the 2005 bonding bill. Part of the 2005 funding was used to help develop the public infrastructure related to the Medtronic – Cardiac Rhythm Management Division expansion in Mounds View. This project includes $195 million in private investment and the creation of 4,000 new jobs in Minnesota. In addition, the 2005 funding is being utilized to redevelop blighted properties in Minneapolis near the University of Minnesota campus to encourage the location of bioscience and medical device companies a research park near campus. In Rochester the 2006 BBDI funds are leveraging the investment of the Legislature in the Mayo/University of Minnesota bioscience partnership by investing in the construction of a bioscience business incubator facility that will support technology transfer and new business development.

| | Total Number Requested | Total Amount Requested | Number of Applications Funded | Amount Funded | Total Match from Local Government Sources | Total Private Sector Investment to Date |
|---|---|---|---|---|---|---|
| FY 2005 | 4 | $28.5 Million | 4 | $18.5 Million | $31,115,488 | $199 Million |
| FY 2006 | 7 | $11.5 Million | 4 | $9,256,250 | $29,932,198 | $20 Million |

## Other Considerations

Several steps have been taken to strengthen the industry since 2003, the creation of the Biosciences Zones, which provided significant tax credits and exemptions for qualified businesses. Recent legislation gave DEED authority to designate additional zones based on defined criteria and also reaffirmed the commitment to remain globally competitive in the bioscience industry by funding the BioBusiness Alliance, a private–public partnership charged with developing a long term strategy for Minnesota.

**Project Contact Person**

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Website: www.positivelyminnesota.com/biozone

**Governor's Recommendations**

The governor recommends general obligation bonding of $10 million for this project. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| **State Funds Subtotal** | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** Greater Minnesota communities

**Project At A Glance**

**BDPI Grants** provide funding – up to 50 percent of eligible capital costs - to cities in Greater Minnesota to assist them in funding public infrastructure for both industrial parks and business expansion.

**Project Description**

Minnesota Statute 116J.431, the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI), provides grants to eligible cities for complex and costly public infrastructure development projects for industrial parks and to facilitate business expansions. The BDPI program pays up to 50 percent of eligible capital costs, not to exceed $1 million in a two year funding period.

The goal of the Greater Minnesota Business Development Public Infrastructure Grant Program is to keep or enhance jobs in a particular area, to increase a city's tax base, or to create and/or expand new economic development within a city. The Department of Employment and Economic Development (DEED) currently delivers the program to greater Minnesota communities on a competitive, open application basis.

The program utilizes state funds along with private/local resources to install eligible publicly owned infrastructure including, but not limited to, sewer, wastewater treatment and/or storm water management systems, facilities for pretreatment of wastewater to remove phosphorus, water supply systems, utility extensions, and streets.

Providing infrastructure within undeveloped industrial development parks is critical in stimulating private investment and maintaining healthy, vital communities throughout greater Minnesota.

For 2008 DEED requests $20 million for the Greater Minnesota Business Development Public Infrastructure Program. There has been increasing demand for the program since its inception in FY 2004. Program funds have leveraged an additional $4 for every $1 of state investment. $2 million of the total state appropriation must be reserved for communities of populations under 5,000.

**Previous Appropriations for this Project**

To determine the amount of funding sought for 2008, the department considered the amount of requests received the past three funding cycles and how quickly program funds were committed within that time period. In the past three years the need for financial assistance provided by the program has dramatically outweighed the available resources to address the costly public infrastructure required for expanding economic development in greater Minnesota (see chart below).

| | Number of Applications | Total Amount Requested | Number of Applications Funded | Amount Funded | Number of Jobs created* | Total Investment* |
|---|---|---|---|---|---|---|
| FY 2004 | 40 | 14,422,043 | 27 | 7,500,000 | 478 | 38,063,039 |
| FY 2005 | 32 | 13,968,457 | 26 | 10,000,000 | 1,158 | 23,667,726 |
| FY 2006 | 53 | 26,382,076 | 22 | 7,750,000 | 406 | 39,744,954 |

*from applications funded

**Other Considerations**

By providing financing to communities in greater Minnesota for public infrastructure, the Greater Minnesota Business Development Public Infrastructure Grant Program will continue to play an important role in providing eligible cities the opportunity to compete for businesses that create jobs, increase the tax base and expand economic development opportunities.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $20 million for this project. Also included are budget planning estimates of $20 million in 2010 and $20 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 35,000 | 35,000 | 35,000 | 35,000 | 140,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **35,000** | **35,000** | **35,000** | **35,000** | **140,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 17,500 | 20,000 | 20,000 | 20,000 | 77,500 |
| **State Funds Subtotal** | 17,500 | 20,000 | 20,000 | 20,000 | 77,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 17,500 | 20,000 | 20,000 | 20,000 | 77,500 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **35,000** | **40,000** | **40,000** | **40,000** | **155,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

- The Minnesota Department of Health (MDH) is one of the top state health departments in the country.
- MDH has earned an international reputation for being on the cutting edge of disease detection and control, and developing new public health methods.
- MDH workforce of 1,300 includes many MD's, PhD's, nurses, health educators, biologists, chemists, epidemiologists, and engineers.
- MDH program resources are deployed in the Twin Cities and seven regional offices statewide, to better serve the state population.

**Agency Purpose**

The statutory mission of the Minnesota Department of Health (MDH) is to protect, maintain, and improve the health of all Minnesotans.

MDH is the state's lead public health agency and works with local public health agencies, federal health agencies, and other organizations to operate programs that protect and improve the health of entire communities, and programs that promote clean water, safe food, quality health care, and healthy personal choices.

Together, these programs are contributing to longer, healthier lives. As a result, Minnesota is consistently ranked one of the healthiest states in the country.

**Core Functions**

While MDH is perhaps best known for responding to disease outbreaks, the department's core functions are very diverse and far-reaching, and focus on preventing health problems in the first place.

- Preventing Diseases: MDH detects and investigates disease outbreaks, controls the spread of disease, encourages immunizations, and seeks to prevent chronic and infectious diseases, including HIV/AIDS, Tuberculosis, and cancer. The department's public health laboratories analyze some of the most complex and dangerous biological, chemical, and radiological substances known, employing techniques not available privately or from other government agencies.
- Reducing Health Hazards: MDH identifies and evaluates potential health hazards in the environment, from simple sanitation to risks associated with toxic waste sites and nuclear power plants. The department protects the safety of public water supplies and the quality of the food eaten in restaurants. It also works to safeguard the air inside public places.
- Protecting Health Care Consumers: MDH safeguards the quality of health care in the state by regulating many people and institutions that provide care, including HMOs and nursing homes. Minnesota has pioneered improvements in the health care system, including the development of policies that assure access to affordable, high-quality care which are models for the nation. The department monitors trends in costs, quality, and access in order to inform future policy decisions.
- Promoting Good Health: MDH provides information and services that help people make healthy choices. The department protects the health of mothers and children through the supplemental nutrition program Women, Infants and Children (WIC) and services for children with special health needs. Minnesota was one of the first states to regulate smoking in public places, and has developed tobacco prevention strategies used nationwide. MDH programs also address mental health, occupational safety, and violence.
- Achieving Success Through Partnership: Minnesota has a nationally renowned public health system built on well-articulated state and local government roles. MDH provides both technical and financial assistance to local public health agencies so they can provide programs and services meeting the unique needs of their communities.

## Operations

Many core public health functions are carried out directly by MDH staff. Examples include:

- The scientists and epidemiologists who work in the laboratories and the cities and neighborhoods of the state to identify the nature, sources and means of treatment of disease outbreaks and food borne illness.
- The nursing home inspectors who make sure that elderly citizens are provided with safe and appropriate health care, and treated with respect and dignity.
- The environmental engineers who work with cities and towns to assure that municipal water systems provide water that is safe for families to drink.
- The laboratory scientists who conduct sophisticated tests to detect treatable metabolic errors in all newborn babies.
- The scientists and policy experts who collect and evaluate information about environmental trends, the health status of the public, quality of health services, and other emerging issues, and carry out public health improvement programs.

MDH provides technical and financial assistance to local public health agencies, public and private care providers, non-governmental organizations, and teaching institutions. Technical assistance provides the department's partners access to current scientific knowledge and is commonly in the form of direct consultation, formal reports, and training.

## Budget

MDH receives approximately 82 percent of its funding from non-general fund resources – the federal government, dedicated cigarette taxes, fees, the health care access fund, and other revenues. The general fund accounts for the remaining 18 percent of the budget. Approximately 62 percent of the budget is "passed through" to local governments, nonprofit organizations, community hospitals, and teaching institutions in the form of grants; 21 percent represents the cost of the professional and technical staff that carry out the department's core functions; and 17 percent is for other operating costs, primarily for technology and space.

## Contact

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Agency Overview (detailed):
http://www.health.state.mn.us/divs/opa/overview.html
Agency Performance Measures
http://www.departmentresults.state.mn.us/health/index.html

**At a Glance: Agency Long-Range Strategic Goals**

The Minnesota Department of Health (MDH) Strategic Plan defines the department's vision, mission, goals, and major strategies to achieve the state's vision for public health. It reflects the priorities and values of the department. It provides a direction for major activities such as budget development, information technology (IT) planning, an emphasis on cross-divisional efforts, the development and use of outcome measures, and a shared vision by all employees.

To achieve the MDH vision – *Keeping ALL Minnesotans Healthy* – the department has identified in its 2005-2008 strategic plan four priority areas of focus for the next year:

- Emergency Preparedness
- Health Disparities
- Health Care System Reform
- Preparing for an Aging Population

Protecting the quality of our drinking water is one standard by which we measure our success at achieving these goals.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Many trends and issues present MDH with significant public health challenges, one of which is our preparedness to respond to a disaster or emergency. Because of our increasingly global society, the United States and Minnesota face serious threats – from new and re-emerging infectious diseases to the possible use of biological weapons by hostile nations, terrorists, or criminals.

The state's ability to respond to public health threats must remain strong. MDH will continue providing leadership to ensure that communities across the state are prepared to effectively respond to public health emergencies. Thanks to grant money from the federal government, the department has been able to enhance numerous parts of the state's public health response system, including disease surveillance, information technology, lab capacity and communications.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Protecting the quality of our drinking water is one standard by which we measure our success at achieving our public health goals. This capital request will help implement the long-needed connection of the Minneapolis and St. Paul water systems.

Presently, the cities of Minneapolis and St. Paul operate separate regional public water systems. Between the two systems, they are in the midst of investing $157 million in water system capital improvements.

Both systems can adequately supply their own service areas, but they lack the ability to utilize each other's water systems in case of emergency. Both systems rely on surface water, which is vulnerable to natural disaster, chemical contamination, and possibly subversive action or extraordinary system failure. The 9/11 and Gulf Coast incidents have increased awareness of the need to protect this basic service.

The regional water systems serving 17 communities in the metropolitan area need to be connected. Since the 1930s, officials from both water systems have recognized the value of connecting the two systems so that one system could provide ongoing, emergency water to people served by the other system should the need arise.

A 30 million gallon reservoir exists in St. Paul that could be remodeled or replaced to provide the infrastructure needed to connect the two systems. While a reservoir exists, other improvements are needed such as piping to connect the Minneapolis water system to provide the needed capacity. Both water systems are well suited to supplement the needs of the other, but simply lack the facilities necessary to transfer water.

**Agency Process Used to Arrive at These Capital Requests**

MDH's capital request originated from the Governor's Clean Water Cabinet's 2002 Initiative. This initiative focused, in part, on improving management of the Twin Cities water supply through improved planning, security, sustainability, and quality. This request will ensure increased reliability and security of regional water systems in the metropolitan area.

The governor's 2006 capital budget recommended that this project be reconsidered upon completion of the Metropolitan Council's January 2007 "Water Supply Planning in the Twin Cities" report to the Legislature. This report recommended state funding specifically for this project to "ensure the reliability, safety, and security, including economic security, of the region and state."

In addition to the Metropolitan Council recommendation, the Minnesota Environmental Quality Board biennial water priorities report included a similar recommendation for state funding for water supply interconnections.

The Minnesota Department of Health, along with numerous state and local units of government played an active role in the Governor's Clean Water Cabinet, the Metropolitan Council's Area Water Supply Advisory Committee and Environmental Quality Board discussion of this project.

The Governor's Clean Water Cabinet Initiative can be found at:
http://www.cwc.state.mn.us/index.html

The Metropolitan Council's 2007 Legislative Report can be found at:
http://www.metrocouncil.org/environment/WaterSupply/watersupplyplanningactivities.htm

# Health, Department of

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Mpls./St. Paul Interconnection | 1 | GO | $10,000 | $0 | $0 | $0 | $0 | $0 |
| | | Project Total | $10,000 | $0 | $0 | $0 | $0 | $0 |
| | | General Obligation Bonding (GO) | $10,000 | $0 | $0 | $0 | $0 | $0 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Mpls./St. Paul Interconnection

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Metro Area

**Project At A Glance**

This project would provide a $10 million state grant to help fund an interconnection between regional drinking water systems, providing backup water in case malicious or natural actions cause a water loss for either system.

## Project Description

The Twin Cities area is the economic hub for the state, and its vitality is reliant on a secure and stable water system. Insuring the security of these water systems is a high priority for the entire region and for the state as well.

- The Governor's Clean Water Cabinet has included this project on their priority project list.
- The May 2007 Biennial Report of the Environmental Quality Board recommends that "the Legislature provide funding for the development of a water interconnect between the cities of St. Paul and Minneapolis."
- The Metropolitan Council Metropolitan Area Water Supply Advisory Committee's 2007 Report to the Legislature recommends "support for state funding for interconnections and other physical water system backups to ensure the reliability, natural resource protection, safety and security, including economic security, of the region and state. Consistent with this recommendation, support an appropriate level of state funding for the proposed Minneapolis and St. Paul water supply systems interconnection."
- The U.S. Department of Homeland Security places a high priority on water system security.

A water system shutdown for the two regional water systems that serve 17 communities would cause immense personal, business, and industrial consequences and would be an economic disaster for the entire state and the region. Water failures can have malicious, natural, or accidental origins.

- Accidental or malicious origins include infrastructure destruction, spills, and contamination
- Natural causes include flooding, drought, and fire

These regional water systems are well designed and operated, but are stand-alone systems. An interconnection, which provides backup and redundancy should one of the systems become totally or partially inoperative, would consist of large diameter pipes, pumping stations, and a reservoir; allowing each city to supply and withdraw water.

The idea for a water system interconnection was first suggested in the 1930s, and has been regularly discussed by the cities during the past two decades. Historically, the project has had only one of the two parties interested at any given time. However, the events of 9/11 and recent natural disasters, which have shown the devastation that occurs when a major water system is lost, have added impetus to the efforts to complete the project. State leadership and partnership at this point in time could bring successful completion to this project.

A $10 million grant from the state would leverage the additional project funds needed at the local level. The estimated total project cost, is between $30 and $40 million, but this figure could change once the final project details are known. No follow-up state operations or maintenance costs would be incurred.

## Impact on Agency Operating Budgets (Facilities Notes)

For the two water systems, there would be no impact beyond what would be managed through normal operations and maintenance.

## Other Considerations

Both the Minneapolis and St. Paul water utilities have indicated their support for the project and willingness to provide funds to complete the project.

**Project Contact Person**

John Linc Stine, Director
Environmental Health Division
Minnesota Department of Health
Phone: (651) 201-4675
Email: John.Stine@state.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 0 | 0 | 10,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 0 | 0 | 10,000 |
| General Fund Projects | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Health, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Mpls./St. Paul Interconnection | 1 | $10,000 | $0 | $0 | $10,000 | $0 | $0 | $0 |
| **Total Project Requests** | | $10,000 | $0 | $0 | $10,000 | $0 | $0 | $0 |

**Agency Profile At A Glance**

- The Minnesota Department of Health (MDH) is one of the top state health departments in the country.
- MDH has earned an international reputation for being on the cutting edge of disease detection and control, and developing new public health methods.
- MDH workforce of 1,300 includes many MD's, PhD's, nurses, health educators, biologists, chemists, epidemiologists, and engineers.
- MDH program resources are deployed in the Twin Cities and seven regional offices statewide, to better serve the state population.

**Agency Purpose**

The statutory mission of the Minnesota Department of Health (MDH) is to protect, maintain, and improve the health of all Minnesotans.

MDH is the state's lead public health agency and works with local public health agencies, federal health agencies, and other organizations to operate programs that protect and improve the health of entire communities, and programs that promote clean water, safe food, quality health care, and healthy personal choices.

Together, these programs are contributing to longer, healthier lives. As a result, Minnesota is consistently ranked one of the healthiest states in the country.

**Core Functions**

While MDH is perhaps best known for responding to disease outbreaks, the department's core functions are very diverse and far-reaching, and focus on preventing health problems in the first place.

- Preventing Diseases: MDH detects and investigates disease outbreaks, controls the spread of disease, encourages immunizations, and seeks to prevent chronic and infectious diseases, including HIV/AIDS, Tuberculosis, and cancer. The department's public health laboratories analyze some of the most complex and dangerous biological, chemical, and radiological substances known, employing techniques not available privately or from other government agencies.
- Reducing Health Hazards: MDH identifies and evaluates potential health hazards in the environment, from simple sanitation to risks associated with toxic waste sites and nuclear power plants. The department protects the safety of public water supplies and the quality of the food eaten in restaurants. It also works to safeguard the air inside public places.
- Protecting Health Care Consumers: MDH safeguards the quality of health care in the state by regulating many people and institutions that provide care, including HMOs and nursing homes. Minnesota has pioneered improvements in the health care system, including the development of policies that assure access to affordable, high-quality care which are models for the nation. The department monitors trends in costs, quality, and access in order to inform future policy decisions.
- Promoting Good Health: MDH provides information and services that help people make healthy choices. The department protects the health of mothers and children through the supplemental nutrition program Women, Infants and Children (WIC) and services for children with special health needs. Minnesota was one of the first states to regulate smoking in public places, and has developed tobacco prevention strategies used nationwide. MDH programs also address mental health, occupational safety, and violence.
- Achieving Success Through Partnership: Minnesota has a nationally renowned public health system built on well-articulated state and local government roles. MDH provides both technical and financial assistance to local public health agencies so they can provide programs and services meeting the unique needs of their communities.

## Operations

Many core public health functions are carried out directly by MDH staff. Examples include:

- The scientists and epidemiologists who work in the laboratories and the cities and neighborhoods of the state to identify the nature, sources and means of treatment of disease outbreaks and food borne illness.
- The nursing home inspectors who make sure that elderly citizens are provided with safe and appropriate health care, and treated with respect and dignity.
- The environmental engineers who work with cities and towns to assure that municipal water systems provide water that is safe for families to drink.
- The laboratory scientists who conduct sophisticated tests to detect treatable metabolic errors in all newborn babies.
- The scientists and policy experts who collect and evaluate information about environmental trends, the health status of the public, quality of health services, and other emerging issues, and carry out public health improvement programs.

MDH provides technical and financial assistance to local public health agencies, public and private care providers, non-governmental organizations, and teaching institutions. Technical assistance provides the department's partners access to current scientific knowledge and is commonly in the form of direct consultation, formal reports, and training.

## Budget

MDH receives approximately 82 percent of its funding from non-general fund resources – the federal government, dedicated cigarette taxes, fees, the health care access fund, and other revenues. The general fund accounts for the remaining 18 percent of the budget. Approximately 62 percent of the budget is "passed through" to local governments, nonprofit organizations, community hospitals, and teaching institutions in the form of grants; 21 percent represents the cost of the professional and technical staff that carry out the department's core functions; and 17 percent is for other operating costs, primarily for technology and space.

## Contact

Commissioner's Office
Phone: (651) 201-5812
Email: Commissioner@health.state.mn.us

Agency Overview (detailed):
http://www.health.state.mn.us/divs/opa/overview.html
Agency Performance Measures
http://www.departmentresults.state.mn.us/health/index.html

**At a Glance: Agency Long-Range Strategic Goals**

The Minnesota Department of Health (MDH) Strategic Plan defines the department's vision, mission, goals, and major strategies to achieve the state's vision for public health. It reflects the priorities and values of the department. It provides a direction for major activities such as budget development, information technology (IT) planning, an emphasis on cross-divisional efforts, the development and use of outcome measures, and a shared vision by all employees.

To achieve the MDH vision – *Keeping ALL Minnesotans Healthy* – the department has identified in its 2005-2008 strategic plan four priority areas of focus for the next year:

- Emergency Preparedness
- Health Disparities
- Health Care System Reform
- Preparing for an Aging Population

Protecting the quality of our drinking water is one standard by which we measure our success at achieving these goals.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Many trends and issues present MDH with significant public health challenges, one of which is our preparedness to respond to a disaster or emergency. Because of our increasingly global society, the United States and Minnesota face serious threats – from new and re-emerging infectious diseases to the possible use of biological weapons by hostile nations, terrorists, or criminals.

The state's ability to respond to public health threats must remain strong. MDH will continue providing leadership to ensure that communities across the state are prepared to effectively respond to public health emergencies. Thanks to grant money from the federal government, the department has been able to enhance numerous parts of the state's public health response system, including disease surveillance, information technology, lab capacity and communications.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Protecting the quality of our drinking water is one standard by which we measure our success at achieving our public health goals. This capital request will help implement the long-needed connection of the Minneapolis and St. Paul water systems.

Presently, the cities of Minneapolis and St. Paul operate separate regional public water systems. Between the two systems, they are in the midst of investing $157 million in water system capital improvements.

Both systems can adequately supply their own service areas, but they lack the ability to utilize each other's water systems in case of emergency. Both systems rely on surface water, which is vulnerable to natural disaster, chemical contamination, and possibly subversive action or extraordinary system failure. The 9/11 and Gulf Coast incidents have increased awareness of the need to protect this basic service.

The regional water systems serving 17 communities in the metropolitan area need to be connected. Since the 1930s, officials from both water systems have recognized the value of connecting the two systems so that one system could provide ongoing, emergency water to people served by the other system should the need arise.

A 30 million gallon reservoir exists in St. Paul that could be remodeled or replaced to provide the infrastructure needed to connect the two systems. While a reservoir exists, other improvements are needed such as piping to connect the Minneapolis water system to provide the needed capacity. Both water systems are well suited to supplement the needs of the other, but simply lack the facilities necessary to transfer water.

**Agency Process Used to Arrive at These Capital Requests**

MDH's capital request originated from the Governor's Clean Water Cabinet's 2002 Initiative. This initiative focused, in part, on improving management of the Twin Cities water supply through improved planning, security, sustainability, and quality. This request will ensure increased reliability and security of regional water systems in the metropolitan area.

The governor's 2006 capital budget recommended that this project be reconsidered upon completion of the Metropolitan Council's January 2007 "Water Supply Planning in the Twin Cities" report to the Legislature. This report recommended state funding specifically for this project to "ensure the reliability, safety, and security, including economic security, of the region and state."

In addition to the Metropolitan Council recommendation, the Minnesota Environmental Quality Board biennial water priorities report included a similar recommendation for state funding for water supply interconnections.

The Minnesota Department of Health, along with numerous state and local units of government played an active role in the Governor's Clean Water Cabinet, the Metropolitan Council's Area Water Supply Advisory Committee and Environmental Quality Board discussion of this project.

The Governor's Clean Water Cabinet Initiative can be found at:
http://www.cwc.state.mn.us/index.html

The Metropolitan Council's 2007 Legislative Report can be found at:
http://www.metrocouncil.org/environment/WaterSupply/watersupplyplanningactivities.htm

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Metro Area

**Project At A Glance**

This project would provide a $10 million state grant to help fund an interconnection between regional drinking water systems, providing backup water in case malicious or natural actions cause a water loss for either system.

**Project Description**

The Twin Cities area is the economic hub for the state, and its vitality is reliant on a secure and stable water system. Insuring the security of these water systems is a high priority for the entire region and for the state as well.

- The Governor's Clean Water Cabinet has included this project on their priority project list.
- The May 2007 Biennial Report of the Environmental Quality Board recommends that "the Legislature provide funding for the development of a water interconnect between the cities of St. Paul and Minneapolis."
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- The U.S. Department of Homeland Security places a high priority on water system security.

A water system shutdown for the two regional water systems that serve 17 communities would cause immense personal, business, and industrial consequences and would be an economic disaster for the entire state and the region. Water failures can have malicious, natural, or accidental origins.

- Accidental or malicious origins include infrastructure destruction, spills, and contamination
- Natural causes include flooding, drought, and fire

These regional water systems are well designed and operated, but are stand-alone systems. An interconnection, which provides backup and redundancy should one of the systems become totally or partially inoperative, would consist of large diameter pipes, pumping stations, and a reservoir; allowing each city to supply and withdraw water.

The idea for a water system interconnection was first suggested in the 1930s, and has been regularly discussed by the cities during the past two decades. Historically, the project has had only one of the two parties interested at any given time. However, the events of 9/11 and recent natural disasters, which have shown the devastation that occurs when a major water system is lost, have added impetus to the efforts to complete the project. State leadership and partnership at this point in time could bring successful completion to this project.

A $10 million grant from the state would leverage the additional project funds needed at the local level. The estimated total project cost, is between $30 and $40 million, but this figure could change once the final project details are known. No follow-up state operations or maintenance costs would be incurred.

**Impact on Agency Operating Budgets (Facilities Notes)**

For the two water systems, there would be no impact beyond what would be managed through normal operations and maintenance.

**Other Considerations**

Both the Minneapolis and St. Paul water utilities have indicated their support for the project and willingness to provide funds to complete the project.

**Project Contact Person**

John Linc Stine, Director
Environmental Health Division
Minnesota Department of Health
Phone: (651) 201-4675
Email: John.Stine@state.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 0 | 0 | 10,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 0 | 0 | 10,000 |
| General Fund Projects | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Two-Year State Budget:**
- $1.14 billion all funds
- 4 Sources:
  - ⇒ 46 percent bond sales
  - ⇒ 28 percent federal funds
  - ⇒ 18 percent agency resources
  - ⇒ 8 percent state appropriations

**Annual Business Processes:**
- Provided $534 million in housing assistance in FFY 2004.
- Served 55,600 households.
- 72 percent of all households served had annual incomes under $20,000; 45 percent of the households served did not receive section 8 assistance and had incomes below $20,000.

## Agency Purpose

The Minnesota Housing Finance Agency (MHFA) is committed to meeting Minnesotans' needs for decent, safe, affordable housing, and stronger communities.

The agency's strategic plan sets forth the following policy objectives:
- End long-term homelessness
- Increase homeownership for underserved populations
- Preserve existing affordable housing
- Increase housing choice for low and moderate income workers to support economic vitality
- The MHFA should be viewed as a housing resource of choice

## Core Functions

MHFA funds housing activity in five broad areas:
- **Development and Redevelopment Programs.** These programs fund the new construction and rehabilitation of rental housing, and homes for ownership for families with a range of incomes.
- **Homeownership Loan Programs.** These programs fund home purchase and home improvement loans for families and individuals with a range of incomes not served by the private sector alone.
- **Supportive Housing Programs.** These programs fund housing development, rental assistance, and homeless prevention activities for very low-income families and individuals who often face other barriers to stability, economic self-sufficiency, and independent living.
- **Preservation of Federally Assisted Housing Programs.** These programs seek to preserve the stock of federally assisted rental housing that is in danger of being lost due to opt-outs for market reasons, physical deterioration, or both.
- **Resident and Organization Support.** These programs provide operating funds for organizations that develop affordable housing, offer homebuyer training, education, and foreclosure prevention assistance, or coordinate regional planning efforts.

## Operations

Management and control of the agency is vested in the board of directors. The board is comprised of six citizen members appointed by the governor and one ex-officio member: the state auditor. The board directs the policies of the agency and adopts an affordable housing plan, approves funding decisions, adopts finance policies, and selects the finance team.

The agency staff includes 190 full-time equivalent employees in three major divisions: housing finance and operations; housing programs; housing policy. Over half of all the employees are professional level employees.
- The housing finance and operations staff are responsible for the management of the assets and liabilities of the agency which includes a portfolio of housing related loans and other investments totaling $2.8 billion, $1.8 billion of which are financed by mortgage revenue bonds. The staff manages the process of raising capital through periodic debt

issuances. The staff in this division also prepares financial forecasts, budgets, and fiscal year-end audited financial reports for all funds and accounts. Staff is responsible for the accurate and timely reporting of all accounting and financial information necessary to comply with disclosure requirements and board policies. This division also includes the staff managing the agency's information systems and human resources staff.

- The staff of the multifamily portion of the housing programs division manages the process of assisting in the financing of new construction, rehabilitation, and preservation of rental housing. This staff oversees the provision of tenant support services, rental assistance, and homeless prevention activities. The staff is also responsible for the oversight of the management of the agency's portfolio of rental housing, monitoring compliance with state and federal requirements, and administering the Section 8 contracts of 32,000 units of rental housing that include the contracts on 18,000 units previously administered by Housing and Urban Development (HUD).
- The homeownership portion of the housing programs division staff manages programs to assist with the financing of home purchases and home improvements. It also manages the process of assisting in the financing of new home construction for ownership and neighborhood revitalization. The staff oversees the provision of homeownership education services. The staff also administers programs that provide post-purchase support and foreclosure prevention for homeowners.
- The housing policy division includes governmental affairs, research, and policy.

The agency's assistance is delivered through local lenders, community action programs, local housing and redevelopment authorities, and for-profit and nonprofit developers. MHFA joins with other public and private funders to make available development and redevelopment funds in a comprehensive, single application, one-stop selection process.

**Budget**

MHFA's largest source of financing is the sale of tax-exempt and taxable bonds that totals approximately 46 percent of the agency's budget. Proceeds from the sale of these bonds provide mortgage loans to first-time homebuyers and rental housing developments. Repayments made to programs funded by mortgage revenue bonds are made available for the same activities.

Agency resources constitute 18 percent of the agency's budget. Agency resources are earnings over the years in excess of funds needed to cover loan loss and self-insurance. Agency resources are used for a variety of housing activities including entry cost assistance, activities related to the initiative to end long-term homelessness, first mortgage financing of rental properties, and preservation of MHFA financed rental properties.

Federal funds constitute 28 percent of MHFA funds. In FY 2008-09 biennium, the two largest programs receiving federally appropriated funds were the Section 8 Housing Assistance payments program and the Home Investment Partnership Program (HOME). In the past, the agency has received federal funding for a number of smaller programs as well.

State appropriations constitute eight percent of the total program funds expected to be distributed in FY 2008-09. State appropriations for the FY 2008-09 biennium total $133 million from the general fund, including $18 million for flood relief in southeastern Minnesota.

**Contact**

Tonja M. Orr, Assistant Commissioner
Phone: (651) 296-9820

The MHFA web site at www.mhfa.state.mn.us provides information about agency programs, application forms and procedures, and other useful information for persons seeking assistance with the financing of affordable housing.

**At A Glance: Agency Long-Range Strategic Goals**

- End long-term homelessness
- Increase emerging market homeownership
- Preserve existing affordable housing
- Finance new affordable housing opportunities

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Minnesota Housing Finance Agency's (MHFA) capital bonding request for permanent supportive housing is a major component of the agency's plan to achieve its goal of ending long-term homelessness.

Fifty-four percent of the adults identified in the 2006 Wilder Research Center's Statewide Survey on Homelessness have been homeless for more than 12 months, or at least four times in the last year. Thirty-one percent of the long-term homeless persons were living in greater Minnesota at the time of the survey. It is estimated that about 4,406 persons experience long-term homelessness in Minnesota in a year. The report on the 2006 Wilder Survey is at http://www.wilder.org/research.

Based on the 2006 Wilder Survey, conservative estimates are that 57 percent of the adults identified as long-term homeless and unaccompanied juveniles suffer from a serious or persistent mental illness and 34 percent report a chemical dependency problem. Twenty-five percent of the long-term homeless adults and unaccompanied juveniles report a dual diagnosis of both mental illness and chemical dependency. Research has found that those persons who experience long-term homelessness and who suffer from a mental illness or substance abuse consume a disproportionate share of the funds and services for homeless persons.

Supportive housing has the potential to reduce costs to health care, mental health, chemical health, corrections, law enforcement, education, housing and child welfare systems, and usage of crisis services and out-of-home placement for children.

St. Stephen's and Simpson Housing in Minneapolis use state funded rental assistance to assist single adults who have experienced long-term homelessness. Nineteen residents reported in 2007 that their use of detox facilities declined from 99 visits before entering the supportive housing program to just two visits since entering the program. Similarly, emergency room admissions declined from 34 to 10, and the number of jail stays and tickets declined from 59 to one.

A single-site family supportive housing development in St. Paul, Jackson Street Village, reports a decrease in the number of emergency room visits and no admissions to detox facilities among the residents. Fewer children were reported to have learning or school problems or difficulties. There was an increase in the number of children with Individual Education Plans. The Jackson Street Village report is at http://www.wilder.org/research.

Hearth Connection managed the Supportive Housing and Managed Care Pilot established by the Minnesota Legislature and since 2006 has managed the Supportive Services Fund for a three-county consortia. After 18 months in the program, participants experienced an average drop of 20 percent in the number of mental health symptoms, participants' median total income increased and participants reported an improvement in their overall quality of life.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Funds for supportive housing have been included in the last seven major capital bonding bills. Demand for funding for permanent supportive housing is strong. Pending applications for supportive housing financed with Government Obligation (GO) bond proceeds exceed the amount currently uncommitted from the 2006 appropriations. At least four other supportive housing projects are preparing to apply for GO bond proceeds.

**Agency Process Used to Arrive at These Capital Requests**

At the administration's request, the 2003 Minnesota Legislature directed the MHFA and the departments of Human Services and Corrections to convene a working group on supportive housing for persons experiencing long-term homelessness. The working group developed a "business plan" that included

capital and operating cost estimates to achieve the goal of ending long-term homelessness by 2010. In mid-2007, the Business Plan was updated to reflect experience to date in the implementation. The Business Plan estimates a need for 4,000 new housing opportunities to serve households experiencing long-term homelessness. The total estimated costs through 2010 for the housing and services are $483 million. The 2007 recalibration of the Business Plan for Ending Long-Term Homelessness is at http://www.mhfa.state.mn.us/multifamily/LTH_Recalibration.pdf. The 2007 recalibrated Business Plan estimates a need for bond proceeds of $77 million to help to meet the goal of 4,000 new housing opportunities. Of that amount, $46.5 million has been appropriated (including $15 million, rounded from $16.2 million for homeless veterans' projects in 2002) to date. The current request is expected to be the final bonding request in connection with the plan to end long-term homelessness.

The U.S. Department of Housing and Urban Development requires the state to engage in a continuum of care planning process as part of the funding process for federal homeless programs. Development of continuum of care plans involves the participation of various interest groups and individuals in the community or region. The Interagency Task Force on Homelessness supports the regional continuum of care planning in greater Minnesota by assigning members of the task force to work with the continuum of care planning communities in each region. Members of the task force also provide resources to pay staff in regions to complete the continuum of care plans and sponsor training sessions to provide technical assistance for regional staff.

The continuum of care plan assigns relative priority to the different components of the continuum. Permanent supportive housing consistently ranks as a high priority.

**Major Capital Projects Authorized in 2006 and 2007**

The 2006 Minnesota Legislature appropriated $17.5 million for permanent supportive housing for persons experiencing long-term homelessness. As of 9-1-2007, nearly $3 million has been committed to three projects; two in Detroit Lakes and one in Minneapolis, for a total of 67 housing units, of which 26 units are for long-term homeless. Applications are pending for the remainder of the 2006 appropriation, which is expected to produce nearly 100 additional supportive housing units for households experiencing long-term homelessness. Commitments are expected to be made on the remaining funds by the end of October, 2007.

# Housing Finance Agency

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Permanent Supportive Housing Loans (debt service on non-profit 501(c)(3) bonds) | 1 | GO | $30,000 | $0 | $0 | $0 | $0 | $0 |
| Project Total | | | $30,000 | $0 | $0 | $0 | $0 | $0 |
| General Obligation Bonding (GO) | | | $30,000 | $0 | $0 | $0 | $0 | $0 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Permanent Supportive Housing Loans (debt service on non-profit 501(c)(3) bonds)

**2008 STATE APPROPRIATION REQUEST:** $30,000,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Loans to construct or acquire and/or rehabilitate permanent supportive housing for families with children and individuals who experience long-term homelessness.

**Project Description**

This request is to support $30 million in bond funding to construct, acquire, and rehabilitate at least 250 units of permanent supportive housing for families with children and individuals who experience long-term homelessness or are at risk of becoming long-term homeless. The appropriation will be primarily for the debt service on $30 million of nonprofit 501(c)(3) bonds issued by Minnesota Housing Finance Agency (MHFA) for permanent supportive housing.

Funds would be made available to developments throughout the state on a competitive basis. This request conforms to the State's Business Plan to End Long-Term Homelessness developed by a working group established by the legislature in 2003. The business plan anticipated appropriations of $30 million in bond proceeds in 2008. The 2008-2009 goal of the Business Plan is to create 1,600 new housing opportunities; of those 800 units will require capital funding.

Permanent supportive housing is the keystone of efforts to reform the way that various systems address problems of homelessness by moving from a band-aid approach to more cost-effective prevention and long-term solutions. Permanent supportive housing is affordable rental housing with links to the services necessary to enable tenants to live in the community and lead successful lives. Most of the persons experiencing homelessness have physical or mental health issues that need to be addressed in order for them to be successful tenants.

- Fifty-seven percent of the adults identified as long-term homeless reported suffering from a serious or persistent mental illness.
- Another 24 percent reported a dual diagnosis of both mental illness and chemical dependency.
- Forty-eight percent of the adults identified as long-term homeless reported a chronic health condition.
- Fourteen percent of the adults identified as long-term homeless are military veterans.

Permanent supportive housing has demonstrated its cost effectiveness. Evaluations of permanent supportive housing programs across the country and in Minnesota have found that it can be provided without adding to the long-term costs currently incurred for this population by reducing the use of hospitals, jails, treatment centers, emergency rooms, shelters, and crisis services. Permanent supportive housing has the potential to improve the outcomes for homeless households, including increased employment and improved school attendance and educational achievement for the children.

On any given night in 2006, between 9,200-9,300 Minnesotans were estimated to be homeless or living in temporary housing programs according to the Wilder Research Center, based on its October 2006 statewide survey of homelessness in Minnesota. Fifty-four percent of those persons have been homeless for more than one year or at least four times in the last three years.

The 2006 survey revealed a few new issues:

- The portion of homeless persons with disabilities continue to increase.
- Homeless Iraq and Afghanistan veterans, while small in number, are twice as likely to report suffering from post-traumatic stress disorder (PTSD).
- Transitional housing use has declined.
- Older adults (55-years old and older) have increased in each of the last three studies as a portion of the overall homeless population.
- More youth are homeless and not staying in shelters.

MHFA is seeking legislation to establish a process whereby nonprofit 501(c)(3) bonds may be issued in lieu of Government Obligation (GO) bonds for the capital costs of supportive housing. General funds that otherwise

would have been used to pay debt service on GO bonds will be appropriated for the debt service on the nonprofit 501(c)(3) bonds issued by MHFA for housing. This proposal would not increase the amount of general funds that would be spent on debt service to finance supportive housing over the amount spent for GO bonds that might otherwise be authorized.

Funding of housing through nonprofit 501(c)(3) bonds is expected to be much more efficient than the use of GO bond proceeds. Experience has shown that the requirements attached to GO bonds proceeds further complicate already complicated financing. Additional legal expenses are incurred. Many communities have limited experience with ownership of a residential project so they frequently contract with nonprofits to manage the property. A number of nonprofits, on the other hand, have considerable experience owning and operating supportive housing; management and monitoring of the housing is simplified with nonprofit ownership as compared to ownership by a local unit of government.

Projects that are owned by nonprofit organizations have been more likely to obtain a larger portion of total funding from non-state resources and from a greater variety of sources compared to projects owned by local units of government. Federal Low Income Housing Tax Credits are the largest sources of equity for affordable housing. Combining tax credits and GO bonds proceeds into one housing development has proven to be a formidable task.

A portion of the $30 million may be requested for GO bond proceeds; that portion will be determined as we gather more information about proposed projects and possible public owners. If the nonprofit bond alternative is not adopted, the requested funding would be appropriated to the Local Government Assisted Housing Account Program (M.S. 462A.202, Section 3a).

This request is made in conjunction with the efforts of the Energy and Environment Interagency Group. The supportive housing developed with funding under this proposal will be energy efficient and respectful of the environment. MHFA has adopted a sustainable, healthy housing policy that encourages optimizing the use of cost-effective, durable building materials and systems, and minimizing the consumption of natural resources during construction/rehabilitation and long-term maintenance and operation. Mandatory design standards have been developed to implement this policy for rental housing projects.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this program will have no impact on the agency's operating budget. The ongoing operating costs or supportive services will be provided from other sources, including resident contributions, and federal, state, and local government funds.

**Previous Appropriations for this Project**

Since 1990, the legislature has appropriated funds each biennium for supportive housing developments as part of capital bonding legislation. In the last two bonding cycles, the legislature has appropriated GO bond proceeds totaling $29.5 million in the support of the Business Plan to End Long-Term Homelessness. In addition, in 2002, $16.2 million in GO bonds proceeds were appropriated for two projects targeting homeless veterans.

**Other Considerations**

The 2003 Minnesota Legislature directed the commissioners of the Housing Finance Agency, and the departments of Human Services, Corrections, and Employment and Economic Development, to convene a Work Group on Supportive Housing for Persons Experiencing Long-Term Homelessness. This group's mission was to develop and implement strategies to make the various systems more cost effective and to increase the employability and self-sufficiency of families with children and individuals who experience long-term homelessness. (Laws of Minnesota 2003, Chapter 128, article 15, section 9.) The Working Group submitted a report and business plan to the legislature in March 2004. In 2007, the Business Plan was recalibrated to reflect the three years of experience in implementing the Business Plan. The 2007 Recalibration of the Business Plan for Ending Long-Term Homelessness in Minnesota can be found at:
http://www.mhfa.state.mn.us/multifamily/LTH_Recalibration.pdf.

The state's commitment to the success of this Business Plan is demonstrated by the fact that implementation of the Business Plan is ahead of schedule. The cumulative goal for the end of 2006 was to finance 1,000

additional housing opportunities for households experiencing long-term homelessness. By that date, funding for 1,091 housing opportunities had been committed and funding amounts are at plan levels.

The state's leadership on the issue of long-term homelessness has garnered both financial and policy support from outside state government. The private sector has contributed to individual housing projects as well as to a "Partners Fund" for needed social and health services. Many regions of the state have completed plans that align with the State's Business Plan, including 20 counties in Southeast Minnesota, Duluth/St. Louis County, St. Paul/Ramsey County and Minneapolis/Hennepin County.

**Project Contact Person**

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Phone: (651) 296-9820
Email: tonja.orr@state.mn.us

**Governor's Recommendations**

The governor supports this project, but will include a recommendation in his supplemental budget request.

# Housing Finance Agency — Project Detail

## Permanent Supportive Housing Loans (debt service on non-profit 501(c)(3) bonds) — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 30,000 | 0 | 0 | 30,000 |
| **State Funds Subtotal** | 0 | 30,000 | 0 | 0 | 30,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 3,267 | 0 | 0 | 0 | 3,267 |
| Local Government Funds | 4,211 | 0 | 0 | 0 | 4,211 |
| Private Funds | 6,772 | 0 | 0 | 0 | 6,772 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,250** | **30,000** | **0** | **0** | **44,250** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 30,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| No | MS 16A.642: Project Cancellation in 2013 |

# Housing Finance Agency

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Permanent Supportive Housing Loans (debt service on non-profit 501(c)(3) bonds) | 1 | $30,000 | $0 | $0 | $30,000 | $0 | $0 | $0 |
| **Total Project Requests** | | $30,000 | $0 | $0 | $30,000 | $0 | $0 | $0 |

**Agency Profile At A Glance**

**Two-Year State Budget:**
- $1.14 billion all funds
- 4 Sources:
  - ⇒ 46 percent bond sales
  - ⇒ 28 percent federal funds
  - ⇒ 18 percent agency resources
  - ⇒ 8 percent state appropriations

**Annual Business Processes:**
- Provided $534 million in housing assistance in FFY 2004.
- Served 55,600 households.
- 72 percent of all households served had annual incomes under $20,000; 45 percent of the households served did not receive section 8 assistance and had incomes below $20,000.

**Agency Purpose**

The Minnesota Housing Finance Agency (MHFA) is committed to meeting Minnesotans' needs for decent, safe, affordable housing, and stronger communities.

The agency's strategic plan sets forth the following policy objectives:
- End long-term homelessness
- Increase homeownership for underserved populations
- Preserve existing affordable housing
- Increase housing choice for low and moderate income workers to support economic vitality
- The MHFA should be viewed as a housing resource of choice

**Core Functions**

MHFA funds housing activity in five broad areas:
- **Development and Redevelopment Programs.** These programs fund the new construction and rehabilitation of rental housing, and homes for ownership for families with a range of incomes.
- **Homeownership Loan Programs.** These programs fund home purchase and home improvement loans for families and individuals with a range of incomes not served by the private sector alone.
- **Supportive Housing Programs.** These programs fund housing development, rental assistance, and homeless prevention activities for very low-income families and individuals who often face other barriers to stability, economic self-sufficiency, and independent living.
- **Preservation of Federally Assisted Housing Programs.** These programs seek to preserve the stock of federally assisted rental housing that is in danger of being lost due to opt-outs for market reasons, physical deterioration, or both.
- **Resident and Organization Support.** These programs provide operating funds for organizations that develop affordable housing, offer homebuyer training, education, and foreclosure prevention assistance, or coordinate regional planning efforts.

**Operations**

Management and control of the agency is vested in the board of directors. The board is comprised of six citizen members appointed by the governor and one ex-officio member: the state auditor. The board directs the policies of the agency and adopts an affordable housing plan, approves funding decisions, adopts finance policies, and selects the finance team.

The agency staff includes 190 full-time equivalent employees in three major divisions: housing finance and operations; housing programs; housing policy. Over half of all the employees are professional level employees.
- The housing finance and operations staff are responsible for the management of the assets and liabilities of the agency which includes a portfolio of housing related loans and other investments totaling $2.8 billion, $1.8 billion of which are financed by mortgage revenue bonds. The staff manages the process of raising capital through periodic debt

issuances. The staff in this division also prepares financial forecasts, budgets, and fiscal year-end audited financial reports for all funds and accounts. Staff is responsible for the accurate and timely reporting of all accounting and financial information necessary to comply with disclosure requirements and board policies. This division also includes the staff managing the agency's information systems and human resources staff.

- The staff of the multifamily portion of the housing programs division manages the process of assisting in the financing of new construction, rehabilitation, and preservation of rental housing. This staff oversees the provision of tenant support services, rental assistance, and homeless prevention activities. The staff is also responsible for the oversight of the management of the agency's portfolio of rental housing, monitoring compliance with state and federal requirements, and administering the Section 8 contracts of 32,000 units of rental housing that include the contracts on 18,000 units previously administered by Housing and Urban Development (HUD).
- The homeownership portion of the housing programs division staff manages programs to assist with the financing of home purchases and home improvements. It also manages the process of assisting in the financing of new home construction for ownership and neighborhood revitalization. The staff oversees the provision of homeownership education services. The staff also administers programs that provide post-purchase support and foreclosure prevention for homeowners.
- The housing policy division includes governmental affairs, research, and policy.

The agency's assistance is delivered through local lenders, community action programs, local housing and redevelopment authorities, and for-profit and nonprofit developers. MHFA joins with other public and private funders to make available development and redevelopment funds in a comprehensive, single application, one-stop selection process.

**Budget**

MHFA's largest source of financing is the sale of tax-exempt and taxable bonds that totals approximately 46 percent of the agency's budget. Proceeds from the sale of these bonds provide mortgage loans to first-time homebuyers and rental housing developments. Repayments made to programs funded by mortgage revenue bonds are made available for the same activities.

Agency resources constitute 18 percent of the agency's budget. Agency resources are earnings over the years in excess of funds needed to cover loan loss and self-insurance. Agency resources are used for a variety of housing activities including entry cost assistance, activities related to the initiative to end long-term homelessness, first mortgage financing of rental properties, and preservation of MHFA financed rental properties.

Federal funds constitute 28 percent of MHFA funds. In FY 2008-09 biennium, the two largest programs receiving federally appropriated funds were the Section 8 Housing Assistance payments program and the Home Investment Partnership Program (HOME). In the past, the agency has received federal funding for a number of smaller programs as well.

State appropriations constitute eight percent of the total program funds expected to be distributed in FY 2008-09. State appropriations for the FY 2008-09 biennium total $133 million from the general fund, including $18 million for flood relief in southeastern Minnesota.

**Contact**

Tonja M. Orr, Assistant Commissioner
Phone: (651) 296-9820

The MHFA web site at www.mhfa.state.mn.us provides information about agency programs, application forms and procedures, and other useful information for persons seeking assistance with the financing of affordable housing.

**At A Glance: Agency Long-Range Strategic Goals**

- End long-term homelessness
- Increase emerging market homeownership
- Preserve existing affordable housing
- Finance new affordable housing opportunities

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Minnesota Housing Finance Agency's (MHFA) capital bonding request for permanent supportive housing is a major component of the agency's plan to achieve its goal of ending long-term homelessness.

Fifty-four percent of the adults identified in the 2006 Wilder Research Center's Statewide Survey on Homelessness have been homeless for more than 12 months, or at least four times in the last year. Thirty-one percent of the long-term homeless persons were living in greater Minnesota at the time of the survey. It is estimated that about 4,406 persons experience long-term homelessness in Minnesota in a year. The report on the 2006 Wilder Survey is at http://www.wilder.org/research.

Based on the 2006 Wilder Survey, conservative estimates are that 57 percent of the adults identified as long-term homeless and unaccompanied juveniles suffer from a serious or persistent mental illness and 34 percent report a chemical dependency problem. Twenty-five percent of the long-term homeless adults and unaccompanied juveniles report a dual diagnosis of both mental illness and chemical dependency. Research has found that those persons who experience long-term homelessness and who suffer from a mental illness or substance abuse consume a disproportionate share of the funds and services for homeless persons.

Supportive housing has the potential to reduce costs to health care, mental health, chemical health, corrections, law enforcement, education, housing and child welfare systems, and usage of crisis services and out-of-home placement for children.

St. Stephen's and Simpson Housing in Minneapolis use state funded rental assistance to assist single adults who have experienced long-term homelessness. Nineteen residents reported in 2007 that their use of detox facilities declined from 99 visits before entering the supportive housing program to just two visits since entering the program. Similarly, emergency room admissions declined from 34 to 10, and the number of jail stays and tickets declined from 59 to one.

A single-site family supportive housing development in St. Paul, Jackson Street Village, reports a decrease in the number of emergency room visits and no admissions to detox facilities among the residents. Fewer children were reported to have learning or school problems or difficulties. There was an increase in the number of children with Individual Education Plans. The Jackson Street Village report is at http://www.wilder.org/research.

Hearth Connection managed the Supportive Housing and Managed Care Pilot established by the Minnesota Legislature and since 2006 has managed the Supportive Services Fund for a three-county consortia. After 18 months in the program, participants experienced an average drop of 20 percent in the number of mental health symptoms, participants' median total income increased and participants reported an improvement in their overall quality of life.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Funds for supportive housing have been included in the last seven major capital bonding bills. Demand for funding for permanent supportive housing is strong. Pending applications for supportive housing financed with Government Obligation (GO) bond proceeds exceed the amount currently uncommitted from the 2006 appropriations. At least four other supportive housing projects are preparing to apply for GO bond proceeds.

**Agency Process Used to Arrive at These Capital Requests**

At the administration's request, the 2003 Minnesota Legislature directed the MHFA and the departments of Human Services and Corrections to convene a working group on supportive housing for persons experiencing long-term homelessness. The working group developed a "business plan" that included

capital and operating cost estimates to achieve the goal of ending long-term homelessness by 2010. In mid-2007, the Business Plan was updated to reflect experience to date in the implementation. The Business Plan estimates a need for 4,000 new housing opportunities to serve households experiencing long-term homelessness. The total estimated costs through 2010 for the housing and services are $483 million. The 2007 recalibration of the Business Plan for Ending Long-Term Homelessness is at http://www.mhfa.state.mn.us/multifamily/LTH_Recalibration.pdf. The 2007 recalibrated Business Plan estimates a need for bond proceeds of $77 million to help to meet the goal of 4,000 new housing opportunities. Of that amount, $46.5 million has been appropriated (including $15 million, rounded from $16.2 million for homeless veterans' projects in 2002) to date. The current request is expected to be the final bonding request in connection with the plan to end long-term homelessness.

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# Permanent Supportive Housing Loans (debt service on non-profit 501(c)(3) bonds)

**2008 STATE APPROPRIATION REQUEST:** $30,000,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Loans to construct or acquire and/or rehabilitate permanent supportive housing for families with children and individuals who experience long-term homelessness.

**Project Description**

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Funds would be made available to developments throughout the state on a competitive basis. This request conforms to the State's Business Plan to End Long-Term Homelessness developed by a working group established by the legislature in 2003. The business plan anticipated appropriations of $30 million in bond proceeds in 2008. The 2008-2009 goal of the Business Plan is to create 1,600 new housing opportunities; of those 800 units will require capital funding.

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The 2006 survey revealed a few new issues:

- The portion of homeless persons with disabilities continue to increase.
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- Transitional housing use has declined.
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This request is made in conjunction with the efforts of the Energy and Environment Interagency Group. The supportive housing developed with funding under this proposal will be energy efficient and respectful of the environment. MHFA has adopted a sustainable, healthy housing policy that encourages optimizing the use of cost-effective, durable building materials and systems, and minimizing the consumption of natural resources during construction/rehabilitation and long-term maintenance and operation. Mandatory design standards have been developed to implement this policy for rental housing projects.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this program will have no impact on the agency's operating budget. The ongoing operating costs or supportive services will be provided from other sources, including resident contributions, and federal, state, and local government funds.

**Previous Appropriations for this Project**

Since 1990, the legislature has appropriated funds each biennium for supportive housing developments as part of capital bonding legislation. In the last two bonding cycles, the legislature has appropriated GO bond proceeds totaling $29.5 million in the support of the Business Plan to End Long-Term Homelessness. In addition, in 2002, $16.2 million in GO bonds proceeds were appropriated for two projects targeting homeless veterans.

**Other Considerations**

The 2003 Minnesota Legislature directed the commissioners of the Housing Finance Agency, and the departments of Human Services, Corrections, and Employment and Economic Development, to convene a Work Group on Supportive Housing for Persons Experiencing Long-Term Homelessness. This group's mission was to develop and implement strategies to make the various systems more cost effective and to increase the employability and self-sufficiency of families with children and individuals who experience long-term homelessness. (Laws of Minnesota 2003, Chapter 128, article 15, section 9.) The Working Group submitted a report and business plan to the legislature in March 2004. In 2007, the Business Plan was recalibrated to reflect the three years of experience in implementing the Business Plan. The 2007 Recalibration of the Business Plan for Ending Long-Term Homelessness in Minnesota can be found at:
http://www.mhfa.state.mn.us/multifamily/LTH_Recalibration.pdf.

The state's commitment to the success of this Business Plan is demonstrated by the fact that implementation of the Business Plan is ahead of schedule. The cumulative goal for the end of 2006 was to finance 1,000

additional housing opportunities for households experiencing long-term homelessness. By that date, funding for 1,091 housing opportunities had been committed and funding amounts are at plan levels.

The state's leadership on the issue of long-term homelessness has garnered both financial and policy support from outside state government. The private sector has contributed to individual housing projects as well as to a "Partners Fund" for needed social and health services. Many regions of the state have completed plans that align with the State's Business Plan, including 20 counties in Southeast Minnesota, Duluth/St. Louis County, St. Paul/Ramsey County and Minneapolis/Hennepin County.

**Project Contact Person**

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**Governor's Recommendations**

The governor supports this project, but will include a recommendation in his supplemental budget request.

# Housing Finance Agency — Project Detail

## Permanent Supportive Housing Loans (debt service on non-profit 501(c)(3) bonds) — ($ in Thousands)

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 30,000 | 0 | 0 | 30,000 |
| **State Funds Subtotal** | 0 | 30,000 | 0 | 0 | 30,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 3,267 | 0 | 0 | 0 | 3,267 |
| Local Government Funds | 4,211 | 0 | 0 | 0 | 4,211 |
| Private Funds | 6,772 | 0 | 0 | 0 | 6,772 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,250** | **30,000** | **0** | **0** | **44,250** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 30,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| No | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Health care programs**
- Almost 666,000 people served in FY 2006
- Medical Assistance (MA) — 498,000 people
- MinnesotaCare — 129,000 people
- General Assistance Medical Care (GAMC) — 39,000 people

**Economic assistance programs**
- Food Support — 265,000 people per month
- Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) cases — 37,000 families
- General Assistance — 15,400 people
- More than 408,000 parents assisted through Child Support Enforcement
- $603 million in child support payments collected in FY 2006
- 16,700 families received child care assistance for 30,000 children in FY 2006

**Child welfare services**
- Of the nearly 14,800 children in out-of-home placement in 2006, more than 10,800 children received care in family foster care
- More than 6,600 children were cared for by adoptive parents who receive financial assistance and support for children's special needs in calendar year 2006
- 572 children under state guardianship were adopted in calendar year 2006

**Mental health services**
- 112,600 adults received publicly-funded mental health services in 2006
- 42,315 children received publicly-funded mental health services in 2006

**Operations and two-year state budget**
- FY 2008-09 $9.5 billion general fund budget
- FY 2008-09 $20.1 billion all funds budget
- 86 percent of Department of Human Services (DHS) general fund budget is spent on health care and long-term care programs and related services
- 66,000 health care providers
- 38.5 million health encounters and claims processed
- Approximately 97 percent of DHS' budget goes toward program expenditures
- Approximately three percent of DHS' budget is spent on central office administration

**Agency Purpose**

The Minnesota Department of Human Services (DHS) helps people meet their basic needs so they can live in dignity and achieve their highest potential.

**Ensuring basic health care for low-income Minnesotans, DHS administers**
- Medical Assistance (MA), Minnesota's Medicaid program for low-income seniors, children and parents, and people with disabilities
- MinnesotaCare for residents who don't have access to affordable private health insurance and don't qualify for other programs
- General Assistance Medical Care (GAMC), primarily for adults without dependent children

**Helping Minnesotans support their families**
DHS works with counties and tribes to help low-income families with children achieve self-sufficiency through programs such as the Minnesota Family Investment Program (MFIP), the Diversionary Work Program (DWP), child support enforcement, child care assistance, food support, refugee cash assistance, and employment services.

**Aiding children and families in crisis**
DHS supports families to ensure that children in crisis receive the services they need quickly and close to home so they can lead safe, healthy, and productive lives. DHS guides statewide policy in child protection services, out-of-home care, and permanent homes for children.

**Assisting people with disabilities**
DHS promotes independent living for people with disabilities by encouraging community-based services rather than institutional care. DHS sets statewide policy and standards for care and provides funding for developmental disability services, mental health services, and chemical health services. DHS also provides services for people who are deaf or hard-of-hearing through its regional offices in Bemidji, Duluth, Mankato, Moorhead, Rochester, St. Cloud, St. Paul, St. Peter, and Virginia.

**Direct care services**
DHS provides an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society. These services include 16-bed psychiatric hospitals being developed in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Fergus Falls, Rochester, St. Peter, and Wadena; a mental health crisis center in Mankato; Anoka-Metro Regional Treatment Center; Minnesota State Operated Community Services, which provides day training, habitation, and residence services to people with disabilities; and Community Support Services, which supports people with disabilities in the community and in crisis homes. DHS also provides treatment for people civilly committed as sexual psychopathic personalities and/or sexually dangerous persons in the Minnesota Sex Offender Program at Moose Lake and St. Peter; people committed as mentally ill and dangerous at the Minnesota Security Hospital in St. Peter; and people who are developmentally disabled and present a risk to society at the Minnesota Extended Treatment Options Program in Cambridge.

**Promoting independent living for seniors**
DHS supports quality care and services for older Minnesotans so they can live as independently as possible. Quality assurance and fiscal accountability for the long-term care provided to low-income elderly people, including both home and community-based services and nursing home care, are key features.

**Operations**

DHS has a wide variety of customers and business partners, including the state's 87 counties and 66,000 health care providers. DHS provides significant operational infrastructure to Minnesota's human services programs, most of which are provided at the county level.

DHS licenses about 26,000 service providers, including group homes, treatment programs for people with chemical dependency, mental illness, or developmental disabilities, child care providers, and foster care providers. DHS also monitors their compliance with Minnesota laws and rules, investigates reports of possible maltreatment, and completes background studies on individuals who provide direct care.

DHS' operations support other providers who directly serve Minnesotans. DHS oversees significant computer systems support for: MAXIS, which determines eligibility for economic assistance programs; PRISM, the child support enforcement system; the Medicaid Management Information System (MMIS), which pays medical claims for publicly-funded health care programs; the Social Service Information System (SSIS), an automated child welfare case management system for child protection, children's mental health, and out-of-home placement; and MEC$^2$, the Minnesota Electronic Child Care system.

**Budget**

DHS is one of the state's largest agencies, comprising 36.3 percent of the state's total spending from all sources. DHS's FY 2008-09 budget from all funding sources totals $20.1 billion. Of the total budget for the biennium, $9.5 billion comes from general fund tax dollars. The remaining $10.6 billion comes from federal revenue and other funds, such as the health care access fund, enterprise fund and agency fund. Approximately 6,900 full-time-equivalent employees work for DHS.

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For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us.

**At A Glance: Agency Long-Range Strategic Goals**

**Minnesota Department of Human Services (DHS)**

- Help people meet their basic needs so they can live in dignity and achieve their highest potential
- Ensure basic health care for low-income Minnesotans
- Help Minnesotans support their families
- Aid children and families in crisis
- Assist people with disabilities

**State Operated Services (SOS)**

- Provide an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society
- Reduce the state's cost of caring for persons with serious and persistent mental illness (SPMI)
- Complete the transition of State Operated Services for mentally ill from the regional treatment centers (RTCs) to community-based services
- Reduce/eliminate the large amount of non-functional surplus space throughout the regional treatment center system
- Continue to address critical repair, replacement, and renewal needs specific to the physical plants of the RTC campuses that will be used for future services

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**State Operated Services**

Since its peak in 1960, when state operated residential facilities served an average daily population of 16,355 persons, RTC population levels have steadily declined as part of a deliberate state strategy to integrate persons with disabilities into their home communities where it is beneficial and appropriate to do so. The present licensed capacity of the RTC system is approximately 2,500 beds and the RTCs collectively serve an average daily population of approximately 1,800 persons on their campuses.

This downsizing trend is a result of advances in the treatment of persons with disabilities, coupled with a recognition that all individuals can participate at some level in the activities of daily life in community settings. With increased emphasis on creative and flexible client services in the community, the need for institutional based services will continue to decline. The definition of the state's "safety net" for vulnerable populations is evolving. More and more this "safety net" function emphasizes outreach, training for community providers, and crisis intervention in the community instead of the historic practice of removing the client from their home or community and placing them in RTC campus based programs.

**Mental Illness (MI)**

Adult Mental Health (MH) Services include inpatient psychiatric services at community-based behavioral health hospitals. By serving patients as close as possible to their home communities, their natural support structures can aid and support treatment. Each patient receives an assessment of their mental, social, and physical health by a variety of medical professionals; an individual treatment plan, including medication management and 24-hour nursing care; and individualized discharge planning for transitioning back to an appropriate setting in the community. These hospitals are currently located in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Duluth, Eveleth, Fergus Falls, Rochester, St. Peter, Willmar, and the Anoka-Metro Regional Treatment Center. Kandiyohi County began construction on a new 16-bed Community Behavioral Health Hospital (CBHH) in Willmar in the fall of 2007. Additional services are also provided, in partnership with county social services agencies and mental health providers. These include:

*Adult Rehabilitative Mental Health Services (ARMHS):* These services instruct, assist, and support individuals in such areas as relapse prevention, transportation, illness management and life skills.

*Assertive Community Treatment (ACT) Teams:* These teams, which serve as "hospitals without walls," provide intensive, round-the-clock supports to people with serious mental illness in their homes, at work, and elsewhere in the community by multidisciplinary treatment teams to stabilize individuals to avoid entering a facility.

*Crisis Response:* This service provides mobile crisis teams for short-term crisis stabilization treatment.

State Operated mental health services provided inpatient and residential services to approximately 3,952 people, with an average daily population of 317 in FY 2007.

**Historical Perspective:** Minnesota's policy for services for people with disabilities has emphasized a broad array of community based treatment and support options enabling people to access the most appropriate care as close to their home community and natural support system as possible. This policy direction has resulted in the reduction in the reliance of care provided in large institutions of the past.

**Enterprise Services**

State Operated Services Enterprise Services operate in the market place with other providers, funded solely through revenues collected from third-party payment sources. These services focus on providing residential care and treatment for persons with chemical dependency, acquired brain injury, behavioral health issues, and developmental disabilities.

Enterprise Services include a variety of service lines:

***Chemical Addiction Recovery Enterprise*** **(C.A.R.E.)** programs provide inpatient and outpatient treatment to persons with chemical dependency and substance abuse. Operated as a state-wide program, sites are located at Anoka, Brainerd, Carlton, Fergus Falls, St. Peter and Willmar.

***Minnesota Neurorehabilitation Services (MNS)***, located at Brainerd, provides outreach and intensive rehabilitation services to people with acquired brain injury who have challenging behaviors. The MNS program services the entire state of Minnesota.

***Child and Adolescent Behavioral Health Services (CABHS)*** provides an array of services ranging from in-home crisis intervention to hospital level of care. CABHS does this with its own staff and by partnering with other caregivers and contracting with private providers. Statewide hospital-level of care is provided at Brainerd and Willmar.

***Minnesota State Operated Community Services (MSOCS)*** provides community-based residential services for persons with disabilities which are typically provided in four-bed group homes. Individual service agreements are negotiated with the counties or each client based on his/her needs. Clients take advantage of and are integrated into the daily flow of their community.

***Day Training and Habilitation (DT&H)*** programs provide vocational support services to persons with disabilities and include evaluation, training, and supported employment. Individual service agreements are negotiated for each client.

**Historical Perspective:** Changes in the funding structure for chemical dependency treatment moved SOS CARE programs into enterprise services in 1988. In 1999, the legislature adopted statutory language that allowed SOS to establish other enterprise services. These services are defined as the range of services, which are delivered by state employees, needed by people with disabilities and are fully funded by public or private third-party health insurance or other revenue sources. SOS specializes in providing these services to vulnerable people for whom no other providers are available or for whom SOS may be the provider selected by the payer. As such, enterprise services fill a need in the continuum of services for vulnerable persons with disabilities by providing services not otherwise available.

**Minnesota Security Hospital (MSH) and the Minnesota Extended Treatment Options Program**

The Minnesota Security Hospital (MSH) and Minnesota Extended Treatment Options (METO) are operated by SOS and provide specialized treatment and related supports for persons committed by the courts as mentally Ill and dangerous (MI&D), or with mental retardation (MR) who have been deemed a public safety risk by the courts.

Services for those committed by the courts as MI&D are provided at the MSH in St. Peter. The MSH is a secure treatment facility that provides multi-disciplinary treatment servicing adults and adolescents from throughout the state, who are admitted pursuant to judicial or other lawful orders, for assessment and/or treatment of acute and chronic major mental disorders.

MSH also provides comprehensive, court-ordered forensic evaluations; including competency to stand trial and pre-sentence mental health evaluations. The MSH also operates a transition program that provides a supervised residential setting offering social rehabilitation treatment to increase self-sufficiency and build the skills necessary for a reduction in custody. In addition, the MSH operates a forensic nursing facility which provides services to those individuals who are in need of nursing home level of care and are committed to the Commissioner of Human Services as MI&D, a Sexual Psychopathic Personality (SPP), a Sexually Dangerous Person (SDP), or individuals who are on a medical release from the Department of Corrections (DOC).

Services for individuals committed as MR who pose a public risk are provided at the METO program in Cambridge. METO provides specialized services for adults from across the state with the focus of treatment on changing client behavior and identifying necessary supports that will permit them to safely return to the community. In addition, staff provides technical assistance, provider training and education, and crisis intervention services for these clients.

**Historical Perspective:** Over the past several years, the services provided by the MSH and METO have seen significant population growth.

**Minnesota Sex Offender Program (MSOP*)***

The MSOP provides specialized treatment for individuals committed by the courts as either a sexual psychopathic personality (SPP) or a sexually dangerous person (SDP). The majority of persons committed to this program have been referred by the Department of Corrections (DOC), upon completion of their criminal sentences, to individual counties for consideration of civil commitment. On 6-30-2007 MSOP had a population of 384 individuals.

Once an individual is civilly committed, they receive intensive, inpatient treatment. The philosophy of treatment is based on cognitive-behavioral techniques and includes harm reduction strategies. Within the MSOP, populations are subdivided by level of functioning, willingness to participate in treatment, and avoidance of criminal-type activity. This is to encourage individuals to participate in treatment and segregate others who are hindering progress.

MSOP services are in process of being gradually transitioned from the St. Peter campus to the MSOP Annex on the grounds of the Minnesota Correctional Facility-Moose Lake. This population will be transitioned from the MSOP-Annex site to the new MSOP building on the MSOP-Moose Lake campus once construction is completed. The transition is expected to begin at the end of FY 2009 and when finished, Moose Lake will be the primary site of the MSOP.

**Historical Perspective:** Over the past several years, the MSOP has experienced significant population growth. Efforts are underway to enhance treatment methods and security and to create operational efficiencies to assure that cost effective services are provided.

**MSOP Capacity Issues:** Over the last several years the DHS has been required to revise plans for developing new secure capacity for the MSOP several times. These revision or change in plans has been implemented to address the significant escalation in “annual net growth” to the MSOP.

In the fall of 2000 net growth to the MSOP programs was projected to range from between 18 and 24 patients per year. In 2002 the project net growth for SPP/SDP commitments was actually reduced to a rate of 15 to 18 per year, and it appeared that the department’s 2000 capital plan for MSOP expansion would provide adequate bed capacity through 2006.

In late fall of 2003, the Department of Corrections (DOC) changed its policies associated with the referral to civil commitment of level-three sex offenders upon completion of their sentences. This new approach for referral by DOC was initially projected to increase civil commitments to the department’s MSOP to 36 per year, which would require the program to open a new 24-bed unit every eight months.

This change in population projections caused the department to revise its earlier plans for developing/maintaining adequate capacity for the forensic division’s programs, and the 2004 Six-Year Plan included funds to design and construct new bed capacity for the MSOP at the St. Peter campus.

The revised 2004-05 plan for maintaining capacity in the sex offender treatment program was to implement the construction of new facilities before the remodeling in Shantz Hall, and to use Shantz to maintain the needed bed

capacity until the new facilities were completed in 2008. The construction of the new facilities was hoped to provide adequate time to complete the Shantz remodeling project before the new beds are filled. Completion of the 2004-05 revised plan for the St. Peter campus would have provided a total program bed capacity of 550 beds, which at that time, was anticipated to meet program space requirements until March 2013.

In late spring of 2005 it became apparent that the earlier projections for MSOP growth were inadequate. In mid June 2005 the annual "net growth" to MSOP had escalated to a projected 80 sex offenders. Current population projections indicate that growth is averaging about 57 per year.

This higher than historical growth once again necessitated the department to make major revisions to its six-year capital budget plan to ensure that adequate bed capacity is maintained to accommodate the continuing increase in annual referrals/commitments to the department's MSOP and MSH programs.

**Temporary Bed Capacity:** To address the immediate capacity problem for MSOP beds in 2006, DHS and DOC implemented a plan to utilize several buildings on the existing Minnesota Correctional Facility (MFC) – Moose Lake as temporary facilities for the MSOP. This plan provided a short-term solution for addressing the serious bed capacity problem that the MSOP program would face until the Phase I Expansion project was complete and the Phase II expansion project is under construction. It also expanded program capacity (staffing) for the MSOP at a site that is adjacent to the department's primary MSOP facility.

The initial problem associated with the plan to use temporary beds at MCF – Moose Lake was the idea of employing a large number of new staff in an area different from our 2005 sex offender program facilities development plan (constructing new MSOP facilities on the St. Peter campus). The costs and problems associated with hiring and training new staff for the temporary facilities at the MCF – Moose Lake, and then asking these staff to relocate to St. Peter to work in the new facilities appeared to be unmanageable. It therefore became evident that because of the significant increase in annual admissions the department was experiencing the 2005 plan to construct the first phase of the MSOP expansion at St. Peter would have to be modified, and the expansion of new facilities for MSOP would need to be redirected to Moose Lake.

This revised plan allowed the department to develop the necessary temporary beds on the MCF–Moose Lake campus; construct the new MSOP facilities within the same locale as the temporary site; and facilitate an easy transition from the temporary facilities to the new facilities without incurring significant staff relocation costs and causing disruption to the families of the approximately 300 staff that will be hired for the temporary facilities being developed at MCF – Moose Lake.

In addition, the department conducted a preliminary analysis of potential building and operations models for MSOP residential facilities. It was determined that utilizing the residential "K" building model that was established by the DOC, with some modifications particular to the DHS licensing requirements, would allow DHS to construct more secure space for less dollars. This new residential model (referred to as the Star Building) will provide enhanced security features while reducing operational costs associated with the security staffing levels used for the existing 25-bed unit model.

**Change in Plans for Developing Additional Capacity for MSOP:** With its 2006 capital budget plan DHS modified its prior request by locating the new facilities on the Moose Lake MSOP campus, and increasing the capacity of the MSOP facilities with a multi-year two-phase expansion at the Moose Lake MSOP campus, resulting in an increased bed capacity of 800 additional beds. The revised 2006 six-year plan was designed to address the program capacity problem that the MSOP and MSH are experiencing due to increased growth rates by outlining a capital plan that would increase MSOP capacity by 400 by the Spring of 2009 (MSOP Expansion Phase I) and another 400 beds by the Fall of 2010 (MSOP Expansion Phase II). The legislature appropriated funding in 2006 to construct the MSOP Phase I Expansion, and to develop construction documents for the MSOP Phase II Expansion.

The 2008 DHS Six-Year Capital Plan requests the funds for the MSOP Phase II Expansion.

***Other Forces Impacting Capital Planning***

As services for mental health and developmental disabilities have transitioned to community-based services, more buildings have become unoccupied on the RTC campuses. As the resident tenant of state property, the responsibility to maintain vacant and unused buildings and grounds falls to the RTC system. The costs of these maintenance efforts was consuming a greater proportion of the operational funding allocated to the state operated system. Accordingly, DHS, in collaboration with the Department of Administration (Admin), has taken steps to sell or demolish the surplus property and buildings.

**Comprehensive Redevelopment Plans (Master Plans)**

The 2003 Legislature authorized DHS to collaborate with local government entities to complete a comprehensive redevelopment plan (master plan) for the future use of the RTC campuses (grounds and vacant buildings) vacated as a result of further expansion of community-based care (Laws 2003, 1st Special Session, Chapter 14, Section 64, Subd. 2). The department, in collaboration with Admin and local units of government, completed this process for Ah-Gwah-Ching, Fergus Falls, and Willmar in 2004. The comprehensive master planning process for the Brainerd campus was completed in the spring of 2007.

The master plan process, done in collaboration with local units of government, was and is intended to generate viable reuse/redevelopment strategies for the old campus properties and buildings. To implement these master plans the department anticipated the need for funds for infrastructure modification, building modifications, and demolition of structures that were determined to be non-functional for future utilization.

The 2005 Legislature appropriated approximately $8.9 million for the first phase of this request: $4 million for the Ah-Gwah-Ching campus; $1.9 million for the Willmar campus; and approximately $3 million for the Fergus Falls campus.

In January 2006, final details for the transfer/sale of the Willmar campus were completed between the state, Kandiyohi County, and a private company from the Willmar area. In June of 2007, Admin signed a sales agreement with the city of Fergus Falls for the Fergus Falls RTC campus, and a purchase agreement with Cass County for the Ah-Gwah-Ching campus with a transfer of ownership proposed sometime during the period of Fall of 2007 and Summer of 2008.

In September 2007, staff from DHS and Admin began discussions with the city of Brainerd for developing an implementation agreement for the transfer of the Brainerd campus to the city of Brainerd.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Over the last 25 years, program and ancillary facilities have been constructed an/or remodeled for the MSH at St. Peter, the Anoka-Metro RTC, the METO program at Cambridge, and the MSOP at Moose Lake and St. Peter. With the exception of the development of additional secure capacity to address the continuing growth of the forensic populations, and the need for a system-wide training center strategically located at Anoka, projected improvements for the remaining RTC campuses over the next six years will focus on: replacing and upgrading antiquated and worn infrastructure through requests for asset preservation; improvements (including demolition and renovation) associated with the effective and efficient operation of the RTC system; and the disposition/redevelopment/reuse of the remaining surplus RTC campuses.

**Long-Range Strategic Goals and Objectives of State Operated Services**

Historically, one of the primary roles of SOS in the mental health system has been to provide inpatient care to persons with SPMI. This also happens to be one of the most expensive services in the mental health system, and to the extent that there is over-capacity in those programs, resources are not available for other important community mental health programs.

Another primary role of SOS as required by various laws (M.S. 246B.02, 253B.18, and 253B.185) is to accept individuals who are committed by the court system as MI&D, SDP, SPP, or deemed a public safety risk, into the forensic service treatment programs located at St. Peter, Moose Lake and Cambridge.

The first strategic objective has long focused on the shift of campus-based MH services to an array of community-based MH services that provide appropriate levels of care closer to patients' homes. This strategy focuses on

providing better care to patients, increasing federal participation in funding care, and reducing use of less effective, more expensive RTC based services.

The second strategic objective focuses on the need to ensure that the state maintain an adequate bed capacity required to serve the increased number of persons being committed to the state's forensics programs. As previously mentioned, the projected increase in commitments to the sex offender treatment program continues to place significant demands on the SOS system.

The third strategic objective focuses on completing the reduction/elimination of the large amount of non-functional surplus space throughout the RTC system. In the spring of 2001, DHS initiated a program to address this issue with the objective to convert surplus property to other ownership. In addition, funds were requested and appropriated during the 2002 legislative session to start the process of demolishing buildings that are determined to be non-functional and/or are considered to have exceeded their useful, designed life.

In 2005 SOS, in partnership with local communities, completed comprehensive redevelopment/reuse plans for the AGCC, FFRTC and WRTC campuses. In the fall of 2005, SOS and Admin, in conjunction with Crow Wing County and the city of Brainerd, began the process of developing a comprehensive redevelopment plan for the Brainerd Regional Human Services Center.

The 2005 Legislature authorized the disposition of the Ah-Gwah-Ching, Fergus Falls and Willmar RTC campuses. The 2006 Legislature authorized the disposition of the Brainerd campus. In addition, the 2005 and 2006 Legislatures appropriated funds for improvements to facilitate the redevelopment/disposition of these campuses, including funds for demolition of deteriorated, unsafe, non-functional buildings and improvements to public infrastructure needed to support redevelopment of the surplus campuses.

The fourth strategic objective relates to asset preservation. This objective centers on the need to address critical repair, replacement, and renewal needs specific to the physical plants of RTCs. Extensive assessments of the facilities include the following: safety hazards, code compliance issues, and mechanical and structural deficiencies; major mechanical and electrical utility system repairs/replacements/improvements; abatement of asbestos containing materials; roof work and tuck pointing; and other building envelope work such as window replacement, elevator repairs/upgrades, and road/parking lot maintenance. Asset preservation projects included in this capital plan are consistent with the anticipated needs of the evolving state-operated mental health service system, and the future needs of the department's campus-based forensic programs.

**Agency Process Used to Arrive at These Capital Requests**

Each SOS program develops a well-defined, long-range operational program for its facility. These operational programs are updated biennially with the intent to outline and describe services to be provided, methods of delivering these services, and resources required for providing these services in the future. These operational programs must demonstrate a strategic link to the agency's system-wide strategic objectives/goals. Upon review and approval of each facility's operational strategic plan, the SOS executive team initiates long-range capital planning. This process includes:

- A comprehensive facilities analysis and planning program
- Identification of viable alternatives for meeting future physical plant needs
- Identification of any surveys or studies (predesign) that may be required to assess viable alternatives
- A long range space utilization plan
- Preliminary campus master planning

After completion of this work all facilities revise their long-range (six-year) physical plant project budgets. These six-year plans outline all capital projects proposed for the facilities and also identify all known physical plant deficiencies, scheduled maintenance, or proposed/required improvements. Each project is evaluated and listed in the appropriate budget category, repair and replacement (R&R), R&R special projects, asset preservation, capital asset preservation and repair account [CAPRA], capital, etc. This information is then used to:

- Establish potential costs associated with improving specific buildings or groups of buildings
- Determine the appropriateness of related or proposed expenditures
- Assess alternatives for meeting an individual facility's operational program

- Developing recommendations for the agency's senior staff to review and consider for inclusion in the agency's six-year capital budget plan

The six-year plan that results outlines an incremental plan for improving and upgrading the physical plant resources required to support future operational programs at the SOS facilities in accordance with the strategic goals and objectives outlined in preceding sections of this Strategic Planning Summary document.

**Major Capital Projects Authorized in 2006 and 2007 ($000's)**

**Laws of Minnesota, 2006, Chapter 258, Section 18**
**Total: $58,321**

| | | |
|---|---|---|
| Moose Lake | New Facilities for Sex Offender Program Phase I | $41,321 |
| System-Wide | Roof Renovation and Repair | $1,500 |
| System-Wide | Asset Preservation and MSOP Phase II Facility Design | $3,000 |
| System-Wide | Security Upgrades | $5,000 |
| System-Wide | Redevelopment, Reuse, or Demolition | $5,000 |
| St. Peter RTC | Program Activity Building | $2,500 |

# Human Services, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Moose Lake - MSOP Expansion Phase Two | 1 | GO | $90,000 | $0 | $0 | $0 | $100,079 | $0 |
| System-Wide - Asset Preservation/Safety & Security | 2 | GO | 5,000 | 6,000 | 6,500 | 5,000 | 5,000 | 5,000 |
| System-Wide Campus Redevelopment/Reuse/Demolition | 3 | GO | 4,500 | 4,500 | 0 | 4,500 | 4,500 | 0 |
| Anoka - Remodel West Wing Miller Building | 4 | GO | 380 | 4,325 | 0 | 0 | 0 | 0 |
| St. Peter - Expand Forensic SNF (Design 2010 - Construct 2012) | | GO | 0 | 1,200 | 15,000 | 0 | 0 | 0 |
| St. Peter - Remodel Shantz Hall (Design 2010 - Construct 2012) | | GO | 0 | 1,150 | 13,500 | 0 | 0 | 0 |
| St. Peter - Remodel Bldgs #25 & #26 for Transition | | GO | 0 | 720 | 8,000 | 0 | 0 | 0 |
| St. Peter - Remodel Dietary Department | | GO | 0 | 500 | 5,000 | 0 | 0 | 0 |
| METO - Design & Construct One Residential Living Unit | | GO | 0 | 350 | 3,150 | 0 | 0 | 0 |
| Project Total | | | $99,880 | $18,745 | $51,150 | $9,500 | $109,579 | $5,000 |
| General Obligation Bonding (GO) | | | $99,880 | $18,745 | $51,150 | $9,500 | $109,579 | $5,000 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Moose Lake - MSOP Expansion Phase Two

**2008 STATE APPROPRIATION REQUEST:** $90,000,000

**AGENCY PROJECT PRIORITY:** 1 of 4

**PROJECT LOCATION:** Moose Lake

**Project At A Glance**

- Design, construct, furnish and equip additional secure facilities for the Moose Lake Sex Offender Treatment Program facilities, including programming space and ancillary support/service facilities.
- This project will provide funds for construction and furnishings, fixtures and equipment (FF&E) for the second phase of the expansion for Moose Lake Minnesota Sex Offender Program (MSOP) campus.
- Funds for the first phase of construction (400-beds) and the design of Phase Two were appropriated during the 2006 legislative session.

## Project Description

This is the second phase of the two-phase project proposed in the department's 2006 – 2011 Capital Budget Plan presented during the 2006 legislative session to expand program capacity for the Minnesota Sex Offender Program (MSOP).

The 2006 Legislature authorized a total of $44.580 million for the first phase of the MSOP expansion. Phase One focuses on the development of the site needed for the two-phase expansion project; construction of residential facilities for 400-beds; and construction of basic ancillary facilities needed to support/operate the first 400-beds while the second phase of the project is under construction. The 2006 Legislature also authorized the use of an additional $3 million to design the second phase of the Moose Lake MSOP expansion.

This request (Phase Two) includes funds to construct, furnish and equip: an additional 400-bed secure residential facility (bedrooms, toileting and bathing, dining and day space); appropriate program areas (treatment/activity, work activity, group rooms, indoor/outdoor recreation, visitation, medical treatment, warehousing etc.); and ancillary space (dietary, mechanical and electrical, storage space, control centers, program administration, etc.). In addition, this project will also require the expansion and upgrading of interior/exterior security systems (including fencing and electronic surveillance, communications, and man-down systems), reconfiguration of some road ways and parking areas, and some changes/modification to the facility's basic utility infrastructure (sewer and electrical distribution) systems.

Utilizing the residential "K" building model that has been established by the Department of Corrections (DOC), with some modifications particular to the Department of Human Services (DHS) licensing requirements, allows DHS to construct significantly more secure space/beds for fewer dollars. This new residential model (referred to as the Star Building) will provide enhanced security features while reducing operational costs associated with the security staff levels used for the previously constructed 25-bed MSOP living units.

In addition, employees from the DOC have been key members on the MSOP Expansion Project design team to make sure that the new MSOP facilities have built-in flexibility for the future utilization of these new secure facilities.

## Background

In late Spring 2005 it became apparent that earlier projections for the forensics programs underestimated growth in commitments. This growth caused a capacity problem for the forensic programs.

In the Spring of 2006 it was necessary for the department to find temporary space to house individuals committed to the MSOP. All appropriate/available secure facilities at State Operated Services (SOS) facilities were full in June 2006. To address the associated capacity problem DHS and DOC implemented a plan to utilize space at the Minnesota Correctional Facility – Moose Lake as temporary facilities for the MSOP. Because the program will already be operating at the temporary site in Moose Lake, staff and resources can be easily transferred to DHS' new MSOP at Moose Lake when the new facilities under the 2006 Phase One expansion project are completed and ready for occupancy.

*(Please note that the option to use space at DOC's Moose Lake facility is temporary and is due to the recent slowdown in DOC's population growth. These beds may not be available or appropriate space for the long-term.)*

The second phase of expansion proposed for the Moose Lake campus is needed to ensure that adequate bed capacity is maintained to facilitate the level of court ordered commitments that the department projects will continue until such time as longer sentencing guidelines for sex offenses mandated by the 2005 Legislature actually begin to impact the annual number of referrals to the MSOP program.

**Change in Plans for Developing Additional Capacity**

The growth of the forensics program at SOS has been of concern for some time now. Traditionally, growth of the forensic program population was stable and predictable. In 2003, the DOC changed their referral policy for individuals released from jail, increasing the number of individuals referred for civil commitment to SOS.

Until 2003, growth in the MSOP and the Mentally Ill and Dangerous (MI&D) populations was fairly consistent. The MSOP population grew by approximately 18 per year while the MI&D population grew by approximately 5 per year, a total of 23 per year. After the policy change, the department estimated that growth would increase to 36 per year, a 56 percent increase.

The department witnessed a significant increase in admissions beginning in 2004 and continuing in 2005, but believed that was a one time occurrence in response to the new referral policy. As time has progressed, additional data on MI&D and MSOP admissions demonstrates that the increase was not an isolated occurrence and earlier projections significantly underestimated population growth. Based on this additional data for actual referrals, the department is now projecting growth at 73 per year, 57 in the MSOP population and 16 in MI&D population.

Because of this unprecedented growth, the agency had to alter its 2006 six year plan to increase capacity for both the MI&D and MSOP populations. In order to accommodate this growth, SOS needed to request resources for additional capacity.

The Moose Lake MSOP expansion will address projected MSOP bed capacity needs until 2012. The relocation of MSOP patients from the St. Peter campus to the new Moose Lake facilities will free up secure bed capacity on the St. Peter campus, which should address the current projected growth of the MSH MI&D population for approximately six to seven years.

**Impact on Agency Operating Budgets (Facilities Notes)**

The increasing sex offender population will impact the agency's operating budget. The estimated changes in operating costs are shown on the Project Detail page.

**Previous Appropriations for this Project**

The Legislature appropriated funds to construct the original 100-bed facility at Moose Lake in 1994. Funds for the first 50-bed addition to Moose Lake were appropriated in 1998. In 2005, the Legislature appropriated $3.259 million for design for new forensic facilities on the St. Peter campus. The 2006 Legislature revised the 2005 appropriation so it could be used to design the MSOP Expansion at Moose Lake. The 2006 Legislature also appropriated $41.3 million for design, construction, furnishings, and equipment for the new facilities for sex offenders at Moose Lake.

Rider language in the 2006 bonding bill allowed for any portion of the DHS 2006 asset preservation appropriation to be used to design the second phase of the MSOP expansion at Moose Lake.

**Other Considerations**

The department's 2006 six-year plan outlined State Operated Services' plan to request design, construction and FF&E funds for the first phase of expansion for MSOP facilities at Moose Lake. It also indicated the department's intention to request funds for construction and FF&E for the MSOP Phase Two Expansion in 2008. This request follows that plan.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request in 2008. A budget planning estimate of $100.079 million in 2010 is included for anticipated funding of the project at that time.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 2,990 | 2,301 | 0 | 0 | 5,291 |
| 4. Project Management | 10 | 890 | 0 | 0 | 900 |
| 5. Construction Costs | 0 | 71,674 | 0 | 0 | 71,674 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 4,500 | 0 | 0 | 4,500 |
| 9. Inflation | 0 | 10,635 | 0 | 0 | 10,635 |
| **TOTAL** | **3,000** | **90,000** | **0** | **0** | **93,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 90,000 | 0 | 0 | 93,000 |
| **State Funds Subtotal** | 3,000 | 90,000 | 0 | 0 | 93,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,000** | **90,000** | **0** | **0** | **93,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 7,100 | 14,200 | 21,300 |
| Other Program Related Expenses | 0 | 2,142 | 4,284 | 6,426 |
| Building Operating Expenses | 0 | 900 | 100 | 1,000 |
| Building Repair and Replacement Expenses | 0 | 60 | 20 | 80 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 10,202 | 18,604 | 28,806 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 10,202 | 18,604 | 28,806 |
| Change in F.T.E. Personnel | 0.0 | 115.0 | 229.5 | 344.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 90,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 4

**PROJECT LOCATION:** System-wide

**Project At A Glance**

- Maintain and preserve capital investments in state assets
- Provide repairs and replacements to basic facility infrastructure and key mechanical, electrical, utility, and heating ventilation and air conditioning (HVAC) systems
- Address known code deficiencies, security and safety hazards, and health risks
- Repair and replace leaking or deteriorated roofing systems
- Maintain the basic building envelope systems of the state's buildings

**Project Description**

This project request involves the repair, replacement, and renewal needs specific to the operations of each Regional Treatment Center (RTC). It is also intended to address known code deficiencies, safety hazards, security deficiencies, and health risks. These needs developed over time, and represent a system-wide assessment of the facilities' deficiencies, including, but not limited to, the following:

- Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- Energy conservation
- Security issues
- Building code and program licensing compliance
- Joint Commission accreditation deficiencies
- Emergency/backup power systems
- Roof repair and replacements
- Mechanical and structural deficiencies
- Tuck pointing and other building envelope work (window and door replacement, fascia and soffit work, re-grading around foundations, etc.)
- Elevator repairs/upgrades/replacements
- Road and parking lot maintenance
- Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and upgrade of steam systems
- Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.), and
- Demolition of deteriorated/unsafe/non-functional buildings and structures

**Background Information**

Funding of this request will enable the department, and its facilities, to continue to address/reduce the problem of deferred maintenance and deferred renewal at the RTCs. Failure to fund this request will only intensify the problem. Additional deterioration will result and the state's physical plant assets will continue to decline. Future costs may actually compound, as complete replacement may become the most cost effective and efficient alternative for addressing related deficiencies.

The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." Although most projects associated with this request are considered nonrecurring in scope, all facility components require scheduled maintenance and repair, and eventually many require replacement. The average life cycle of most projects associated with this request range between 25 and 30 years; however, some have longer life cycles, (i.e. tuck pointing, window replacement), and a few may have shorter life cycles, (i.e. road and parking lot seal coating and overlays, exterior building painting, etc.). These projects involve significant levels of repair and replacement and because of the system-wide magnitude cannot be addressed with the current level of repair and replacement funding in the agency's operating budget.

Each of the department's facilities is responsible for maintaining a list of projects required to preserve their fixed assets. These perpetual and ever changing lists are comprised of projects directly related to asset preservation and/or deferred maintenance and renewal. The facilities' asset preservation plans must support the future need and projected use of the facility. Building components are not evaluated on an individual deficiency basis, but rather on an overall building evaluation or assessment basis to determine that its

life cycle characteristics and program suitability of the related spaces are in balance.

A list of projects related to this request is available upon request.

**Impact on Agency Operating Budgets (Facilities Notes)**

Lack of funding of this request will require the use of a large percentage of limited repair and replacement operating funds to address critical and expensive asset preservation projects. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance and would actually compound the existing deferred maintenance problem and result in a substantial increase in the long-range deferred maintenance/renewal at the agencies facilities.

Some projects such as window replacement will result in energy savings; however, other projects such as modernizing air conditioning and ventilations systems actually add some cost to the facility's operation budgets. Funding of this request will not require the agency's operating budget to increase or decrease.

**Previous Appropriations for this Project**

**Asset Preservation**

2006 Legislature appropriated $3 million
2005 Legislature appropriated $3 million
2002 Legislature appropriated $4 million
2000 Legislature appropriated $3 million
1998 Legislature appropriated $4 million

**Roof Repairs and Replacements**

2006 Legislature appropriated $1.5 million
2005 Legislature appropriated $1.014 million
2002 Legislature appropriated $2.789 million
2000 Legislature appropriated $1.971 million
1998 Legislature appropriated $1.9 million

**Security/Safety Upgrades**

2006 Legislature appropriated $5 million

**Other Considerations**

Continued funding at the requested level for several biennia will enable the department to make a significant impact on the system's deferred maintenance problem.

In some cases repair and improvement may be a very prudent measure, while in other cases total replacement may be the most viable alternative. However, in light of the department's current excess building capacity, demolition of some buildings may be determined to be the most economical and prudent choice of action. In addition, downsizing of facilities and/or deactivation of individual buildings must also be considered when prioritizing asset preservation needs.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5 million for this project. Also included are budget planning estimates of $5 million for 2010 and $5 million for 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 408 | 546 | 553 | 1,507 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 4,060 | 4,250 | 4,150 | 12,460 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 532 | 1,204 | 1,797 | 3,533 |
| **TOTAL** | **0** | **5,000** | **6,000** | **6,500** | **17,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 6,000 | 6,500 | 17,500 |
| **State Funds Subtotal** | 0 | 5,000 | 6,000 | 6,500 | 17,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **6,000** | **6,500** | **17,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# System-Wide Campus Redevelopment/Reuse/Demolition

**2008 STATE APPROPRIATION REQUEST:** $4,500,000

**AGENCY PROJECT PRIORITY:** 3 of 4

**PROJECT LOCATION:** Brainerd

**Project At A Glance**

- Upgrade building/facility components to facilitate redevelopment/reuse of surplus Regional Treatment Center (RTC) campuses
- Demolish old, non-functional buildings and infrastructure considered non-functional for redevelopment/reuse or determined too expensive to redevelop for an alternative reuse
- Address other issues associated with disposition of the surplus RTC campuses

## Project Description

This capital budget request is a continuation of several previous capital requests for funds necessary to facilitate the disposition (sale/transfer of ownership) of the Department of Human Services' (DHS) surplus RTC campuses. The primary focus of this request is for the Brainerd Regional Human Services Center Campus. The department is also requesting authority to utilize funds to address any final details associated with the disposition of the other surplus campuses.

All of the system-wide campus redevelopment/reuse/demolition capital budget requests, including this 2008 request, have focused on the following key objectives:

- To repair, replace and/or improve key building components and basic infrastructure necessary to support initiatives to redevelop/reuse surplus RTC properties, especially buildings listed on the National Register of Historic Sites.
- To demolish buildings and campus infrastructures that are considered non-functional for current or future use by state programs, or those that are determined non-functional as part of the final disposition plan is approved/implemented in conjunction with master planning efforts for these three RTC campuses.
- To address other issues that may surface as the disposition of these surplus campuses proceeds.

## Background Information

The 2003 Legislature authorized the DHS to collaborate with local government entities to complete a comprehensive redevelopment plan (master plan) for the future use of the RTC campuses (grounds and vacant buildings) vacated as a result of further expansion of community-based care (Laws 2003, 1st Special Session, Chapter 14, Section 64, Subd. 2). The department, in collaboration with the Department of Administration and local units of government, completed this process for Ah-Gwah-Ching, Fergus Falls, and Willmar in 2004. The master planning project for the Brainerd campus was completed during the spring of 2007.

The master plan process, done in collaboration with local units of government, was intended to generate viable reuse/redevelopment strategies for the old campus properties and buildings. To implement these master plans the department anticipates the need for funds for infrastructure modification, building modifications, and demolition of structures that are determined to be non-functional for future utilization.

## Results

In January 2006, the transfer/sale of the Willmar campus was worked out between the state, Kandiyohi County, and MNWest, a private company from the Willmar area.

The sale of the historic Fergus Falls campus to the city of Fergus Falls was closed in June 2007.

Cass County singed a contingent purchase agreement for approximately 131 acres and 250,000 square feet of buildings at the end of June 2007. Closing of this sale is scheduled to occur thirty (30) days after DHS completes the transition of the Ah-Gwah-Ching program/operations from the Ah-Gwah-Ching campus (AGC) (currently scheduled for January/February 2008).

The city of Brainerd, one of the community partners involved with the Brainerd campus Master Planning Project, has agreed to take the lead role for future redevelopment/reuse activities at the Brainerd campus. The first meeting with the Brainerd Reuse Taskforce occurred in September 2007, and plans and specifications for the demolition of the Brainerd campus buildings that the master planning process determined to be non-functional are currently being developed.

**Impact on Agency Operating Budgets (Facilities Notes)**

Reducing costs associated with heating and maintaining the unused spaces in the numerous vacant buildings on the Brainerd campus would provide immediate, and significant savings to overhead costs associated with operating/maintaining the existing Brainerd facilities. However, the impact on the agency's operating budget will be contingent on the number of buildings that are actually demolished and/or reused for alternative purposes, and the length of time that unused buildings are heated and maintained and/or preserved for future reuse.

Preliminary estimates to provide minimal heat, basic building and grounds maintenance and security for the large amount of non-utilized building space on the Brainerd campus range from $1 to $1.25 million a year. Some of this cost is directly attributed to the continued operation of the high-pressure steam plant currently used to heat buildings and provide hot water on the Brainerd campus. This high pressure plant requires 24 hour per day monitoring by licensed steam engineers, 365 days per year.

Decommissioning of the existing steam plant and installation of individual heating units and hot water heaters in buildings that will continue to be utilized in the future would eliminate the need for the 24 hour per day monitoring. This alone would provide an approximate $300,000 cost savings to facility's current annual operational expenses.

**Previous Appropriations for this Project**

The 2005 Legislature appropriated $8.91 million for this request: $4 million for the Ah-Gwah-Ching campus; $1.9 million for the Willmar campus; and approximately $3 million for the Fergus Falls campus.

In addition, the 2005 Legislature re-authorized $3 million appropriated in the 2002 Bonding Bill for the Fergus Falls RTC so it could be used for this purpose.

The 2006 Legislature appropriated $5 million for this system-wide request "to demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional facilities and infrastructure at Department of Human Services campus that the commissioner of administration is authorized to convey to a local unit of government under Laws of 2005, chapter 20, article 1, section 46, or other law."

**Other Considerations**

The extensive surplus space on the RTC campuses, the age of the facilities, and the estimated cost for ongoing maintenance of the physical plants created financial pressures that could not be ignored. The collaborative effort of local communities and the state to redevelop these surplus campuses has produced results. The state sold the Willmar and Fergus Falls campuses, and a contingent purchase agreement has been executed for the sale of the Ah-Gwah-Ching campus to Cass County.

The department is now focusing on the disposition of the Brainerd campus. If viable reuse cannot be identified for the surplus buildings on the Brainerd campus, the department's recommendation is to demolish all of the vacant non-functional buildings/facilities to eliminate the related ongoing operating expenses.

Funding of this proposal will enable the department to work aggressively to convert the remaining surplus facilities (land and buildings) to other ownership and/or alternative uses. If an alternative use cannot be found, adequate funds will be available for demolition, and the need to expand state dollars to maintain these non-utilized, non-functional buildings in the future can be eliminated.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $4.5 million for this project. Also included is a budget planning estimate of $4.5 million in 2010.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 281 | 280 | 0 | 561 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,632 | 3,244 | 0 | 6,876 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 587 | 976 | 0 | 1,563 |
| **TOTAL** | **0** | **4,500** | **4,500** | **0** | **9,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,500 | 4,500 | 0 | 9,000 |
| **State Funds Subtotal** | 0 | 4,500 | 4,500 | 0 | 9,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,500** | **4,500** | **0** | **9,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Anoka - Remodel West Wing Miller Building

**2008 STATE APPROPRIATION REQUEST:** $380,000

**AGENCY PROJECT PRIORITY:** 4 of 4

**PROJECT LOCATION:** Anoka-Metro Regional Treatment Center

**Project At A Glance**

- **Phase One (2008)** – Design the renovation/construction of available space in the West Wing of the Anoka-Metro Regional Treatment Center's (A-MRTC) Miller building for a training center and office complex. This space will be used as a state-wide clinical training center and support facility for State Operated Services (SOS) programs.
- **Phase Two (2010)** – Implement renovation/construction project and furnish, fixture and equip new training center, including construction of appropriate parking and program support infrastructure.

## Project Description

This request is for funds to design the renovation, construction of the Miller Building West Wing as a clinical training, office, and support complex for the SOS system.

This project will include renovation; construction of a mezzanine; installation of windows, elevators, sprinklers, fire detection, alarm systems, and security systems; communications; video conferencing; mechanical electrical upgrades to support the new use of the space; and the development of new/additional parking on campus.

The 2008 request is for funds to design the renovation/construction required to accommodate the new training center. The department plans to request funds for renovation/construction, furniture, fixtures and equipment (FF&E), tele/data communications infrastructure, hazardous materials abatement, and other related project components during the 2010 capital budget process.

## Background Information

The Miller Building on the Anoka campus was designed with four distinct units. Miller North and South units were designed, and have been used since construction, as residential units for the facility's mental health program. Miller East was originally designed as A-MRTC's medical support complex. It was constructed with a swimming pool, gymnasium, weight room, offices, several small classrooms, and locker/shower rooms. Over the years, use of the pool declined and pool maintenance was deferred. In 1999, because of the very limited use by patients, SOS decided to demolish the swimming pool rather than spend in excess of a million dollars to meet required codes/standards. As part of this demolition, the pool and pool deck were removed and the area was filled with an appropriate compacted gravel/sand base. Heat in the space was reduced and it has remained vacant since that point in time.

The pool building is a structural steel framed building with masonry infill between the exterior wall steel columns. It has a steel framed/decked roof design and a solid, well-maintained roofing system. The building is in good structural condition and is very suitable for the proposed program. In addition, this area of the campus has adequate room to develop the additional parking requirements this program will need. The Anoka campus is centralized with most of SOS' out state facilities and has very good highway access from most parts of the state.

At completion of the system's transition of the adult mental health program to community settings, and the disposition of the Willmar, Fergus Falls, Ah-Gwah-Ching, and Brainerd campuses, most of the space previously used for training out state will no longer be available. The development of this clinical training center on the Anoka campus will provide this badly needed space while facilitating the joint education relationship SOS has with the University of Minnesota Medical School and other metro area professional/technical colleges.

Classrooms and support spaces will be specifically designed to accommodate this specialized training, and in a location most appropriate for it to be, in close proximity to the hospital. Locating this training facility at A-MRTC will facilitate the integration of theory and practice, and the linking of clinician training directly to patients. This renovated space will also act as a

lab for best practices and evidence-based practices. It will also provide an environment for professionals in psychiatry, nursing, social services, psychology, program administration, and support functions to learn in a clinical environment.

**Impact on Agency Operating Budgets (Facilities Notes)**

This renovated space will increase the facility's annual fuel and utility budget by a small percentage. It will also cause a slight increase in the facility's annual maintenance budget. However, these costs should be more than offset by operational savings attributed to leasing space in the community for this training, and the staffing efficiency associated with having clinicians train for several hours a day, and then walk to their treatment units to serve patients for the balance of their shift.

**Previous Appropriations for this Project**

None. This is the first time funds have been requested for this project.

**Other Considerations**

Rent/lease space for training in the community.

**Project Contact Person**

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State Operated Services
Department of Human Services
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Email: alan.vanbuskirk@state.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 20 | 0 | 0 | 20 |
| 3. Design Fees | 0 | 310 | 0 | 0 | 310 |
| 4. Project Management | 0 | 0 | 30 | 0 | 30 |
| 5. Construction Costs | 0 | 0 | 3,060 | 0 | 3,060 |
| 6. One Percent for Art | 0 | 0 | 28 | 0 | 28 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 427 | 0 | 427 |
| 9. Inflation | 0 | 50 | 780 | 0 | 830 |
| **TOTAL** | **0** | **380** | **4,325** | **0** | **4,705** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 380 | 4,325 | 0 | 4,705 |
| **State Funds Subtotal** | 0 | 380 | 4,325 | 0 | 4,705 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **380** | **4,325** | **0** | **4,705** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 380 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Human Services, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Moose Lake - MSOP Expansion Phase Two | 1 | GO | $90,000 | $0 | $0 | $0 | $100,079 | $0 |
| System-Wide - Asset Preservation/Safety & Security | 2 | GO | 5,000 | 6,000 | 6,500 | 5,000 | 5,000 | 5,000 |
| System-Wide Campus Redevelopment/Reuse/Demolition | 3 | GO | 4,500 | 4,500 | 0 | 4,500 | 4,500 | 0 |
| Anoka - Remodel West Wing Miller Building | 4 | GO | 380 | 4,325 | 0 | 0 | 0 | 0 |
| St. Peter - Expand Forensic SNF (Design 2010 - Construct 2012) | | GO | 0 | 1,200 | 15,000 | 0 | 0 | 0 |
| St. Peter - Remodel Shantz Hall (Design 2010 - Construct 2012) | | GO | 0 | 1,150 | 13,500 | 0 | 0 | 0 |
| St. Peter - Remodel Bldgs #25 & #26 for Transition | | GO | 0 | 720 | 8,000 | 0 | 0 | 0 |
| St. Peter - Remodel Dietary Department | | GO | 0 | 500 | 5,000 | 0 | 0 | 0 |
| METO - Design & Construct One Residential Living Unit | | GO | 0 | 350 | 3,150 | 0 | 0 | 0 |
| Project Total | | | $99,880 | $18,745 | $51,150 | $9,500 | $109,579 | $5,000 |
| General Obligation Bonding (GO) | | | $99,880 | $18,745 | $51,150 | $9,500 | $109,579 | $5,000 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

**Health care programs**
- Almost 666,000 people served in FY 2006
- Medical Assistance (MA) — 498,000 people
- MinnesotaCare — 129,000 people
- General Assistance Medical Care (GAMC) — 39,000 people

**Economic assistance programs**
- Food Support — 265,000 people per month
- Minnesota Family Investment Program (MFIP) and Diversionary Work Program (DWP) cases — 37,000 families
- General Assistance — 15,400 people
- More than 408,000 parents assisted through Child Support Enforcement
- $603 million in child support payments collected in FY 2006
- 16,700 families received child care assistance for 30,000 children in FY 2006

**Child welfare services**
- Of the nearly 14,800 children in out-of-home placement in 2006, more than 10,800 children received care in family foster care
- More than 6,600 children were cared for by adoptive parents who receive financial assistance and support for children's special needs in calendar year 2006
- 572 children under state guardianship were adopted in calendar year 2006

**Mental health services**
- 112,600 adults received publicly-funded mental health services in 2006
- 42,315 children received publicly-funded mental health services in 2006

**Operations and two-year state budget**
- FY 2008-09 $9.5 billion general fund budget
- FY 2008-09 $20.1 billion all funds budget
- 86 percent of Department of Human Services (DHS) general fund budget is spent on health care and long-term care programs and related services
- 66,000 health care providers
- 38.5 million health encounters and claims processed
- Approximately 97 percent of DHS' budget goes toward program expenditures
- Approximately three percent of DHS' budget is spent on central office administration

**Agency Purpose**

The Minnesota Department of Human Services (DHS) helps people meet their basic needs so they can live in dignity and achieve their highest potential.

**Ensuring basic health care for low-income Minnesotans, DHS administers**
- Medical Assistance (MA), Minnesota's Medicaid program for low-income seniors, children and parents, and people with disabilities
- MinnesotaCare for residents who don't have access to affordable private health insurance and don't qualify for other programs
- General Assistance Medical Care (GAMC), primarily for adults without dependent children

**Helping Minnesotans support their families**
DHS works with counties and tribes to help low-income families with children achieve self-sufficiency through programs such as the Minnesota Family Investment Program (MFIP), the Diversionary Work Program (DWP), child support enforcement, child care assistance, food support, refugee cash assistance, and employment services.

**Aiding children and families in crisis**
DHS supports families to ensure that children in crisis receive the services they need quickly and close to home so they can lead safe, healthy, and productive lives. DHS guides statewide policy in child protection services, out-of-home care, and permanent homes for children.

**Assisting people with disabilities**
DHS promotes independent living for people with disabilities by encouraging community-based services rather than institutional care. DHS sets statewide policy and standards for care and provides funding for developmental disability services, mental health services, and chemical health services. DHS also provides services for people who are deaf or hard-of-hearing through its regional offices in Bemidji, Duluth, Mankato, Moorhead, Rochester, St. Cloud, St. Paul, St. Peter, and Virginia.

**Direct care services**
DHS provides an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society. These services include 16-bed psychiatric hospitals being developed in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Fergus Falls, Rochester, St. Peter, and Wadena; a mental health crisis center in Mankato; Anoka-Metro Regional Treatment Center; Minnesota State Operated Community Services, which provides day training, habitation, and residence services to people with disabilities; and Community Support Services, which supports people with disabilities in the community and in crisis homes. DHS also provides treatment for people civilly committed as sexual psychopathic personalities and/or sexually dangerous persons in the Minnesota Sex Offender Program at Moose Lake and St. Peter; people committed as mentally ill and dangerous at the Minnesota Security Hospital in St. Peter; and people who are developmentally disabled and present a risk to society at the Minnesota Extended Treatment Options Program in Cambridge.

**Promoting independent living for seniors**
DHS supports quality care and services for older Minnesotans so they can live as independently as possible. Quality assurance and fiscal accountability for the long-term care provided to low-income elderly people, including both home and community-based services and nursing home care, are key features.

**Operations**

DHS has a wide variety of customers and business partners, including the state's 87 counties and 66,000 health care providers. DHS provides significant operational infrastructure to Minnesota's human services programs, most of which are provided at the county level.

DHS licenses about 26,000 service providers, including group homes, treatment programs for people with chemical dependency, mental illness, or developmental disabilities, child care providers, and foster care providers. DHS also monitors their compliance with Minnesota laws and rules, investigates reports of possible maltreatment, and completes background studies on individuals who provide direct care.

DHS' operations support other providers who directly serve Minnesotans. DHS oversees significant computer systems support for: MAXIS, which determines eligibility for economic assistance programs; PRISM, the child support enforcement system; the Medicaid Management Information System (MMIS), which pays medical claims for publicly-funded health care programs; the Social Service Information System (SSIS), an automated child welfare case management system for child protection, children's mental health, and out-of-home placement; and MEC$^2$, the Minnesota Electronic Child Care system.

**Budget**

DHS is one of the state's largest agencies, comprising 36.3 percent of the state's total spending from all sources. DHS's FY 2008-09 budget from all funding sources totals $20.1 billion. Of the total budget for the biennium, $9.5 billion comes from general fund tax dollars. The remaining $10.6 billion comes from federal revenue and other funds, such as the health care access fund, enterprise fund and agency fund. Approximately 6,900 full-time-equivalent employees work for DHS.

**Contact**

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For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us.

**At A Glance: Agency Long-Range Strategic Goals**

**Minnesota Department of Human Services (DHS)**

- Help people meet their basic needs so they can live in dignity and achieve their highest potential
- Ensure basic health care for low-income Minnesotans
- Help Minnesotans support their families
- Aid children and families in crisis
- Assist people with disabilities

**State Operated Services (SOS)**

- Provide an array of programs serving people with mental illness, developmental disabilities, chemical dependency, or acquired brain injury and people who pose a risk to society
- Reduce the state's cost of caring for persons with serious and persistent mental illness (SPMI)
- Complete the transition of State Operated Services for mentally ill from the regional treatment centers (RTCs) to community-based services
- Reduce/eliminate the large amount of non-functional surplus space throughout the regional treatment center system
- Continue to address critical repair, replacement, and renewal needs specific to the physical plants of the RTC campuses that will be used for future services

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**State Operated Services**

Since its peak in 1960, when state operated residential facilities served an average daily population of 16,355 persons, RTC population levels have steadily declined as part of a deliberate state strategy to integrate persons with disabilities into their home communities where it is beneficial and appropriate to do so. The present licensed capacity of the RTC system is approximately 2,500 beds and the RTCs collectively serve an average daily population of approximately 1,800 persons on their campuses.

This downsizing trend is a result of advances in the treatment of persons with disabilities, coupled with a recognition that all individuals can participate at some level in the activities of daily life in community settings. With increased emphasis on creative and flexible client services in the community, the need for institutional based services will continue to decline. The definition of the state's "safety net" for vulnerable populations is evolving. More and more this "safety net" function emphasizes outreach, training for community providers, and crisis intervention in the community instead of the historic practice of removing the client from their home or community and placing them in RTC campus based programs.

**Mental Illness (MI)**

Adult Mental Health (MH) Services include inpatient psychiatric services at community-based behavioral health hospitals. By serving patients as close as possible to their home communities, their natural support structures can aid and support treatment. Each patient receives an assessment of their mental, social, and physical health by a variety of medical professionals; an individual treatment plan, including medication management and 24-hour nursing care; and individualized discharge planning for transitioning back to an appropriate setting in the community. These hospitals are currently located in Alexandria, Annandale, Baxter, Bemidji, Cold Spring, Duluth, Eveleth, Fergus Falls, Rochester, St. Peter, Willmar, and the Anoka-Metro Regional Treatment Center. Kandiyohi County began construction on a new 16-bed Community Behavioral Health Hospital (CBHH) in Willmar in the fall of 2007. Additional services are also provided, in partnership with county social services agencies and mental health providers. These include:

*Adult Rehabilitative Mental Health Services (ARMHS):* These services instruct, assist, and support individuals in such areas as relapse prevention, transportation, illness management and life skills.

*Assertive Community Treatment (ACT) Teams:* These teams, which serve as "hospitals without walls," provide intensive, round-the-clock supports to people with serious mental illness in their homes, at work, and elsewhere in the community by multidisciplinary treatment teams to stabilize individuals to avoid entering a facility.

*Crisis Response:* This service provides mobile crisis teams for short-term crisis stabilization treatment.

State Operated mental health services provided inpatient and residential services to approximately 3,952 people, with an average daily population of 317 in FY 2007.

**Historical Perspective:** Minnesota's policy for services for people with disabilities has emphasized a broad array of community based treatment and support options enabling people to access the most appropriate care as close to their home community and natural support system as possible. This policy direction has resulted in the reduction in the reliance of care provided in large institutions of the past.

**Enterprise Services**

State Operated Services Enterprise Services operate in the market place with other providers, funded solely through revenues collected from third-party payment sources. These services focus on providing residential care and treatment for persons with chemical dependency, acquired brain injury, behavioral health issues, and developmental disabilities.

Enterprise Services include a variety of service lines:

***Chemical Addiction Recovery Enterprise*** **(C.A.R.E.)** programs provide inpatient and outpatient treatment to persons with chemical dependency and substance abuse. Operated as a state-wide program, sites are located at Anoka, Brainerd, Carlton, Fergus Falls, St. Peter and Willmar.

***Minnesota Neurorehabilitation Services (MNS)***, located at Brainerd, provides outreach and intensive rehabilitation services to people with acquired brain injury who have challenging behaviors. The MNS program services the entire state of Minnesota.

***Child and Adolescent Behavioral Health Services (CABHS)*** provides an array of services ranging from in-home crisis intervention to hospital level of care. CABHS does this with its own staff and by partnering with other caregivers and contracting with private providers. Statewide hospital-level of care is provided at Brainerd and Willmar.

***Minnesota State Operated Community Services (MSOCS)*** provides community-based residential services for persons with disabilities which are typically provided in four-bed group homes. Individual service agreements are negotiated with the counties or each client based on his/her needs. Clients take advantage of and are integrated into the daily flow of their community.

***Day Training and Habilitation (DT&H)*** programs provide vocational support services to persons with disabilities and include evaluation, training, and supported employment. Individual service agreements are negotiated for each client.

**Historical Perspective:** Changes in the funding structure for chemical dependency treatment moved SOS CARE programs into enterprise services in 1988. In 1999, the legislature adopted statutory language that allowed SOS to establish other enterprise services. These services are defined as the range of services, which are delivered by state employees, needed by people with disabilities and are fully funded by public or private third-party health insurance or other revenue sources. SOS specializes in providing these services to vulnerable people for whom no other providers are available or for whom SOS may be the provider selected by the payer. As such, enterprise services fill a need in the continuum of services for vulnerable persons with disabilities by providing services not otherwise available.

**Minnesota Security Hospital (MSH) and the Minnesota Extended Treatment Options Program**

The Minnesota Security Hospital (MSH) and Minnesota Extended Treatment Options (METO) are operated by SOS and provide specialized treatment and related supports for persons committed by the courts as mentally Ill and dangerous (MI&D), or with mental retardation (MR) who have been deemed a public safety risk by the courts.

Services for those committed by the courts as MI&D are provided at the MSH in St. Peter. The MSH is a secure treatment facility that provides multi-disciplinary treatment servicing adults and adolescents from throughout the state, who are admitted pursuant to judicial or other lawful orders, for assessment and/or treatment of acute and chronic major mental disorders.

MSH also provides comprehensive, court-ordered forensic evaluations; including competency to stand trial and pre-sentence mental health evaluations. The MSH also operates a transition program that provides a supervised residential setting offering social rehabilitation treatment to increase self-sufficiency and build the skills necessary for a reduction in custody. In addition, the MSH operates a forensic nursing facility which provides services to those individuals who are in need of nursing home level of care and are committed to the Commissioner of Human Services as MI&D, a Sexual Psychopathic Personality (SPP), a Sexually Dangerous Person (SDP), or individuals who are on a medical release from the Department of Corrections (DOC).

Services for individuals committed as MR who pose a public risk are provided at the METO program in Cambridge. METO provides specialized services for adults from across the state with the focus of treatment on changing client behavior and identifying necessary supports that will permit them to safely return to the community. In addition, staff provides technical assistance, provider training and education, and crisis intervention services for these clients.

**Historical Perspective:** Over the past several years, the services provided by the MSH and METO have seen significant population growth.

**Minnesota Sex Offender Program (MSOP*)***

The MSOP provides specialized treatment for individuals committed by the courts as either a sexual psychopathic personality (SPP) or a sexually dangerous person (SDP). The majority of persons committed to this program have been referred by the Department of Corrections (DOC), upon completion of their criminal sentences, to individual counties for consideration of civil commitment. On 6-30-2007 MSOP had a population of 384 individuals.

Once an individual is civilly committed, they receive intensive, inpatient treatment. The philosophy of treatment is based on cognitive-behavioral techniques and includes harm reduction strategies. Within the MSOP, populations are subdivided by level of functioning, willingness to participate in treatment, and avoidance of criminal-type activity. This is to encourage individuals to participate in treatment and segregate others who are hindering progress.

MSOP services are in process of being gradually transitioned from the St. Peter campus to the MSOP Annex on the grounds of the Minnesota Correctional Facility-Moose Lake. This population will be transitioned from the MSOP-Annex site to the new MSOP building on the MSOP-Moose Lake campus once construction is completed. The transition is expected to begin at the end of FY 2009 and when finished, Moose Lake will be the primary site of the MSOP.

**Historical Perspective:** Over the past several years, the MSOP has experienced significant population growth. Efforts are underway to enhance treatment methods and security and to create operational efficiencies to assure that cost effective services are provided.

**MSOP Capacity Issues:** Over the last several years the DHS has been required to revise plans for developing new secure capacity for the MSOP several times. These revision or change in plans has been implemented to address the significant escalation in “annual net growth” to the MSOP.

In the fall of 2000 net growth to the MSOP programs was projected to range from between 18 and 24 patients per year. In 2002 the project net growth for SPP/SDP commitments was actually reduced to a rate of 15 to 18 per year, and it appeared that the department’s 2000 capital plan for MSOP expansion would provide adequate bed capacity through 2006.

In late fall of 2003, the Department of Corrections (DOC) changed its policies associated with the referral to civil commitment of level-three sex offenders upon completion of their sentences. This new approach for referral by DOC was initially projected to increase civil commitments to the department’s MSOP to 36 per year, which would require the program to open a new 24-bed unit every eight months.

This change in population projections caused the department to revise its earlier plans for developing/maintaining adequate capacity for the forensic division’s programs, and the 2004 Six-Year Plan included funds to design and construct new bed capacity for the MSOP at the St. Peter campus.

The revised 2004-05 plan for maintaining capacity in the sex offender treatment program was to implement the construction of new facilities before the remodeling in Shantz Hall, and to use Shantz to maintain the needed bed

capacity until the new facilities were completed in 2008. The construction of the new facilities was hoped to provide adequate time to complete the Shantz remodeling project before the new beds are filled. Completion of the 2004-05 revised plan for the St. Peter campus would have provided a total program bed capacity of 550 beds, which at that time, was anticipated to meet program space requirements until March 2013.

In late spring of 2005 it became apparent that the earlier projections for MSOP growth were inadequate. In mid June 2005 the annual "net growth" to MSOP had escalated to a projected 80 sex offenders. Current population projections indicate that growth is averaging about 57 per year.

This higher than historical growth once again necessitated the department to make major revisions to its six-year capital budget plan to ensure that adequate bed capacity is maintained to accommodate the continuing increase in annual referrals/commitments to the department's MSOP and MSH programs.

**Temporary Bed Capacity:** To address the immediate capacity problem for MSOP beds in 2006, DHS and DOC implemented a plan to utilize several buildings on the existing Minnesota Correctional Facility (MFC) – Moose Lake as temporary facilities for the MSOP. This plan provided a short-term solution for addressing the serious bed capacity problem that the MSOP program would face until the Phase I Expansion project was complete and the Phase II expansion project is under construction. It also expanded program capacity (staffing) for the MSOP at a site that is adjacent to the department's primary MSOP facility.

The initial problem associated with the plan to use temporary beds at MCF – Moose Lake was the idea of employing a large number of new staff in an area different from our 2005 sex offender program facilities development plan (constructing new MSOP facilities on the St. Peter campus). The costs and problems associated with hiring and training new staff for the temporary facilities at the MCF – Moose Lake, and then asking these staff to relocate to St. Peter to work in the new facilities appeared to be unmanageable. It therefore became evident that because of the significant increase in annual admissions the department was experiencing the 2005 plan to construct the first phase of the MSOP expansion at St. Peter would have to be modified, and the expansion of new facilities for MSOP would need to be redirected to Moose Lake.

This revised plan allowed the department to develop the necessary temporary beds on the MCF–Moose Lake campus; construct the new MSOP facilities within the same locale as the temporary site; and facilitate an easy transition from the temporary facilities to the new facilities without incurring significant staff relocation costs and causing disruption to the families of the approximately 300 staff that will be hired for the temporary facilities being developed at MCF – Moose Lake.

In addition, the department conducted a preliminary analysis of potential building and operations models for MSOP residential facilities. It was determined that utilizing the residential "K" building model that was established by the DOC, with some modifications particular to the DHS licensing requirements, would allow DHS to construct more secure space for less dollars. This new residential model (referred to as the Star Building) will provide enhanced security features while reducing operational costs associated with the security staffing levels used for the existing 25-bed unit model.

**Change in Plans for Developing Additional Capacity for MSOP:** With its 2006 capital budget plan DHS modified its prior request by locating the new facilities on the Moose Lake MSOP campus, and increasing the capacity of the MSOP facilities with a multi-year two-phase expansion at the Moose Lake MSOP campus, resulting in an increased bed capacity of 800 additional beds. The revised 2006 six-year plan was designed to address the program capacity problem that the MSOP and MSH are experiencing due to increased growth rates by outlining a capital plan that would increase MSOP capacity by 400 by the Spring of 2009 (MSOP Expansion Phase I) and another 400 beds by the Fall of 2010 (MSOP Expansion Phase II). The legislature appropriated funding in 2006 to construct the MSOP Phase I Expansion, and to develop construction documents for the MSOP Phase II Expansion.

The 2008 DHS Six-Year Capital Plan requests the funds for the MSOP Phase II Expansion.

***Other Forces Impacting Capital Planning***

As services for mental health and developmental disabilities have transitioned to community-based services, more buildings have become unoccupied on the RTC campuses. As the resident tenant of state property, the responsibility to maintain vacant and unused buildings and grounds falls to the RTC system. The costs of these maintenance efforts was consuming a greater proportion of the operational funding allocated to the state operated system. Accordingly, DHS, in collaboration with the Department of Administration (Admin), has taken steps to sell or demolish the surplus property and buildings.

**Comprehensive Redevelopment Plans (Master Plans)**

The 2003 Legislature authorized DHS to collaborate with local government entities to complete a comprehensive redevelopment plan (master plan) for the future use of the RTC campuses (grounds and vacant buildings) vacated as a result of further expansion of community-based care (Laws 2003, 1st Special Session, Chapter 14, Section 64, Subd. 2). The department, in collaboration with Admin and local units of government, completed this process for Ah-Gwah-Ching, Fergus Falls, and Willmar in 2004. The comprehensive master planning process for the Brainerd campus was completed in the spring of 2007.

The master plan process, done in collaboration with local units of government, was and is intended to generate viable reuse/redevelopment strategies for the old campus properties and buildings. To implement these master plans the department anticipated the need for funds for infrastructure modification, building modifications, and demolition of structures that were determined to be non-functional for future utilization.

The 2005 Legislature appropriated approximately $8.9 million for the first phase of this request: $4 million for the Ah-Gwah-Ching campus; $1.9 million for the Willmar campus; and approximately $3 million for the Fergus Falls campus.

In January 2006, final details for the transfer/sale of the Willmar campus were completed between the state, Kandiyohi County, and a private company from the Willmar area. In June of 2007, Admin signed a sales agreement with the city of Fergus Falls for the Fergus Falls RTC campus, and a purchase agreement with Cass County for the Ah-Gwah-Ching campus with a transfer of ownership proposed sometime during the period of Fall of 2007 and Summer of 2008.

In September 2007, staff from DHS and Admin began discussions with the city of Brainerd for developing an implementation agreement for the transfer of the Brainerd campus to the city of Brainerd.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Over the last 25 years, program and ancillary facilities have been constructed an/or remodeled for the MSH at St. Peter, the Anoka-Metro RTC, the METO program at Cambridge, and the MSOP at Moose Lake and St. Peter. With the exception of the development of additional secure capacity to address the continuing growth of the forensic populations, and the need for a system-wide training center strategically located at Anoka, projected improvements for the remaining RTC campuses over the next six years will focus on: replacing and upgrading antiquated and worn infrastructure through requests for asset preservation; improvements (including demolition and renovation) associated with the effective and efficient operation of the RTC system; and the disposition/redevelopment/reuse of the remaining surplus RTC campuses.

**Long-Range Strategic Goals and Objectives of State Operated Services**

Historically, one of the primary roles of SOS in the mental health system has been to provide inpatient care to persons with SPMI. This also happens to be one of the most expensive services in the mental health system, and to the extent that there is over-capacity in those programs, resources are not available for other important community mental health programs.

Another primary role of SOS as required by various laws (M.S. 246B.02, 253B.18, and 253B.185) is to accept individuals who are committed by the court system as MI&D, SDP, SPP, or deemed a public safety risk, into the forensic service treatment programs located at St. Peter, Moose Lake and Cambridge.

The first strategic objective has long focused on the shift of campus-based MH services to an array of community-based MH services that provide appropriate levels of care closer to patients' homes. This strategy focuses on

providing better care to patients, increasing federal participation in funding care, and reducing use of less effective, more expensive RTC based services.

The second strategic objective focuses on the need to ensure that the state maintain an adequate bed capacity required to serve the increased number of persons being committed to the state's forensics programs. As previously mentioned, the projected increase in commitments to the sex offender treatment program continues to place significant demands on the SOS system.

The third strategic objective focuses on completing the reduction/elimination of the large amount of non-functional surplus space throughout the RTC system. In the spring of 2001, DHS initiated a program to address this issue with the objective to convert surplus property to other ownership. In addition, funds were requested and appropriated during the 2002 legislative session to start the process of demolishing buildings that are determined to be non-functional and/or are considered to have exceeded their useful, designed life.

In 2005 SOS, in partnership with local communities, completed comprehensive redevelopment/reuse plans for the AGCC, FFRTC and WRTC campuses. In the fall of 2005, SOS and Admin, in conjunction with Crow Wing County and the city of Brainerd, began the process of developing a comprehensive redevelopment plan for the Brainerd Regional Human Services Center.

The 2005 Legislature authorized the disposition of the Ah-Gwah-Ching, Fergus Falls and Willmar RTC campuses. The 2006 Legislature authorized the disposition of the Brainerd campus. In addition, the 2005 and 2006 Legislatures appropriated funds for improvements to facilitate the redevelopment/disposition of these campuses, including funds for demolition of deteriorated, unsafe, non-functional buildings and improvements to public infrastructure needed to support redevelopment of the surplus campuses.

The fourth strategic objective relates to asset preservation. This objective centers on the need to address critical repair, replacement, and renewal needs specific to the physical plants of RTCs. Extensive assessments of the facilities include the following: safety hazards, code compliance issues, and mechanical and structural deficiencies; major mechanical and electrical utility system repairs/replacements/improvements; abatement of asbestos containing materials; roof work and tuck pointing; and other building envelope work such as window replacement, elevator repairs/upgrades, and road/parking lot maintenance. Asset preservation projects included in this capital plan are consistent with the anticipated needs of the evolving state-operated mental health service system, and the future needs of the department's campus-based forensic programs.

**Agency Process Used to Arrive at These Capital Requests**

Each SOS program develops a well-defined, long-range operational program for its facility. These operational programs are updated biennially with the intent to outline and describe services to be provided, methods of delivering these services, and resources required for providing these services in the future. These operational programs must demonstrate a strategic link to the agency's system-wide strategic objectives/goals. Upon review and approval of each facility's operational strategic plan, the SOS executive team initiates long-range capital planning. This process includes:

- A comprehensive facilities analysis and planning program
- Identification of viable alternatives for meeting future physical plant needs
- Identification of any surveys or studies (predesign) that may be required to assess viable alternatives
- A long range space utilization plan
- Preliminary campus master planning

After completion of this work all facilities revise their long-range (six-year) physical plant project budgets. These six-year plans outline all capital projects proposed for the facilities and also identify all known physical plant deficiencies, scheduled maintenance, or proposed/required improvements. Each project is evaluated and listed in the appropriate budget category, repair and replacement (R&R), R&R special projects, asset preservation, capital asset preservation and repair account [CAPRA], capital, etc. This information is then used to:

- Establish potential costs associated with improving specific buildings or groups of buildings
- Determine the appropriateness of related or proposed expenditures
- Assess alternatives for meeting an individual facility's operational program

- Developing recommendations for the agency's senior staff to review and consider for inclusion in the agency's six-year capital budget plan

The six-year plan that results outlines an incremental plan for improving and upgrading the physical plant resources required to support future operational programs at the SOS facilities in accordance with the strategic goals and objectives outlined in preceding sections of this Strategic Planning Summary document.

**Major Capital Projects Authorized in 2006 and 2007 ($000's)**

**Laws of Minnesota, 2006, Chapter 258, Section 18**
**Total: $58,321**

| | | |
|---|---|---|
| Moose Lake | New Facilities for Sex Offender Program Phase I | $41,321 |
| System-Wide | Roof Renovation and Repair | $1,500 |
| System-Wide | Asset Preservation and MSOP Phase II Facility Design | $3,000 |
| System-Wide | Security Upgrades | $5,000 |
| System-Wide | Redevelopment, Reuse, or Demolition | $5,000 |
| St. Peter RTC | Program Activity Building | $2,500 |

**2008 STATE APPROPRIATION REQUEST:** $90,000,000

**AGENCY PROJECT PRIORITY:** 1 of 4

**PROJECT LOCATION:** Moose Lake

**Project At A Glance**

- Design, construct, furnish and equip additional secure facilities for the Moose Lake Sex Offender Treatment Program facilities, including programming space and ancillary support/service facilities.
- This project will provide funds for construction and furnishings, fixtures and equipment (FF&E) for the second phase of the expansion for Moose Lake Minnesota Sex Offender Program (MSOP) campus.
- Funds for the first phase of construction (400-beds) and the design of Phase Two were appropriated during the 2006 legislative session.

**Project Description**

This is the second phase of the two-phase project proposed in the department's 2006 – 2011 Capital Budget Plan presented during the 2006 legislative session to expand program capacity for the Minnesota Sex Offender Program (MSOP).

The 2006 Legislature authorized a total of $44.580 million for the first phase of the MSOP expansion. Phase One focuses on the development of the site needed for the two-phase expansion project; construction of residential facilities for 400-beds; and construction of basic ancillary facilities needed to support/operate the first 400-beds while the second phase of the project is under construction. The 2006 Legislature also authorized the use of an additional $3 million to design the second phase of the Moose Lake MSOP expansion.

This request (Phase Two) includes funds to construct, furnish and equip: an additional 400-bed secure residential facility (bedrooms, toileting and bathing, dining and day space); appropriate program areas (treatment/activity, work activity, group rooms, indoor/outdoor recreation, visitation, medical treatment, warehousing etc.); and ancillary space (dietary, mechanical and electrical, storage space, control centers, program administration, etc.). In addition, this project will also require the expansion and upgrading of interior/exterior security systems (including fencing and electronic surveillance, communications, and man-down systems), reconfiguration of some road ways and parking areas, and some changes/modification to the facility's basic utility infrastructure (sewer and electrical distribution) systems.

Utilizing the residential "K" building model that has been established by the Department of Corrections (DOC), with some modifications particular to the Department of Human Services (DHS) licensing requirements, allows DHS to construct significantly more secure space/beds for fewer dollars. This new residential model (referred to as the Star Building) will provide enhanced security features while reducing operational costs associated with the security staff levels used for the previously constructed 25-bed MSOP living units.

In addition, employees from the DOC have been key members on the MSOP Expansion Project design team to make sure that the new MSOP facilities have built-in flexibility for the future utilization of these new secure facilities.

**Background**

In late Spring 2005 it became apparent that earlier projections for the forensics programs underestimated growth in commitments. This growth caused a capacity problem for the forensic programs.

In the Spring of 2006 it was necessary for the department to find temporary space to house individuals committed to the MSOP. All appropriate/available secure facilities at State Operated Services (SOS) facilities were full in June 2006. To address the associated capacity problem DHS and DOC implemented a plan to utilize space at the Minnesota Correctional Facility – Moose Lake as temporary facilities for the MSOP. Because the program will already be operating at the temporary site in Moose Lake, staff and resources can be easily transferred to DHS' new MSOP at Moose Lake when the new facilities under the 2006 Phase One expansion project are completed and ready for occupancy.

*(Please note that the option to use space at DOC's Moose Lake facility is temporary and is due to the recent slowdown in DOC's population growth. These beds may not be available or appropriate space for the long-term.)*

The second phase of expansion proposed for the Moose Lake campus is needed to ensure that adequate bed capacity is maintained to facilitate the level of court ordered commitments that the department projects will continue until such time as longer sentencing guidelines for sex offenses mandated by the 2005 Legislature actually begin to impact the annual number of referrals to the MSOP program.

**Change in Plans for Developing Additional Capacity**

The growth of the forensics program at SOS has been of concern for some time now. Traditionally, growth of the forensic program population was stable and predictable. In 2003, the DOC changed their referral policy for individuals released from jail, increasing the number of individuals referred for civil commitment to SOS.

Until 2003, growth in the MSOP and the Mentally Ill and Dangerous (MI&D) populations was fairly consistent. The MSOP population grew by approximately 18 per year while the MI&D population grew by approximately 5 per year, a total of 23 per year. After the policy change, the department estimated that growth would increase to 36 per year, a 56 percent increase.

The department witnessed a significant increase in admissions beginning in 2004 and continuing in 2005, but believed that was a one time occurrence in response to the new referral policy. As time has progressed, additional data on MI&D and MSOP admissions demonstrates that the increase was not an isolated occurrence and earlier projections significantly underestimated population growth. Based on this additional data for actual referrals, the department is now projecting growth at 73 per year, 57 in the MSOP population and 16 in MI&D population.

Because of this unprecedented growth, the agency had to alter its 2006 six year plan to increase capacity for both the MI&D and MSOP populations. In order to accommodate this growth, SOS needed to request resources for additional capacity.

The Moose Lake MSOP expansion will address projected MSOP bed capacity needs until 2012. The relocation of MSOP patients from the St. Peter campus to the new Moose Lake facilities will free up secure bed capacity on the St. Peter campus, which should address the current projected growth of the MSH MI&D population for approximately six to seven years.

**Impact on Agency Operating Budgets (Facilities Notes)**

The increasing sex offender population will impact the agency's operating budget. The estimated changes in operating costs are shown on the Project Detail page.

**Previous Appropriations for this Project**

The Legislature appropriated funds to construct the original 100-bed facility at Moose Lake in 1994. Funds for the first 50-bed addition to Moose Lake were appropriated in 1998. In 2005, the Legislature appropriated $3.259 million for design for new forensic facilities on the St. Peter campus. The 2006 Legislature revised the 2005 appropriation so it could be used to design the MSOP Expansion at Moose Lake. The 2006 Legislature also appropriated $41.3 million for design, construction, furnishings, and equipment for the new facilities for sex offenders at Moose Lake.

Rider language in the 2006 bonding bill allowed for any portion of the DHS 2006 asset preservation appropriation to be used to design the second phase of the MSOP expansion at Moose Lake.

**Other Considerations**

The department's 2006 six-year plan outlined State Operated Services' plan to request design, construction and FF&E funds for the first phase of expansion for MSOP facilities at Moose Lake. It also indicated the department's intention to request funds for construction and FF&E for the MSOP Phase Two Expansion in 2008. This request follows that plan.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request in 2008. A budget planning estimate of $100.079 million in 2010 is included for anticipated funding of the project at that time.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 2,990 | 2,301 | 0 | 0 | 5,291 |
| 4. Project Management | 10 | 890 | 0 | 0 | 900 |
| 5. Construction Costs | 0 | 71,674 | 0 | 0 | 71,674 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 4,500 | 0 | 0 | 4,500 |
| 9. Inflation | 0 | 10,635 | 0 | 0 | 10,635 |
| **TOTAL** | **3,000** | **90,000** | **0** | **0** | **93,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 90,000 | 0 | 0 | 93,000 |
| **State Funds Subtotal** | 3,000 | 90,000 | 0 | 0 | 93,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,000** | **90,000** | **0** | **0** | **93,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 7,100 | 14,200 | 21,300 |
| Other Program Related Expenses | 0 | 2,142 | 4,284 | 6,426 |
| Building Operating Expenses | 0 | 900 | 100 | 1,000 |
| Building Repair and Replacement Expenses | 0 | 60 | 20 | 80 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 10,202 | 18,604 | 28,806 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 10,202 | 18,604 | 28,806 |
| Change in F.T.E. Personnel | 0.0 | 115.0 | 229.5 | 344.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 90,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 4

**PROJECT LOCATION:** System-wide

**Project At A Glance**

- Maintain and preserve capital investments in state assets
- Provide repairs and replacements to basic facility infrastructure and key mechanical, electrical, utility, and heating ventilation and air conditioning (HVAC) systems
- Address known code deficiencies, security and safety hazards, and health risks
- Repair and replace leaking or deteriorated roofing systems
- Maintain the basic building envelope systems of the state's buildings

**Project Description**

This project request involves the repair, replacement, and renewal needs specific to the operations of each Regional Treatment Center (RTC). It is also intended to address known code deficiencies, safety hazards, security deficiencies, and health risks. These needs developed over time, and represent a system-wide assessment of the facilities' deficiencies, including, but not limited to, the following:

- Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- Energy conservation
- Security issues
- Building code and program licensing compliance
- Joint Commission accreditation deficiencies
- Emergency/backup power systems
- Roof repair and replacements
- Mechanical and structural deficiencies
- Tuck pointing and other building envelope work (window and door replacement, fascia and soffit work, re-grading around foundations, etc.)
- Elevator repairs/upgrades/replacements
- Road and parking lot maintenance
- Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and upgrade of steam systems
- Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.), and
- Demolition of deteriorated/unsafe/non-functional buildings and structures

**Background Information**

Funding of this request will enable the department, and its facilities, to continue to address/reduce the problem of deferred maintenance and deferred renewal at the RTCs. Failure to fund this request will only intensify the problem. Additional deterioration will result and the state's physical plant assets will continue to decline. Future costs may actually compound, as complete replacement may become the most cost effective and efficient alternative for addressing related deficiencies.

The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal referred to as the "capital iceberg." Although most projects associated with this request are considered nonrecurring in scope, all facility components require scheduled maintenance and repair, and eventually many require replacement. The average life cycle of most projects associated with this request range between 25 and 30 years; however, some have longer life cycles, (i.e. tuck pointing, window replacement), and a few may have shorter life cycles, (i.e. road and parking lot seal coating and overlays, exterior building painting, etc.). These projects involve significant levels of repair and replacement and because of the system-wide magnitude cannot be addressed with the current level of repair and replacement funding in the agency's operating budget.

Each of the department's facilities is responsible for maintaining a list of projects required to preserve their fixed assets. These perpetual and ever changing lists are comprised of projects directly related to asset preservation and/or deferred maintenance and renewal. The facilities' asset preservation plans must support the future need and projected use of the facility. Building components are not evaluated on an individual deficiency basis, but rather on an overall building evaluation or assessment basis to determine that its

life cycle characteristics and program suitability of the related spaces are in balance.

A list of projects related to this request is available upon request.

**Impact on Agency Operating Budgets (Facilities Notes)**

Lack of funding of this request will require the use of a large percentage of limited repair and replacement operating funds to address critical and expensive asset preservation projects. This action would limit the agency's ability to address routine preventative, predictive and corrective facility maintenance and would actually compound the existing deferred maintenance problem and result in a substantial increase in the long-range deferred maintenance/renewal at the agencies facilities.

Some projects such as window replacement will result in energy savings; however, other projects such as modernizing air conditioning and ventilations systems actually add some cost to the facility's operation budgets. Funding of this request will not require the agency's operating budget to increase or decrease.

**Previous Appropriations for this Project**

**Asset Preservation**

2006 Legislature appropriated $3 million
2005 Legislature appropriated $3 million
2002 Legislature appropriated $4 million
2000 Legislature appropriated $3 million
1998 Legislature appropriated $4 million

**Roof Repairs and Replacements**

2006 Legislature appropriated $1.5 million
2005 Legislature appropriated $1.014 million
2002 Legislature appropriated $2.789 million
2000 Legislature appropriated $1.971 million
1998 Legislature appropriated $1.9 million

**Security/Safety Upgrades**

2006 Legislature appropriated $5 million

**Other Considerations**

Continued funding at the requested level for several biennia will enable the department to make a significant impact on the system's deferred maintenance problem.

In some cases repair and improvement may be a very prudent measure, while in other cases total replacement may be the most viable alternative. However, in light of the department's current excess building capacity, demolition of some buildings may be determined to be the most economical and prudent choice of action. In addition, downsizing of facilities and/or deactivation of individual buildings must also be considered when prioritizing asset preservation needs.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5 million for this project. Also included are budget planning estimates of $5 million for 2010 and $5 million for 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 408 | 546 | 553 | 1,507 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 4,060 | 4,250 | 4,150 | 12,460 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 532 | 1,204 | 1,797 | 3,533 |
| **TOTAL** | **0** | **5,000** | **6,000** | **6,500** | **17,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 6,000 | 6,500 | 17,500 |
| **State Funds Subtotal** | 0 | 5,000 | 6,000 | 6,500 | 17,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **6,000** | **6,500** | **17,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# System-Wide Campus Redevelopment/Reuse/Demolition

**2008 STATE APPROPRIATION REQUEST:** $4,500,000

**AGENCY PROJECT PRIORITY:** 3 of 4

**PROJECT LOCATION:** Brainerd

**Project At A Glance**

- Upgrade building/facility components to facilitate redevelopment/reuse of surplus Regional Treatment Center (RTC) campuses
- Demolish old, non-functional buildings and infrastructure considered non-functional for redevelopment/reuse or determined too expensive to redevelop for an alternative reuse
- Address other issues associated with disposition of the surplus RTC campuses

## Project Description

This capital budget request is a continuation of several previous capital requests for funds necessary to facilitate the disposition (sale/transfer of ownership) of the Department of Human Services' (DHS) surplus RTC campuses. The primary focus of this request is for the Brainerd Regional Human Services Center Campus. The department is also requesting authority to utilize funds to address any final details associated with the disposition of the other surplus campuses.

All of the system-wide campus redevelopment/reuse/demolition capital budget requests, including this 2008 request, have focused on the following key objectives:

- To repair, replace and/or improve key building components and basic infrastructure necessary to support initiatives to redevelop/reuse surplus RTC properties, especially buildings listed on the National Register of Historic Sites.
- To demolish buildings and campus infrastructures that are considered non-functional for current or future use by state programs, or those that are determined non-functional as part of the final disposition plan is approved/implemented in conjunction with master planning efforts for these three RTC campuses.
- To address other issues that may surface as the disposition of these surplus campuses proceeds.

## Background Information

The 2003 Legislature authorized the DHS to collaborate with local government entities to complete a comprehensive redevelopment plan (master plan) for the future use of the RTC campuses (grounds and vacant buildings) vacated as a result of further expansion of community-based care (Laws 2003, 1st Special Session, Chapter 14, Section 64, Subd. 2). The department, in collaboration with the Department of Administration and local units of government, completed this process for Ah-Gwah-Ching, Fergus Falls, and Willmar in 2004. The master planning project for the Brainerd campus was completed during the spring of 2007.

The master plan process, done in collaboration with local units of government, was intended to generate viable reuse/redevelopment strategies for the old campus properties and buildings. To implement these master plans the department anticipates the need for funds for infrastructure modification, building modifications, and demolition of structures that are determined to be non-functional for future utilization.

## Results

In January 2006, the transfer/sale of the Willmar campus was worked out between the state, Kandiyohi County, and MNWest, a private company from the Willmar area.

The sale of the historic Fergus Falls campus to the city of Fergus Falls was closed in June 2007.

Cass County singed a contingent purchase agreement for approximately 131 acres and 250,000 square feet of buildings at the end of June 2007. Closing of this sale is scheduled to occur thirty (30) days after DHS completes the transition of the Ah-Gwah-Ching program/operations from the Ah-Gwah-Ching campus (AGC) (currently scheduled for January/February 2008).

The city of Brainerd, one of the community partners involved with the Brainerd campus Master Planning Project, has agreed to take the lead role for future redevelopment/reuse activities at the Brainerd campus. The first meeting with the Brainerd Reuse Taskforce occurred in September 2007, and plans and specifications for the demolition of the Brainerd campus buildings that the master planning process determined to be non-functional are currently being developed.

**Impact on Agency Operating Budgets (Facilities Notes)**

Reducing costs associated with heating and maintaining the unused spaces in the numerous vacant buildings on the Brainerd campus would provide immediate, and significant savings to overhead costs associated with operating/maintaining the existing Brainerd facilities. However, the impact on the agency's operating budget will be contingent on the number of buildings that are actually demolished and/or reused for alternative purposes, and the length of time that unused buildings are heated and maintained and/or preserved for future reuse.

Preliminary estimates to provide minimal heat, basic building and grounds maintenance and security for the large amount of non-utilized building space on the Brainerd campus range from $1 to $1.25 million a year. Some of this cost is directly attributed to the continued operation of the high-pressure steam plant currently used to heat buildings and provide hot water on the Brainerd campus. This high pressure plant requires 24 hour per day monitoring by licensed steam engineers, 365 days per year.

Decommissioning of the existing steam plant and installation of individual heating units and hot water heaters in buildings that will continue to be utilized in the future would eliminate the need for the 24 hour per day monitoring. This alone would provide an approximate $300,000 cost savings to facility's current annual operational expenses.

**Previous Appropriations for this Project**

The 2005 Legislature appropriated $8.91 million for this request: $4 million for the Ah-Gwah-Ching campus; $1.9 million for the Willmar campus; and approximately $3 million for the Fergus Falls campus.

In addition, the 2005 Legislature re-authorized $3 million appropriated in the 2002 Bonding Bill for the Fergus Falls RTC so it could be used for this purpose.

The 2006 Legislature appropriated $5 million for this system-wide request "to demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional facilities and infrastructure at Department of Human Services campus that the commissioner of administration is authorized to convey to a local unit of government under Laws of 2005, chapter 20, article 1, section 46, or other law."

**Other Considerations**

The extensive surplus space on the RTC campuses, the age of the facilities, and the estimated cost for ongoing maintenance of the physical plants created financial pressures that could not be ignored. The collaborative effort of local communities and the state to redevelop these surplus campuses has produced results. The state sold the Willmar and Fergus Falls campuses, and a contingent purchase agreement has been executed for the sale of the Ah-Gwah-Ching campus to Cass County.

The department is now focusing on the disposition of the Brainerd campus. If viable reuse cannot be identified for the surplus buildings on the Brainerd campus, the department's recommendation is to demolish all of the vacant non-functional buildings/facilities to eliminate the related ongoing operating expenses.

Funding of this proposal will enable the department to work aggressively to convert the remaining surplus facilities (land and buildings) to other ownership and/or alternative uses. If an alternative use cannot be found, adequate funds will be available for demolition, and the need to expand state dollars to maintain these non-utilized, non-functional buildings in the future can be eliminated.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $4.5 million for this project. Also included is a budget planning estimate of $4.5 million in 2010.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 281 | 280 | 0 | 561 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 3,632 | 3,244 | 0 | 6,876 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 587 | 976 | 0 | 1,563 |
| **TOTAL** | **0** | **4,500** | **4,500** | **0** | **9,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,500 | 4,500 | 0 | 9,000 |
| **State Funds Subtotal** | 0 | 4,500 | 4,500 | 0 | 9,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,500** | **4,500** | **0** | **9,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $380,000

**AGENCY PROJECT PRIORITY:** 4 of 4

**PROJECT LOCATION:** Anoka-Metro Regional Treatment Center

**Project At A Glance**

- **Phase One (2008)** – Design the renovation/construction of available space in the West Wing of the Anoka-Metro Regional Treatment Center's (A-MRTC) Miller building for a training center and office complex. This space will be used as a state-wide clinical training center and support facility for State Operated Services (SOS) programs.
- **Phase Two (2010)** – Implement renovation/construction project and furnish, fixture and equip new training center, including construction of appropriate parking and program support infrastructure.

**Project Description**

This request is for funds to design the renovation, construction of the Miller Building West Wing as a clinical training, office, and support complex for the SOS system.

This project will include renovation; construction of a mezzanine; installation of windows, elevators, sprinklers, fire detection, alarm systems, and security systems; communications; video conferencing; mechanical electrical upgrades to support the new use of the space; and the development of new/additional parking on campus.

The 2008 request is for funds to design the renovation/construction required to accommodate the new training center. The department plans to request funds for renovation/construction, furniture, fixtures and equipment (FF&E), tele/data communications infrastructure, hazardous materials abatement, and other related project components during the 2010 capital budget process.

**Background Information**

The Miller Building on the Anoka campus was designed with four distinct units. Miller North and South units were designed, and have been used since construction, as residential units for the facility's mental health program. Miller East was originally designed as A-MRTC's medical support complex. It was constructed with a swimming pool, gymnasium, weight room, offices, several small classrooms, and locker/shower rooms. Over the years, use of the pool declined and pool maintenance was deferred. In 1999, because of the very limited use by patients, SOS decided to demolish the swimming pool rather than spend in excess of a million dollars to meet required codes/standards. As part of this demolition, the pool and pool deck were removed and the area was filled with an appropriate compacted gravel/sand base. Heat in the space was reduced and it has remained vacant since that point in time.

The pool building is a structural steel framed building with masonry infill between the exterior wall steel columns. It has a steel framed/decked roof design and a solid, well-maintained roofing system. The building is in good structural condition and is very suitable for the proposed program. In addition, this area of the campus has adequate room to develop the additional parking requirements this program will need. The Anoka campus is centralized with most of SOS' out state facilities and has very good highway access from most parts of the state.

At completion of the system's transition of the adult mental health program to community settings, and the disposition of the Willmar, Fergus Falls, Ah-Gwah-Ching, and Brainerd campuses, most of the space previously used for training out state will no longer be available. The development of this clinical training center on the Anoka campus will provide this badly needed space while facilitating the joint education relationship SOS has with the University of Minnesota Medical School and other metro area professional/technical colleges.

Classrooms and support spaces will be specifically designed to accommodate this specialized training, and in a location most appropriate for it to be, in close proximity to the hospital. Locating this training facility at A-MRTC will facilitate the integration of theory and practice, and the linking of clinician training directly to patients. This renovated space will also act as a

lab for best practices and evidence-based practices. It will also provide an environment for professionals in psychiatry, nursing, social services, psychology, program administration, and support functions to learn in a clinical environment.

**Impact on Agency Operating Budgets (Facilities Notes)**

This renovated space will increase the facility's annual fuel and utility budget by a small percentage. It will also cause a slight increase in the facility's annual maintenance budget. However, these costs should be more than offset by operational savings attributed to leasing space in the community for this training, and the staffing efficiency associated with having clinicians train for several hours a day, and then walk to their treatment units to serve patients for the balance of their shift.

**Previous Appropriations for this Project**

None. This is the first time funds have been requested for this project.

**Other Considerations**

Rent/lease space for training in the community.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 20 | 0 | 0 | 20 |
| 3. Design Fees | 0 | 310 | 0 | 0 | 310 |
| 4. Project Management | 0 | 0 | 30 | 0 | 30 |
| 5. Construction Costs | 0 | 0 | 3,060 | 0 | 3,060 |
| 6. One Percent for Art | 0 | 0 | 28 | 0 | 28 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 427 | 0 | 427 |
| 9. Inflation | 0 | 50 | 780 | 0 | 830 |
| **TOTAL** | **0** | **380** | **4,325** | **0** | **4,705** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 380 | 4,325 | 0 | 4,705 |
| **State Funds Subtotal** | 0 | 380 | 4,325 | 0 | 4,705 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **380** | **4,325** | **0** | **4,705** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 380 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**At A Glance**

The Minnesota Public Facilities Authority (PFA) is an interagency financing authority governed by a board consisting of six state commissioners representing the Departments of Employment and Economic Development (DEED), Finance, Health, Agriculture, Transportation, and the Pollution Control Agency. The Commissioner of DEED serves as the chair and is responsible for hiring an executive director with the consent of the PFA. The executive director is responsible for staffing, debt issuance authorized by the PFA, and compliance with laws, regulations and disclosure requirements related to the PFA programs.

The PFA manages three revolving funds, several grant and loan programs, and has authority to issue $1.5 billion in revenue bonds to raise the capital to make loans. All major programs of the PFA are managed in conjunction with member agencies, which establish priorities and provide technical reviews of projects before the PFA approves funding.

## Agency Purpose

The mission of the Minnesota Public Facilities Authority (PFA), Minnesota Statute Chapter 446A, is to utilize its interagency authority to provide municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the state.

To achieve its goals the Authority implements the following strategies:

- Target limited resources to high priority projects identified by regulatory agencies by following their project priority lists.
- Coordinate project funding with all other state and federal funding programs to leverage resources necessary to keep projects affordable.
- Coordinate activities of various funding partners to minimize duplication, administrative costs, and confusion.
- Maintain the credit quality (AAA rated) and viability of the Authority's Revolving Funds.
- Balance the current demand for project funding (including nonpoint source and point source needs) with the long-term lending capacity of the Authority's Revolving Funds to maintain their critical role as important financing tools for high priority projects in perpetuity.

## Core Functions

The core functions of the PFA can be summarized as management of infrastructure financing programs (offering both loans and grants to political subdivisions of the state), investment of funds, issuance of bonds to make loans, and loan collections.

PFA programs include the following:

### Clean Water Revolving Fund (CWRF)

- Low interest loans to municipalities for wastewater and stormwater projects
  - ⇒ Total to date: 311 loans for $1.7 billion
    - – Interest savings to cities/taxpayers: $413 million
  - ⇒ 2008 Intended Use Plan: 55 projects for $331 million eligible to receive loans
  - ⇒ Funding priorities set by PCA Project Priority List
  - ⇒ Future needs: 251 projects for $1.8 billion on 2008 priority list
- PFA has provided $79.4 million for nonpoint source loan programs (Ag BMP Loans, PCA Clean Water Partnership Loans, DEED Tourism Loans)
- PFA also provides program administration funds to PCA

### Wastewater Infrastructure Funding (WIF) Program

- Supplemental assistance for high cost, high priority wastewater projects
  - ⇒ Grants to match USDA Rural Development
  - ⇒ Non-RD Projects: 0 percent deferred loans to package with CWRF loans
- Funding priorities set by PCA Project Priority List
- FY 2007 Awards: 14 projects, $13.8 million
  - ⇒ $9.3 million reserved for 15 projects expected to proceed in FY 2008

### Total Maximum Daily Load (TMDL) Grant Program

- Fifty percent grants to assist municipalities with wastewater or stormwater projects needed to meet TMDL implementation plan requirements
- PFA received 23 eligible applications for $13 million in grants in FY 2007
- Funding priorities based on PCA's Project Priority List

**Clean Water Legacy Phosphorus Reduction Grant Program**

- Seventy-five percent grants up to $500,000 to assist municipalities with wastewater treatment projects that will reduce discharge of total phosphorus to one mg/l or less
- PFA received 46 eligible applications for $18 million in grants in FY 2007
- Funding order based on PCA Project Priority List
- Grants can be used to reimburse projects that started after March 2000 but before 7-1-2006.

**Small Community Wastewater Treatment Program**

- Loans and grants to assist small communities with costs to replace non-complying Individual Sewage Treatment Systems (ISTS) with new ISTS and small cluster systems that are publicly owned and operated
- One percent loans for up to 100 percent of project costs, communities that have below average median household income can receive 50 percent of funding as a grant
- Funding order based on PCA Project Priority List
- PFA can provide up-front technical assistance grants to help small communities analyze possible wastewater alternatives
  - ⇒ Up to $40,000 for ISTS professional to conduct preliminary feasibility analysis and for University of Minnesota Extension Service to advise community and

**Drinking Water Revolving Fund**

- Low interest loans to municipalities and other public water suppliers for drinking water infrastructure improvements
  - ⇒ Total to date: 194 loans for $390 million
    - – Interest savings to cities/taxpayers: $79 million
  - ⇒ 2008 Intended Use Plan: 57 projects for $85 million eligible to receive loans
  - ⇒ Funding priorities set by Health Department Project Priority List
  - ⇒ Future needs: 121 projects for $191 million on 2008 priority list
  - ⇒ PFA also provide funds to Health Department for program administration, wellhead protection, public water supply supervision, technical assistance

**Transportation Revolving Loan Fund**

- Low interest loans to governmental entities for eligible transportation projects, including road and bridge projects and transit projects.
  - ⇒ Total to date: 19 loans for $118 million
    - – Interest savings to cities/taxpayers: $17 million
  - ⇒ MnDOT periodically solicits project proposals and ranks them on a competitive basis as loan repayments become available for new loans.

**County Credit Enhancement Program**

- Program reduces county borrowing costs on general obligation bonds issued for certain purposes by providing a limited state guarantee of the bond payments.
- Eligible projects include construction of jails, correctional facilities, law enforcement facilities, and social services and human services facilities
  - ⇒ Total to date: 32 bond issues for $180 million
    - – Interest savings to counties/taxpayers: $3.3 million

**Methamphetamine Laboratory Cleanup Fund**

- Low interest loans to cities and counties to finance the cleanup of sites affected by conditions or chemicals associated with the manufacturing of methamphetamine
  - ⇒ Total to date: 2 loans for $20,016

*In partnership with DEED* the executive director has begun to oversee the Community Assistance and Redevelopment and Brownfield Units located in the Business and Community Development Division. DEED and the PFA will be exploring options to maximize the utilization of the limited grant funds and the PFA's bonding authority to deliver comprehensive and coordinated financial packages critical to build the capacity for economic development opportunities across the state.

**Operations**

Communities that have drinking water or clean water needs are directed to the appropriate agency (MDH and MPCA) to list the project on the appropriate project priority list and to begin the environmental and technical review processes required to permit and certify projects to the PFA for funding. Each year the PFA solicits requests for placement on the Intended Use Plan (a federal requirement used to report to USEPA and the public on how the state will use the Clean Water and Drinking Water Funds each fiscal year). To be placed on the Intended Use Plan, the project must have approval of its preliminary engineering report or Facility Plan and be scheduled to start work during the fiscal year. The PFA board examines the

demand for funds and sets the cut off point for funding looking at current demand, projected future needs, and the short-term and long-term capacity of the fund to make loans.

The PFA manages capital assets for the making of loans through receipt of Federal Capitalization Grants, State Matching Funds, Loan Repayments, Investment Interest, and proceeds of Revenue Bond issuances. Communities issue their General Obligation Bonds to the PFA to back the loans. The combination of equity assets, general obligation pledges from a large and divers pool of borrowers, and the seasoned staff and management practices of the Authority have achieved AAA bond ratings from all three Bond Rating Agencies.

The Wastewater Infrastructure Funding program follows the MPCA's project priority list and provides supplemental funding for high cost projects that qualify for grant funding by USDA Rural Development or when project costs exceed five percent of the market value of property in the service area for projects financed under the Clean Water Revolving Fund. For USDA Rural Development projects, the WIF program provides 50 percent of the grant eligible amount determined by Rural Development. For Clean Water Revolving Fund projects, the WIF program provides a zero interest loan, with payments deferred until the revolving fund loan is paid in full.

All other grant programs have specific application cycles. The application material for each program is available on the PFA website and notices are sent out to all eligible recipients on the Project Priority List notifying them of the deadlines and contacts for assistance.

**Key Operations**

The key measure for the PFA is the savings offered by low interest loans. We track this by assuming each community could sell AAA rated bonds and comparing our loan rate to the AAA bond market rate to measure savings. In reality many other cost savings occur through reduced fees, costs of issuance and regulatory compliance activities such as annual market disclosure and arbitrage rebate reporting requirements. PFA loans made from FY 1989 through 2007 will save borrowers over $500 million in interest costs over the life of the loans. Interest rate discounts on PFA loans range from 1.5 percent to four percent below the AAA market rate, with smaller communities receiving the largest discounts, down to a minimum interest rate of 1 percent.

**Budget**

Under M.S. 446A.11, Subd. 13, funds available to the PFA, unless otherwise indicated, are statutorily appropriated to the Authority and available until expended. The PFA's budget for FY 2008 is approximately $521 million. This includes $371 available for low interest loans, $91.5 million for debt service on outstanding revenue bonds, $2.5 million for grants, $863,000 for staff (8.75 FTEs) and general administrative costs, and $330,000 for bond issuance and related costs including bond counsel, financial advisor, auditor, and arbitrage rebate contractors.

In addition to these amounts, PFA annually provides administrative support funding to the Pollution Control Agency and the Department of Health for their work with the Clean Water and Drinking Water State Revolving Funds. These amounts for BFY 2008 are $1,119,912 and $473,973, respectively.

PFA also provides funding to the PCA and the Department of Agriculture for non-point source revolving loan programs under the Clean Water SRF. The anticipated funding level for FY 2008 is $2.2 million, unchanged from FY 2007.

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**At A Glance: Agency Long-Range Strategic Goals**

The Minnesota Public Facilities Authority (PFA), Minnesota Statutes Chapter 446A , is an interagency financing authority governed by a board consisting of six state commissioners representing the Departments of Employment and Economic Development, Finance, Health, Agriculture, Transportation, and the Pollution Control Agency. The Commissioner of DEED serves as the chair and is responsible for hiring an executive director with the consent of the PFA. The executive director is responsible for staffing, debt issuance authorized by the PFA, and compliance with laws, regulations and disclosure requirements related to the PFA programs.

The PFA manages three revolving funds, several grant and loan programs, and has authority to issue $1.5 billion in revenue bonds to raise the capital to make loans. All major programs of the PFA are managed in conjunction with member agencies, which establish priorities and provide technical reviews of projects before the PFA approves funding.

The mission of the PFA is to utilize its interagency authority to provide municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the state.

To achieve its goals the Authority implements the following strategies:

- Target limited resources to high priority projects identified by regulatory agencies by following their project priority lists.
- Coordinate project funding with all other state and federal funding programs to leverage resources necessary to keep projects affordable.
- Coordinate activities of various funding partners to minimize duplication, administrative costs, and confusion.
- Maintain the credit quality (AAA rated) and viability of the PFA's Revolving Funds.
- Balance the current demand for project funding (including nonpoint source and point source needs) with the long-term lending capacity of the PFA's Funds to maintain their critical role as an important financing tool for high priority projects in perpetuity.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

There are many factors affecting the growing demand for infrastructure financing in Minnesota. They include aging municipal infrastructure which is at or beyond its useful life; population growth and shifts resulting in rapid growth in some areas and population loss in others, both of which create challenges for infrastructure investment; rising costs, including construction related inflation costs that have increased two to three times the cost of living, putting pressure on local government budgets and reducing their ability to fund projects locally; growing awareness of the impacts of failing individual septic systems which have generated a growing demand for municipal wastewater service in many unsewered communities and lakeshore areas; new standards imposed on drinking water to protect the health and safety of people; and an increased focus on impaired waters and the development and implementation of total maximum daily load (TMDL) studies to restore the ability of those waters to meet their designated uses. In addition there is the challenge of meeting these needs in the context of a global economy that keeps pressure on communities to keep costs of public services priced with their regional, national, and international competition.

**Clean Water**

The Clean Water Legacy Act has lead to the creation of several new programs to address impaired waters caused by both nonpoint and point source pollution. In the past two years the Authority implemented three new funding programs, the Total Maximum Daily Load Grant Program, Phosphorus Reduction Grant Program and the Small Community Wastewater Loan and Grant Program. In addition to new programs the existing Clean Water Revolving Fund and Wastewater Infrastructure Funding Program have been modified to include storm water treatment when it is a contributor to impaired waters.

The Pollution Control Agency (PCA) 2008 Project Priority List includes 251 projects totaling $1.8 billion. The Clean Water SRF program is the primary source of funding for municipal wastewater projects and it is expected to receive federal funding ($19.5 million annually) through federal fiscal year (FFY) 2012. States are required to provide a $1 state match for every $5 of federal funding, but given the demand on the funding the PFA is requesting a 1 to 1 match.

The WIF program provides grants to help small communities deal with the high cost of wastewater construction. WIF makes up about 10 percent of the total state assistance for wastewater, and demand has grown significantly in recent years as communities try to resolve problems with failing septic systems.

**Drinking Water**

Threats to drinking water can come from contamination such as bacteria, viruses or nitrates from animal or human activities, naturally occurring inorganic chemicals such as arsenic, or radioactive elements such as radon. The Health Department's 2008 Project Priority List includes 121 projects totaling $191 million. The Drinking Water SRF is expected to receive federal funding ($15,000,000 annually) through FFY 2018. States are required to provide a $1 state match for every $5 of federal funding.

**Describe the Agency's Long-Range Strategic Goals in Relationship to Capital Request:**

*State Match for the Clean Water Revolving Fund*: In conjunction with MPCA, the PFA manages the very successful Clean Water Revolving Fund, which provides low interest loans to municipalities for wastewater projects. This fund is the primary wastewater financing tool available to municipalities and historically has provided over 80 percent of all state funding of wastewater construction. The Clean Water Fund also provides money to MPCA and Agriculture for their nonpoint source loan programs. Demand for wastewater loans has grown to more than $300 million per year, more than four times the average annual long-term lending capacity of the fund. State matching funds are required to capture the Federal USEPA Capitalization Grants to provide equity for the fund. The PFA's request for a $1 to $1 state match, versus the minimum required $1 to $5 match, will help tremendously in the PFA's ability to leverage the funds three to four times in the Municipal Bond Market to make loans.

*State Match for the Drinking Water Revolving Fund*: PFA manages the Drinking Water Revolving Fund (DWRF) in conjunction with the Minnesota Department of Health (MDH), which provides similar technical service as MPCA. The DWRF provides low interest loans to municipalities for drinking water projects and also funds a variety of technical services (including public water supply supervision, wellhead protection, and technical assistance to small communities). To capture the Federal USEPA Capitalization Grants the state is required to provide a $1 to $5 match. The PFA believes the Fund capacity will be sufficient to address the high priority projects with the State Match, expected Federal Capitalization Grants and Drinking Water Revolving Fund revenue bonds (AAA rated) issued by the PFA. We are therefore requesting the minimum state match for the DWRF.

*Wastewater Infrastructure Fund*: The Wastewater Infrastructure Fund Program (WIF) provides grant funding to communities that are unable to finance projects solely through loans. For communities eligible to receive grants from the United States Department of Agriculture Rural Development (RD), the WIF matches RD grants on a 50/50 basis. Communities not eligible for RD grants may receive zero interest deferred loans based on the funding criteria in M.S. section 446A.072. Among projects funded in recent years, the PFA has found that communities under 2,500 population pay an average of $53 per month per household, while those over 2,500 population average $27 and cities in the metro service area average just over $15 per month. Given the large cost differences between small and large communities, USDA Rural Development will reduce their grant formula from 1.7 percent of Median Household Income to 1.5 percent. This will result in more funds being committed as grants to help small communities, but it could also make it more difficult for them to fully commit their loan funds, potentially leading to some of their allocation for Minnesota reverting back to the national pool. To assist in fully utilizing Minnesota's allocation of federal funds, the PFA will be requesting a change to the WIF match requirement from 50/50 to 65 percent state to 35 percent federal. This will help provide greater assistance to small low income communities while also assuring that Rural Development fully utilizes its loan funds.

*Small Community Wastewater Treatment Loan and Grant Program*.

This program is designed to allow the construction of publicly owned and operated onsite sewage systems on a voluntary basis by the homeowner in very small communities (too small to require a permit by MPCA). It provides 100 percent financing in the form of a loan, or 50 percent loan and 50 percent grant when the income levels are below the state average. This is a critical program to eliminate straight pipe communities and the pollution caused by failing septic systems as part of the state's effort to restore impaired waters.

*Total Maximum Daily Load (TMDL) Grants.* The TMDL grant program provides 50 percent grants to communities that are required to make improvements to their wastewater treatment systems based on a TMDL study and implementation plan. As of 6-30-2007 the MPCA has completed 13 TMDL studies and identified 217 communities as contributors to impaired waters. There are another 50 studies underway that will most likely expand this list. Funding priorities for this program were modified to follow the MPCA's Project Priority List so the funds will be directed to the highest priority construction projects and can be used in conjunction with the Clean Water Revolving Fund to provide complete project financing. This is a key program in providing assistance to communities to address impaired waters.

*Phosphorus Reduction Grants.* The Phosphorous Reduction Grant program provides 75 percent grant for the treatment of phosphorous to address MPCA's phosphorous requirements of I milligram per liter. This was a strategy adopted by MPCA in March of 2000. The program can reimburse project cost dating back to the adoption of the phosphorous strategy. The PFA is requesting $10 million in general fund money to do the reimbursements as it is not considered an eligible use of bond proceeds and may run afoul of federal tax-exempt bond regulations. The PFA is also requesting $10 million for new phosphorous reduction projects to assist communities with new permit requirements related to phosphorous discharge. Funding priorities follow the MPCA's Project Priority List and can be used in conjunction with the Clean Water Revolving Fund for major wastewater treatment upgrades.

*Pilot Project for Water Conservation through Wastewater Reuse.*
In conjunction with the Department of Natural Resources (DNR) and the MPCA the PFA is requesting funding to attempt to seek two industrial users, primarily ethanol producers, to convert from using ground water for cooling to the use of municipal wastewater. The funds will be used to make the necessary improvements to the municipal wastewater treatment and connection line to the industrial facility. Any plant conversion would be the responsibility of the user. The key outcome is to look at the feasibility and economics of such a conversion to encourage the reuse of wastewater and preservation of ground water, especially in area of the state where ground water is scarce and its use for such things as cooling is not a high value use of the resource.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The PFA does not own or operate facilities covered by this request.

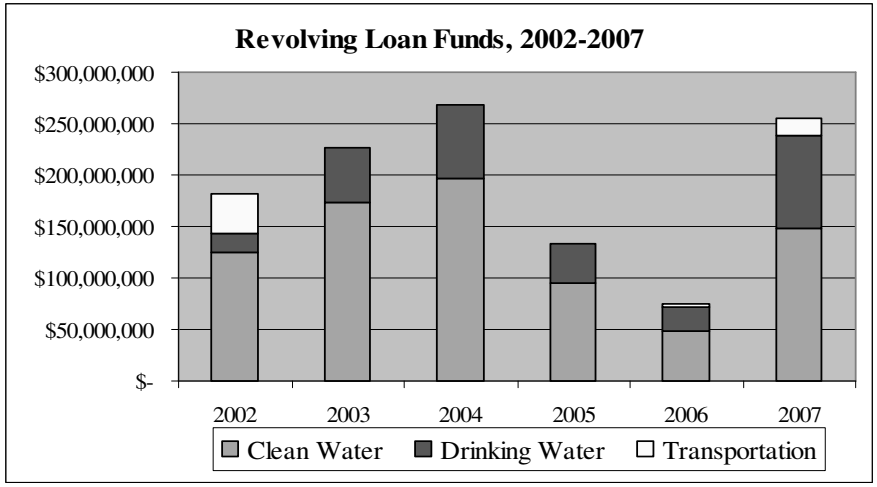
**Agency Process Used to Arrive at These Capital Requests**

PFA staff worked with its funding and regulatory partners (Health, MPCA, DNR, USDA Rural Development, Army Corp of Engineers, and DEED's Community Assistance Unit) to assess the demand for funding and the opportunities to maximize other funding to fully fund those projects that should be ready to proceed during the next two years. PFA staff also met with constituent groups to discuss staff proposals and seek comments. The proposals were brought to the PFA Board on 6-13-2007 and were approved for submission to Finance and the Governor's Office. In addition, the Authority staff presented the proposed capital budget to the Clean Water Council for review and the Council formally approved a resolution supporting the PFA capital budget request on 7-17-2007.

**Agency Capital Budget Projects During The Last Six Years (2002-2007):**

The PFA made its first loan in July of 1989 and has since provided over $2 billion dollars of financing to local governments throughout the state for wastewater, drinking water, roads, bridges and transit projects. From FY 2002 through 2007, the PFA has provided $1.1 billion in 252 revolving fund loans, including $788 million for 101 Clean Water loans, $295 million for 140 Drinking Water loans, and $58 million for 11 Transportation loans.

PFA Revolving Loan Fund capital project funding by state FY 2002 through 2007:




Also during the period of FY 2002 through 2007, the PFA allocated over $14 million from the Clean Water Revolving Fund to the DOA and PCA for their nonpoint source loan programs. These funds, combined with previous loan repayments, resulted in a total of $82 million in loans to private landowners to implement over 7,000 projects to reduce nonpoint source pollution.

From FY 2002 through 2007, the PFA also funded 35 projects for $39.8 million in matching grants and deferred loans under the Wastewater Infrastructure Funding program. An additional $8.4 million is reserved for 12 projects that have met requirements specified in the appropriation language, leaving $3.2 million available for new WIF projects which the PFA expects will be committed soon after federal FY 2008 appropriations are made to USDA Rural Development in October 2007.

In FY 2007 the PFA also awarded a total of $3.9 million to 9 projects under the three Clean Water Legacy Programs: the Small Community Wastewater Treatment Program, the Total Maximum Daily Load (TMDL) Grant Program, and the Phosphorus Reduction Grant Program. An additional $5.1 million has been reserved or committed for 13 projects under these programs, and the PFA expects all appropriated funds to be under contract by the end of the fiscal year.

# Public Facilities Authority

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| State Matching Funds for USEPA Capitalization Grants | 1 | GO | $45,000 | $45,000 | $45,000 | $30,000 | $30,000 | $30,000 |
| Wastewater Infrastructure Fund | 2 | GF | 300 | 300 | 300 | 300 | 300 | 300 |
| | | GO | 15,000 | 15,000 | 15,000 | 10,000 | 10,000 | 10,000 |
| Small Communtiy Wastewater Treatment | 3 | GO | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Total Maximum Daily Load Grants | 4 | GO | 15,000 | 15,000 | 15,000 | 2,000 | 2,000 | 2,000 |
| Phosphorus Reduction Grants | 5 | GO | 10,000 | 10,000 | 10,000 | 2,000 | 2,000 | 2,000 |
| Phosphorus Reduction Grants - Reimbursement Projects | 6 | GF | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Water Conservation Through Wastewater Reuse | 7 | GO | 5,000 | 0 | 0 | 0 | 0 | 0 |
| Streamline Infrastructure Financing | 8 | OTH | 100 | 0 | 0 | 100 | 0 | 0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Project Total | $102,400 | $87,300 | $87,300 | $46,400 | $46,300 | $46,300 |
| General Obligation Bonding (GO) | $92,000 | $87,000 | $87,000 | $46,000 | $46,000 | $46,000 |
| General (OTH) | $100 | $0 | $0 | $100 | $0 | $0 |
| General Fund Projects (GF) | $10,300 | $300 | $300 | $300 | $300 | $300 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# State Matching Funds for USEPA Capitalization Grants

**2008 STATE APPROPRIATION REQUEST:** $45,000,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

State Matching Funds for U.S. Environmental Protection Agency (EPA) and Capitalization Grants for Clean Water and Drinking Water Revolving Funds

## Project Description

The Public Facilities Authority (PFA) is seeking $45 million in state funds to match expected EPA funds for federal FY 2009-10 at the rate of 1:1 for the Clean Water Revolving Fund (M.S. 446A.07), and at the minimum required match of 1:5 for the Drinking Water Revolving Fund (M.S. 446A.081). These funds will be used to leverage PFA revenue bonds to provide low interest loans for clean water and drinking water projects. In both programs, the state matching funds are used only for municipal, publicly-owned improvements.

**2008 Legislative Session Request ($ in thousands): $45,000**

| | Clean Water | | Drinking Water | |
|---|---|---|---|---|
| **FY** | **Fed Cap. Grant** | **State Match** | **Fed Cap. Grant** | **State Match** |
| 2009 | $19,500 | $19,500 | $15,000 | $3,000 |
| 2010 | 19,500 | 19,500 | 15,000 | 3,000 |
| Total | $39,000 | **$39,000** | $30,000 | **$6,000** |

## Impact on Agency Operating Budgets (Facilities Notes)

PFA operates on federal administrative funds and special revenues generated from fees on loan payments, which together provide for all administrative expenses for these programs incurred by the PFA, the Pollution Control Agency (PCA), and the Department of Health (DOH).

## Previous Appropriations for this Project

Previous state match appropriations total $167.12 million to match federal grants from 1989-2008.

## Other Considerations

Low-cost financing under the PFA's clean water and drinking water loan programs is an important element in helping communities contain costs and remain economically competitive, while providing essential infrastructure. Funds are awarded to projects based on their ranking on Project Priority Lists prepared by the Pollution Control Agency (PCA) for clean water projects and the health department for drinking water projects. Through FY 2007, the PFA has made below market rate loans in excess of $2 billion which will result in interest savings to local taxpayers of almost $500 million compared to market rate financing.

Demand for wastewater loans from the PFA has grown to $300 million per year, more than four times the average annual long-term lending capacity of the Clean Water Revolving Fund. The demand for these loans has been driven by economic growth and population shifts, TMDL implementation plans to address impaired waters, the need to replace aging facilities, and greater attention to the impacts of individual sewage treatment systems. Demand will continue to grow as pressure to meet Clean Water Act requirements for impaired waters puts greater emphasis on storm water infrastructure needs in addition to wastewater needs. The focus on impaired waters will also increase demand for funds from nonpoint source pollution loan programs. The PFA, through the Clean Water Revolving Fund, has provided $79.4 million to nonpoint source loan programs since 1995. Recognizing these growing needs, the Legislature appropriated Clean Water matching funds at a 1:1 level in 2006. For 2008, the PFA is seeking to maintain the 1:1 match level, adjusting for an anticipated moderate increase in federal funds for 2009-10. Despite the small increase in expected federal funds, maintaining the 1:1 state match is still needed to continue to fund high priority project needs.

Demand for drinking water loans, while strong, has not grown as fast relative to the long-term lending capacity of the Drinking Water Revolving Fund. The request for drinking water matching funds remains at the minimum 20 percent necessary to access the federal funds. This should be sufficient for the Drinking Water Revolving Fund to continue to finance high priority projects.

To date, federal and state funds have been leveraged 2.5:1 through the PFA's issuance of AAA rated revenue bonds. Overall, each dollar of state matching funds has generated over $12 in project construction. It should be noted that every dollar spent on municipal water and wastewater construction generates 4.6 cents in general fund revenues directly from the income tax, corporate income tax, and sales tax. The interest savings from PFA loans for local taxpayers has been almost $3 for every $1 of state matching funds.

The Clean Water and Drinking Water Revolving Funds have shown considerable financial strength to finance municipal water and wastewater projects. The AAA ratings of the PFA's clean water and drinking water bonds from Standard and Poors Rating Group, Fitch I.C.B.A., Inc., and Moody's Investor Services reflects the financial strength of the funds, the credit quality of Minnesota communities, and the sound financial management of the programs.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $30 million for this project. Also included are budget planning estimates of $30 million in 2010 and $30 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 2,382,055 | 400,000 | 400,000 | 400,000 | 3,582,055 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,382,055** | **400,000** | **400,000** | **400,000** | **3,582,055** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 122,573 | 45,000 | 45,000 | 45,000 | 257,573 |
| General Fund Projects | 24,500 | 0 | 0 | 0 | 24,500 |
| General | 4,444 | 0 | 0 | 0 | 4,444 |
| Infrastructure Dev | 15,600 | 0 | 0 | 0 | 15,600 |
| **State Funds Subtotal** | 167,117 | 45,000 | 45,000 | 45,000 | 302,117 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 656,404 | 69,000 | 69,000 | 69,000 | 863,404 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 1,558,534 | 286,000 | 286,000 | 286,000 | 2,416,534 |
| **TOTAL** | **2,382,055** | **400,000** | **400,000** | **400,000** | **3,582,055** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 45,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Water Conservation Through Wastewater Reuse

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This request is for $5 million for a pilot program to seek opportunities to support sound industrial development through reusing treated municipal wastewater for non-contact cooling water applications versus using ground water.

## Project Description

The Public Facilities Authority (PFA), in conjunction with the Department of Natural Resources (DNR) and the Pollution Control Agency (PCA), is seeking $5 million for a pilot program to encourage water conservation through the reuse of treated wastewater for industrial purposes. Development in many Minnesota communities is constrained by limited availability of ground and surface water supplies. This proposal will conserve ground and surface water at two or three municipally owned demonstration projects. These demonstrations will assess and explore the opportunity to recycle treated wastewater as non-contact cooling water, a major point of industrial water consumption. The demonstration projects will drive more efficient use of natural resources to support continued community and economic development throughout Minnesota.

Factors to be considered in the assessment include; scale of water constraint, volume of treated wastewater supply, quality of water supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, appropriation and discharge permit considerations, construction and on-going operational costs, and user fees.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA recovers its administrative costs with a 0.5 percent (one half of one percent) fee charged to grantee at the time of the contract issuance.

## Other Considerations

The PFA will work with the DNR and the PCA to explore potential projects that could be used to demonstrate how treated municipal wastewater can be reused as non-contact cooling water at industrial facilities. Special emphasis will be placed on existing ethanol plants to determine if opportunities exist to reduce overall groundwater consumption. If needed the PFA will coordinate funding of the pilot projects with other funding sources to get the projects financed in a timely manner with a minimum of confusion.

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 0 | 0 | 10,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 0 | 0 | 5,000 |
| **State Funds Subtotal** | 0 | 5,000 | 0 | 0 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 2,500 | 0 | 0 | 2,500 |
| Private Funds | 0 | 2,500 | 0 | 0 | 2,500 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Small Communtiy Wastewater Treatment

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Small Community Wastewater Treatment Program provides loans and grants to small communities to replace non-complying septic systems with new individual sewage treatment systems or small cluster systems that are publicly owned and operated.

## Project Description

This programs provides 1 percent loans for 100 percent of the project costs to replace failing septic systems with new individual sewage treatment systems or small soil-based cluster systems. Communities with median household incomes below the statewide average can receive grants for up to 50 percent of the project costs. The program requires public ownership of the systems being financed. The program also provides technical assistance grants for feasibility studies and to assure the communities have the technical, financial, and managerial capacity to operate and maintain the systems built under the program. This is a critical feature in making lasting improvements that will restore and protect water quality.

The requested funds will finance publicly owned capital improvements as a loan or combination loan and grant. Property owners that voluntarily choose to participate in a project must donate utility easements to the community to allow for installation and maintenance of the systems. The systems must comply with M.S. 115.55 for soil-based treatment systems and must be less than the Pollution Control Agency's (PCA's) permit threshold of 10,000 gallons per day. The program is a critical component of the state's effort to reduce pollution going into impaired waters from failing septic systems and straight pipes. Funds are awarded based on the project ranking on the PCA's Project Priority List.

## Impact on Agency Operating Budgets (Facilities Notes)

Administrative costs of the PFA are captured through fees assessed on loan repayments.

## Previous Appropriations for this Project

In 2006 $1 million was appropriated from state general obligation (GO) bonds and $100,000 from the state general fund as part of the Clean Water Legacy funding package.

## Other Considerations

In 2007, the PFA was appropriated $100,000 per year in its base budget to award up-front technical assistance grants to unsewered small communities based on their ranking on the PCA's Project Priority List. Grants of $10,000 plus $500 per household can be used by the community to hire a licensed professional to conduct site evaluations and determine the feasibility of installing soil-based systems, and to contract with the University of Minnesota Extension Service to advise the community on treatment alternatives and help the community develop the technical, managerial and financial capacity to operate and maintain the systems once installed.

Given the very small size and low income of many unsewered communities, financial assistance from the state is often the only option to address the pollution problems generated by failing septic systems. The PFA plays a major role in coordinating funding from the various state financing programs and with other funding partners to minimize administrative duplication and confusion for small communities.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 1,100 | 2,000 | 2,000 | 2,000 | 7,100 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,100** | **2,000** | **2,000** | **2,000** | **7,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1000 | 2,000 | 2,000 | 2,000 | 7,000 |
| General | 100 | 0 | 0 | 0 | 100 |
| **State Funds Subtotal** | 1,100 | 2,000 | 2,000 | 2,000 | 7,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,100** | **2,000** | **2,000** | **2,000** | **7,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Total Maximum Daily Load Grants

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Total Maximum Daily Load Grant Program provides 50 percent grants for wastewater treatment and storm water projects that are needed to comply with point source wasteload allocations required by approved TMDL implementation plans.

## Project Description

The Public Facilities Authority (PFA) is seeking $15 million for the Total Maximum Daily Load (TMDL) grant program (M.S. 446A.073). The Pollution Control Agency (PCA) has approved 13 completed TMDL studies as of June 2007. Within these 13 TMDL areas 217 different communities have been identified as contributing to the water impairments (127 unsewered communities with straight pipes from homes discharging into surface waters, 46 communities with wastewater treatment or bypass issues, and 44 communities needing to undertake improvements to reduce pollution caused by storm water flowing into an impaired water). The TMDL grant program provides 50 percent grants up to a maximum of $3 million for the improvements necessary to reduce the pollutant load to the limits identified in the TMDL implementation plan. Projects are prioritized based on their ranking on the PCA's Project Priority List. The priority system will assure the available funds are directed to the projects that are the highest environmental priorities.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA covers its administrative costs for the program from a 0.5 percent (one half of one percent) fee charged to grantee at the time of the contract issuance.

## Previous Appropriations for this Project

A total of $7 million was appropriated for the program from the 2005 and 2006 bonding bills. The PFA received 23 eligible applications for over $12 million in requests for the $7 million appropriated to the PFA. The requests were limited to the first two TMDL study areas to be completed. As of June 2007 the PFA has awarded three TMDL grants for $1.6 million. Three communities are working with USDA for additional grant and loan funds to undertake their project and should be awarded this fall for a total of $1.48 million. The PFA expects to award the remaining funds by the end of the December 2007.

## Other Considerations

As the Clean Water Legacy Act continues to provide the framework to restore impaired waters throughout the state, the list of needed wastewater and storm water improvements by local governments will continue to grow. Most communities required to upgrade a component of their treatment works will undertake other improvements to upgrade and expand capacity at the same time to save costs. This creates additional construction jobs, reduces future costs of modernizing the systems as they wear out, and provides capacity necessary for residential and industrial growth. The PFA will coordinate TMDL grants with other funding sources to minimize administrative duplication and confusion for cities.

## Project Contact Person

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 19,868 | 30,000 | 30,000 | 30,000 | 109,868 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **19,868** | **30,000** | **30,000** | **30,000** | **109,868** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,000 | 15,000 | 15,000 | 15,000 | 52,000 |
| **State Funds Subtotal** | 7,000 | 15,000 | 15,000 | 15,000 | 52,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 5,894 | 0 | 0 | 0 | 5,894 |
| Local Government Funds | 773 | 15,000 | 15,000 | 15,000 | 45,773 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 6,201 | 0 | 0 | 0 | 6,201 |
| **TOTAL** | **19,868** | **30,000** | **30,000** | **30,000** | **109,868** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Phosphorus Reduction Grants

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Phosphorus Reduction Grant Program was created as part of the Clean Water Legacy Act to provide 75 percent grants to cities for wastewater treatment improvements to reduce the discharge of phosphorus.

## Project Description

The Public Facilities Authority is seeking $10 million to provide grants for new projects under the Phosphorus Reduction Grant Program (M.S. 446A.074). The program provides grants to local governments to assist with the cost of wastewater treatment projects to reduce the discharge of total phosphorus to 1 milligram per liter or less. The Pollution Control Agency (PCA) requires that all wastewater treatment facilities that discharge more than 200,000 gallons per day to surface waters provide treatment to reduce phosphorus to at least the 1 milligram per liter standard. The program was established to assist local governments in meeting this mandate by providing a grant for 75 percent of eligible capital costs, up to a maximum of $500,000.

By law the PFA accepts application in the month of July and will reserve funds for projects based on their ranking on the PCA's Project Priority List. Projects have until May 1st the following year to bid and have the eligible cost certified by PCA to obtain grant funds for the project. Under the program statute, any remaining balance can be used to reimburse local governments for phosphorus reduction projects that were previously built, provided it is an eligible use of funds.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA recovers its administrative costs with a 0.5 percent (one half on one percent) fee charged to grantee at the time of the contract issuance.

## Previous Appropriations for this Project

In 2006 the PFA received $2.31 million in the bonding bill. In July of 2006 the PFA requested applications for Phosphorus Reduction Grants and received 47 eligible requests totaling $17.6 million for the $2.31 million available. As of June 2007, the PFA awarded five grants for $1.3 million and reserved the remaining $1 million for three other projects expected to be under contract in the near future.

## Other Considerations

Most communities required to upgrade a component of their treatment works will undertake other improvements to upgrade and expand capacity at the same time to save cost in the future. This creates additional construction jobs, reduces future costs of modernizing the system as it wears out and provides capacity necessary for residential and industrial growth

The PFA will coordinate Phosphorus Reduction Grants with other funding sources to minimize administrative duplication and confusion for cities.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 7,433 | 13,334 | 13,334 | 20,000 | 54,101 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,433** | **13,334** | **13,334** | **20,000** | **54,101** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,310 | 10,000 | 10,000 | 10,000 | 32,310 |
| **State Funds Subtotal** | 2,310 | 10,000 | 10,000 | 10,000 | 32,310 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 1,531 | 3,334 | 3,334 | 10,000 | 18,199 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 3,592 | 0 | 0 | 0 | 3,592 |
| **TOTAL** | **7,433** | **13,334** | **13,334** | **20,000** | **54,101** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Phosphorus Reduction Grants - Reimbursement Projects

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

One time request for the Phosphorus Reduction Grant Program for funds to reimburse local governments that implemented wastewater improvements for phosphorus reduction between 3-28-2000 and 7-1-2006. This requires funding from sources other then General Obligation Bond proceeds.

## Project Description

The Public Facilities Authority (PFA) is seeking $10 million from non-bond funds for reimbursement grants to local governments under the Phosphorus Reduction Grant Program (M.S. 446A.074). The Pollution Control Agency adopted a statewide phosphorus reduction strategy on 3-28-2000 and began requiring all permittees with discharges in excess of 200,000 gallons per day to reduce their phosphorus discharge to one milligram per liter or less. In July 2006 after the Clean Water Legacy Act passed, the PFA received 23 applications for $8.65 million for reimbursement projects. Since that time several more communities have had to proceed with phosphorus reduction projects that did not receive funding due to the lack of appropriation in 2006.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA recovers its administrative costs with a 0.5 percent (one half on one percent) fee charged to grantee at the time of the contract issuance.

## Previous Appropriations for this Project

In 2006 the PFA received $2.31 million for the Phosphorus Reduction Grant Program in the bonding bill.

## Other Considerations

Although no additional environmental benefits are expected by reimbursing local units of government for costs incurred, it does make it a matter of fairness to treat those local governments that were required to undertake phosphorus reduction improvements prior to the program being established the same as those that are now eligible to receive grants from the program for those improvements.

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## Governor's Recommendations

The governor does not recommend funding for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 13,334 | 0 | 0 | 13,334 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,334** | **0** | **0** | **13,334** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 10,000 | 0 | 0 | 10,000 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 3,334 | 0 | 0 | 3,334 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,334** | **0** | **0** | **13,334** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Water Conservation Through Wastewater Reuse

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This request is for $5 million for a pilot program to seek opportunities to support sound industrial development through reusing treated municipal wastewater for non-contact cooling water applications versus using ground water.

## Project Description

The Public Facilities Authority (PFA), in conjunction with the Department of Natural Resources (DNR) and the Pollution Control Agency (PCA), is seeking $5 million for a pilot program to encourage water conservation through the reuse of treated wastewater for industrial purposes. Development in many Minnesota communities is constrained by limited availability of ground and surface water supplies. This proposal will conserve ground and surface water at two or three municipally owned demonstration projects. These demonstrations will assess and explore the opportunity to recycle treated wastewater as non-contact cooling water, a major point of industrial water consumption. The demonstration projects will drive more efficient use of natural resources to support continued community and economic development throughout Minnesota.

Factors to be considered in the assessment include; scale of water constraint, volume of treated wastewater supply, quality of water supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, appropriation and discharge permit considerations, construction and on-going operational costs, and user fees.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA recovers its administrative costs with a 0.5 percent (one half of one percent) fee charged to grantee at the time of the contract issuance.

## Other Considerations

The PFA will work with the DNR and the PCA to explore potential projects that could be used to demonstrate how treated municipal wastewater can be reused as non-contact cooling water at industrial facilities. Special emphasis will be placed on existing ethanol plants to determine if opportunities exist to reduce overall groundwater consumption. If needed the PFA will coordinate funding of the pilot projects with other funding sources to get the projects financed in a timely manner with a minimum of confusion.

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 0 | 0 | 10,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 0 | 0 | 5,000 |
| **State Funds Subtotal** | 0 | 5,000 | 0 | 0 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 2,500 | 0 | 0 | 2,500 |
| Private Funds | 0 | 2,500 | 0 | 0 | 2,500 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Public Facilities Authority — Project Narrative

## Streamline Infrastructure Financing

**2008 STATE APPROPRIATION REQUEST:** $100,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This request will provide $100,000 in general fund monies for the development of legal documents and staff consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects.

**Project Description**

The Public Facilities Authority (PFA) is seeking a one-time appropriation of $100,000 from the general fund for staff consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects, including costs associated with developing legal documents and application forms, and negotiating underwriting criteria with the major bond rating agencies necessary to obtain bond ratings for the program. The purpose of the program is to provide loans to governmental units through the purchase of their general obligation bonds to finance municipal infrastructure projects, including facilities for wastewater, drinking water, stormwater, energy conservation, telecommunications and high speed internet, public safety, and any public building or infrastructure improvement that receives funding from grants awarded by the commissioner of the department of employment and economic development related to redevelopment, contaminated site cleanup, bio-science, small cities development programs and rural business infrastructure programs.

By pooling bonds issued by multiple governmental units, the program will provide local governments with better access to capital markets at competitive rates and save issuance costs. Interest savings will be achieved by extending the credit enhancement provisions and state aid intercept of the existing county credit enhancement program under Minnesota Statutes section 446A.086 to local government bonds issued under the program.

**Impact on Agency Operating Budgets (Facilities Notes)**

Once the program is established, the PFA will recover its administrative costs by charging fees to all program participants.

**Other Considerations**

The credit enhanced pooled bond program that will be developed through this appropriation is part of the Governor's Strategic Entrepreneurial Economic Development (SEED) initiative.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends a one-time appropriation of $100,000 for this project from the general fund.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 100 | 0 | 0 | 100 |
| 5. Construction Costs | 0 | 100 | 0 | 0 | 100 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **200** | **0** | **0** | **200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General | 0 | 100 | 0 | 0 | 100 |
| **State Funds Subtotal** | 0 | 100 | 0 | 0 | 100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **100** | **0** | **0** | **100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Public Facilities Authority

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| State Matching Funds for USEPA Capitalization Grants | 1 | GO | $45,000 | $45,000 | $45,000 | $30,000 | $30,000 | $30,000 |
| Wastewater Infrastructure Fund | 2 | GF | 300 | 300 | 300 | 300 | 300 | 300 |
| | | GO | 15,000 | 15,000 | 15,000 | 10,000 | 10,000 | 10,000 |
| Small Communtiy Wastewater Treatment | 3 | GO | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Total Maximum Daily Load Grants | 4 | GO | 15,000 | 15,000 | 15,000 | 2,000 | 2,000 | 2,000 |
| Phosphorus Reduction Grants | 5 | GO | 10,000 | 10,000 | 10,000 | 2,000 | 2,000 | 2,000 |
| Phosphorus Reduction Grants - Reimbursement Projects | 6 | GF | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Water Conservation Through Wastewater Reuse | 7 | GO | 5,000 | 0 | 0 | 0 | 0 | 0 |
| Streamline Infrastructure Financing | 8 | OTH | 100 | 0 | 0 | 100 | 0 | 0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Project Total | $102,400 | $87,300 | $87,300 | $46,400 | $46,300 | $46,300 |
| General Obligation Bonding (GO) | $92,000 | $87,000 | $87,000 | $46,000 | $46,000 | $46,000 |
| General (OTH) | $100 | $0 | $0 | $100 | $0 | $0 |
| General Fund Projects (GF) | $10,300 | $300 | $300 | $300 | $300 | $300 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**At A Glance**

The Minnesota Public Facilities Authority (PFA) is an interagency financing authority governed by a board consisting of six state commissioners representing the Departments of Employment and Economic Development (DEED), Finance, Health, Agriculture, Transportation, and the Pollution Control Agency. The Commissioner of DEED serves as the chair and is responsible for hiring an executive director with the consent of the PFA. The executive director is responsible for staffing, debt issuance authorized by the PFA, and compliance with laws, regulations and disclosure requirements related to the PFA programs.

The PFA manages three revolving funds, several grant and loan programs, and has authority to issue $1.5 billion in revenue bonds to raise the capital to make loans. All major programs of the PFA are managed in conjunction with member agencies, which establish priorities and provide technical reviews of projects before the PFA approves funding.

**Agency Purpose**

The mission of the Minnesota Public Facilities Authority (PFA), Minnesota Statute Chapter 446A, is to utilize its interagency authority to provide municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the state.

To achieve its goals the Authority implements the following strategies:

- Target limited resources to high priority projects identified by regulatory agencies by following their project priority lists.
- Coordinate project funding with all other state and federal funding programs to leverage resources necessary to keep projects affordable.
- Coordinate activities of various funding partners to minimize duplication, administrative costs, and confusion.
- Maintain the credit quality (AAA rated) and viability of the Authority's Revolving Funds.
- Balance the current demand for project funding (including nonpoint source and point source needs) with the long-term lending capacity of the Authority's Revolving Funds to maintain their critical role as important financing tools for high priority projects in perpetuity.

**Core Functions**

The core functions of the PFA can be summarized as management of infrastructure financing programs (offering both loans and grants to political subdivisions of the state), investment of funds, issuance of bonds to make loans, and loan collections.

PFA programs include the following:

**Clean Water Revolving Fund (CWRF)**

- Low interest loans to municipalities for wastewater and stormwater projects
  - ⇒ Total to date: 311 loans for $1.7 billion
    - – Interest savings to cities/taxpayers: $413 million
  - ⇒ 2008 Intended Use Plan: 55 projects for $331 million eligible to receive loans
  - ⇒ Funding priorities set by PCA Project Priority List
  - ⇒ Future needs: 251 projects for $1.8 billion on 2008 priority list
- PFA has provided $79.4 million for nonpoint source loan programs (Ag BMP Loans, PCA Clean Water Partnership Loans, DEED Tourism Loans)
- PFA also provides program administration funds to PCA

**Wastewater Infrastructure Funding (WIF) Program**

- Supplemental assistance for high cost, high priority wastewater projects
  - ⇒ Grants to match USDA Rural Development
  - ⇒ Non-RD Projects: 0 percent deferred loans to package with CWRF loans
- Funding priorities set by PCA Project Priority List
- FY 2007 Awards: 14 projects, $13.8 million
  - ⇒ $9.3 million reserved for 15 projects expected to proceed in FY 2008

**Total Maximum Daily Load (TMDL) Grant Program**

- Fifty percent grants to assist municipalities with wastewater or stormwater projects needed to meet TMDL implementation plan requirements
- PFA received 23 eligible applications for $13 million in grants in FY 2007
- Funding priorities based on PCA's Project Priority List

**Clean Water Legacy Phosphorus Reduction Grant Program**

- Seventy-five percent grants up to $500,000 to assist municipalities with wastewater treatment projects that will reduce discharge of total phosphorus to one mg/l or less
- PFA received 46 eligible applications for $18 million in grants in FY 2007
- Funding order based on PCA Project Priority List
- Grants can be used to reimburse projects that started after March 2000 but before 7-1-2006.

**Small Community Wastewater Treatment Program**

- Loans and grants to assist small communities with costs to replace non-complying Individual Sewage Treatment Systems (ISTS) with new ISTS and small cluster systems that are publicly owned and operated
- One percent loans for up to 100 percent of project costs, communities that have below average median household income can receive 50 percent of funding as a grant
- Funding order based on PCA Project Priority List
- PFA can provide up-front technical assistance grants to help small communities analyze possible wastewater alternatives
  - ⇒ Up to $40,000 for ISTS professional to conduct preliminary feasibility analysis and for University of Minnesota Extension Service to advise community and

**Drinking Water Revolving Fund**

- Low interest loans to municipalities and other public water suppliers for drinking water infrastructure improvements
  - ⇒ Total to date: 194 loans for $390 million
    - – Interest savings to cities/taxpayers: $79 million
  - ⇒ 2008 Intended Use Plan: 57 projects for $85 million eligible to receive loans
  - ⇒ Funding priorities set by Health Department Project Priority List
  - ⇒ Future needs: 121 projects for $191 million on 2008 priority list
  - ⇒ PFA also provide funds to Health Department for program administration, wellhead protection, public water supply supervision, technical assistance

**Transportation Revolving Loan Fund**

- Low interest loans to governmental entities for eligible transportation projects, including road and bridge projects and transit projects.
  - ⇒ Total to date: 19 loans for $118 million
    - – Interest savings to cities/taxpayers: $17 million
  - ⇒ MnDOT periodically solicits project proposals and ranks them on a competitive basis as loan repayments become available for new loans.

**County Credit Enhancement Program**

- Program reduces county borrowing costs on general obligation bonds issued for certain purposes by providing a limited state guarantee of the bond payments.
- Eligible projects include construction of jails, correctional facilities, law enforcement facilities, and social services and human services facilities
  - ⇒ Total to date: 32 bond issues for $180 million
    - – Interest savings to counties/taxpayers: $3.3 million

**Methamphetamine Laboratory Cleanup Fund**

- Low interest loans to cities and counties to finance the cleanup of sites affected by conditions or chemicals associated with the manufacturing of methamphetamine
  - ⇒ Total to date: 2 loans for $20,016

*In partnership with DEED* the executive director has begun to oversee the Community Assistance and Redevelopment and Brownfield Units located in the Business and Community Development Division. DEED and the PFA will be exploring options to maximize the utilization of the limited grant funds and the PFA's bonding authority to deliver comprehensive and coordinated financial packages critical to build the capacity for economic development opportunities across the state.

**Operations**

Communities that have drinking water or clean water needs are directed to the appropriate agency (MDH and MPCA) to list the project on the appropriate project priority list and to begin the environmental and technical review processes required to permit and certify projects to the PFA for funding. Each year the PFA solicits requests for placement on the Intended Use Plan (a federal requirement used to report to USEPA and the public on how the state will use the Clean Water and Drinking Water Funds each fiscal year). To be placed on the Intended Use Plan, the project must have approval of its preliminary engineering report or Facility Plan and be scheduled to start work during the fiscal year. The PFA board examines the

demand for funds and sets the cut off point for funding looking at current demand, projected future needs, and the short-term and long-term capacity of the fund to make loans.

The PFA manages capital assets for the making of loans through receipt of Federal Capitalization Grants, State Matching Funds, Loan Repayments, Investment Interest, and proceeds of Revenue Bond issuances. Communities issue their General Obligation Bonds to the PFA to back the loans. The combination of equity assets, general obligation pledges from a large and divers pool of borrowers, and the seasoned staff and management practices of the Authority have achieved AAA bond ratings from all three Bond Rating Agencies.

The Wastewater Infrastructure Funding program follows the MPCA's project priority list and provides supplemental funding for high cost projects that qualify for grant funding by USDA Rural Development or when project costs exceed five percent of the market value of property in the service area for projects financed under the Clean Water Revolving Fund. For USDA Rural Development projects, the WIF program provides 50 percent of the grant eligible amount determined by Rural Development. For Clean Water Revolving Fund projects, the WIF program provides a zero interest loan, with payments deferred until the revolving fund loan is paid in full.

All other grant programs have specific application cycles. The application material for each program is available on the PFA website and notices are sent out to all eligible recipients on the Project Priority List notifying them of the deadlines and contacts for assistance.

**Key Operations**

The key measure for the PFA is the savings offered by low interest loans. We track this by assuming each community could sell AAA rated bonds and comparing our loan rate to the AAA bond market rate to measure savings. In reality many other cost savings occur through reduced fees, costs of issuance and regulatory compliance activities such as annual market disclosure and arbitrage rebate reporting requirements. PFA loans made from FY 1989 through 2007 will save borrowers over $500 million in interest costs over the life of the loans. Interest rate discounts on PFA loans range from 1.5 percent to four percent below the AAA market rate, with smaller communities receiving the largest discounts, down to a minimum interest rate of 1 percent.

**Budget**

Under M.S. 446A.11, Subd. 13, funds available to the PFA, unless otherwise indicated, are statutorily appropriated to the Authority and available until expended. The PFA's budget for FY 2008 is approximately $521 million. This includes $371 available for low interest loans, $91.5 million for debt service on outstanding revenue bonds, $2.5 million for grants, $863,000 for staff (8.75 FTEs) and general administrative costs, and $330,000 for bond issuance and related costs including bond counsel, financial advisor, auditor, and arbitrage rebate contractors.

In addition to these amounts, PFA annually provides administrative support funding to the Pollution Control Agency and the Department of Health for their work with the Clean Water and Drinking Water State Revolving Funds. These amounts for BFY 2008 are $1,119,912 and $473,973, respectively.

PFA also provides funding to the PCA and the Department of Agriculture for non-point source revolving loan programs under the Clean Water SRF. The anticipated funding level for FY 2008 is $2.2 million, unchanged from FY 2007.

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

The Minnesota Public Facilities Authority (PFA), Minnesota Statutes Chapter 446A , is an interagency financing authority governed by a board consisting of six state commissioners representing the Departments of Employment and Economic Development, Finance, Health, Agriculture, Transportation, and the Pollution Control Agency. The Commissioner of DEED serves as the chair and is responsible for hiring an executive director with the consent of the PFA. The executive director is responsible for staffing, debt issuance authorized by the PFA, and compliance with laws, regulations and disclosure requirements related to the PFA programs.

The PFA manages three revolving funds, several grant and loan programs, and has authority to issue $1.5 billion in revenue bonds to raise the capital to make loans. All major programs of the PFA are managed in conjunction with member agencies, which establish priorities and provide technical reviews of projects before the PFA approves funding.

The mission of the PFA is to utilize its interagency authority to provide municipal financing expertise and infrastructure financing programs to enhance the environmental and economic vitality of the state.

To achieve its goals the Authority implements the following strategies:

- Target limited resources to high priority projects identified by regulatory agencies by following their project priority lists.
- Coordinate project funding with all other state and federal funding programs to leverage resources necessary to keep projects affordable.
- Coordinate activities of various funding partners to minimize duplication, administrative costs, and confusion.
- Maintain the credit quality (AAA rated) and viability of the PFA's Revolving Funds.
- Balance the current demand for project funding (including nonpoint source and point source needs) with the long-term lending capacity of the PFA's Funds to maintain their critical role as an important financing tool for high priority projects in perpetuity.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

There are many factors affecting the growing demand for infrastructure financing in Minnesota. They include aging municipal infrastructure which is at or beyond its useful life; population growth and shifts resulting in rapid growth in some areas and population loss in others, both of which create challenges for infrastructure investment; rising costs, including construction related inflation costs that have increased two to three times the cost of living, putting pressure on local government budgets and reducing their ability to fund projects locally; growing awareness of the impacts of failing individual septic systems which have generated a growing demand for municipal wastewater service in many unsewered communities and lakeshore areas; new standards imposed on drinking water to protect the health and safety of people; and an increased focus on impaired waters and the development and implementation of total maximum daily load (TMDL) studies to restore the ability of those waters to meet their designated uses. In addition there is the challenge of meeting these needs in the context of a global economy that keeps pressure on communities to keep costs of public services priced with their regional, national, and international competition.

**Clean Water**

The Clean Water Legacy Act has lead to the creation of several new programs to address impaired waters caused by both nonpoint and point source pollution. In the past two years the Authority implemented three new funding programs, the Total Maximum Daily Load Grant Program, Phosphorus Reduction Grant Program and the Small Community Wastewater Loan and Grant Program. In addition to new programs the existing Clean Water Revolving Fund and Wastewater Infrastructure Funding Program have been modified to include storm water treatment when it is a contributor to impaired waters.

The Pollution Control Agency (PCA) 2008 Project Priority List includes 251 projects totaling $1.8 billion. The Clean Water SRF program is the primary source of funding for municipal wastewater projects and it is expected to receive federal funding ($19.5 million annually) through federal fiscal year (FFY) 2012. States are required to provide a $1 state match for every $5 of federal funding, but given the demand on the funding the PFA is requesting a 1 to 1 match.

The WIF program provides grants to help small communities deal with the high cost of wastewater construction. WIF makes up about 10 percent of the total state assistance for wastewater, and demand has grown significantly in recent years as communities try to resolve problems with failing septic systems.

**Drinking Water**

Threats to drinking water can come from contamination such as bacteria, viruses or nitrates from animal or human activities, naturally occurring inorganic chemicals such as arsenic, or radioactive elements such as radon. The Health Department's 2008 Project Priority List includes 121 projects totaling $191 million. The Drinking Water SRF is expected to receive federal funding ($15,000,000 annually) through FFY 2018. States are required to provide a $1 state match for every $5 of federal funding.

**Describe the Agency's Long-Range Strategic Goals in Relationship to Capital Request:**

*State Match for the Clean Water Revolving Fund*: In conjunction with MPCA, the PFA manages the very successful Clean Water Revolving Fund, which provides low interest loans to municipalities for wastewater projects. This fund is the primary wastewater financing tool available to municipalities and historically has provided over 80 percent of all state funding of wastewater construction. The Clean Water Fund also provides money to MPCA and Agriculture for their nonpoint source loan programs. Demand for wastewater loans has grown to more than $300 million per year, more than four times the average annual long-term lending capacity of the fund. State matching funds are required to capture the Federal USEPA Capitalization Grants to provide equity for the fund. The PFA's request for a $1 to $1 state match, versus the minimum required $1 to $5 match, will help tremendously in the PFA's ability to leverage the funds three to four times in the Municipal Bond Market to make loans.

*State Match for the Drinking Water Revolving Fund*: PFA manages the Drinking Water Revolving Fund (DWRF) in conjunction with the Minnesota Department of Health (MDH), which provides similar technical service as MPCA. The DWRF provides low interest loans to municipalities for drinking water projects and also funds a variety of technical services (including public water supply supervision, wellhead protection, and technical assistance to small communities). To capture the Federal USEPA Capitalization Grants the state is required to provide a $1 to $5 match. The PFA believes the Fund capacity will be sufficient to address the high priority projects with the State Match, expected Federal Capitalization Grants and Drinking Water Revolving Fund revenue bonds (AAA rated) issued by the PFA. We are therefore requesting the minimum state match for the DWRF.

*Wastewater Infrastructure Fund*: The Wastewater Infrastructure Fund Program (WIF) provides grant funding to communities that are unable to finance projects solely through loans. For communities eligible to receive grants from the United States Department of Agriculture Rural Development (RD), the WIF matches RD grants on a 50/50 basis. Communities not eligible for RD grants may receive zero interest deferred loans based on the funding criteria in M.S. section 446A.072. Among projects funded in recent years, the PFA has found that communities under 2,500 population pay an average of $53 per month per household, while those over 2,500 population average $27 and cities in the metro service area average just over $15 per month. Given the large cost differences between small and large communities, USDA Rural Development will reduce their grant formula from 1.7 percent of Median Household Income to 1.5 percent. This will result in more funds being committed as grants to help small communities, but it could also make it more difficult for them to fully commit their loan funds, potentially leading to some of their allocation for Minnesota reverting back to the national pool. To assist in fully utilizing Minnesota's allocation of federal funds, the PFA will be requesting a change to the WIF match requirement from 50/50 to 65 percent state to 35 percent federal. This will help provide greater assistance to small low income communities while also assuring that Rural Development fully utilizes its loan funds.

*Small Community Wastewater Treatment Loan and Grant Program*.

This program is designed to allow the construction of publicly owned and operated onsite sewage systems on a voluntary basis by the homeowner in very small communities (too small to require a permit by MPCA). It provides 100 percent financing in the form of a loan, or 50 percent loan and 50 percent grant when the income levels are below the state average. This is a critical program to eliminate straight pipe communities and the pollution caused by failing septic systems as part of the state's effort to restore impaired waters.

*Total Maximum Daily Load (TMDL) Grants.* The TMDL grant program provides 50 percent grants to communities that are required to make improvements to their wastewater treatment systems based on a TMDL study and implementation plan. As of 6-30-2007 the MPCA has completed 13 TMDL studies and identified 217 communities as contributors to impaired waters. There are another 50 studies underway that will most likely expand this list. Funding priorities for this program were modified to follow the MPCA's Project Priority List so the funds will be directed to the highest priority construction projects and can be used in conjunction with the Clean Water Revolving Fund to provide complete project financing. This is a key program in providing assistance to communities to address impaired waters.

*Phosphorus Reduction Grants.* The Phosphorous Reduction Grant program provides 75 percent grant for the treatment of phosphorous to address MPCA's phosphorous requirements of I milligram per liter. This was a strategy adopted by MPCA in March of 2000. The program can reimburse project cost dating back to the adoption of the phosphorous strategy. The PFA is requesting $10 million in general fund money to do the reimbursements as it is not considered an eligible use of bond proceeds and may run afoul of federal tax-exempt bond regulations. The PFA is also requesting $10 million for new phosphorous reduction projects to assist communities with new permit requirements related to phosphorous discharge. Funding priorities follow the MPCA's Project Priority List and can be used in conjunction with the Clean Water Revolving Fund for major wastewater treatment upgrades.

*Pilot Project for Water Conservation through Wastewater Reuse.*
In conjunction with the Department of Natural Resources (DNR) and the MPCA the PFA is requesting funding to attempt to seek two industrial users, primarily ethanol producers, to convert from using ground water for cooling to the use of municipal wastewater. The funds will be used to make the necessary improvements to the municipal wastewater treatment and connection line to the industrial facility. Any plant conversion would be the responsibility of the user. The key outcome is to look at the feasibility and economics of such a conversion to encourage the reuse of wastewater and preservation of ground water, especially in area of the state where ground water is scarce and its use for such things as cooling is not a high value use of the resource.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The PFA does not own or operate facilities covered by this request.

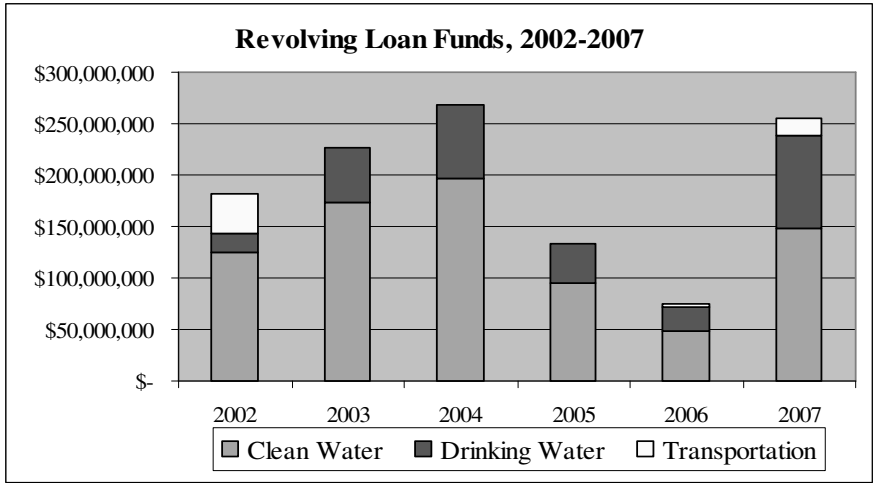
**Agency Process Used to Arrive at These Capital Requests**

PFA staff worked with its funding and regulatory partners (Health, MPCA, DNR, USDA Rural Development, Army Corp of Engineers, and DEED's Community Assistance Unit) to assess the demand for funding and the opportunities to maximize other funding to fully fund those projects that should be ready to proceed during the next two years. PFA staff also met with constituent groups to discuss staff proposals and seek comments. The proposals were brought to the PFA Board on 6-13-2007 and were approved for submission to Finance and the Governor's Office. In addition, the Authority staff presented the proposed capital budget to the Clean Water Council for review and the Council formally approved a resolution supporting the PFA capital budget request on 7-17-2007.

**Agency Capital Budget Projects During The Last Six Years (2002-2007):**

The PFA made its first loan in July of 1989 and has since provided over $2 billion dollars of financing to local governments throughout the state for wastewater, drinking water, roads, bridges and transit projects. From FY 2002 through 2007, the PFA has provided $1.1 billion in 252 revolving fund loans, including $788 million for 101 Clean Water loans, $295 million for 140 Drinking Water loans, and $58 million for 11 Transportation loans.

PFA Revolving Loan Fund capital project funding by state FY 2002 through 2007:




Also during the period of FY 2002 through 2007, the PFA allocated over $14 million from the Clean Water Revolving Fund to the DOA and PCA for their nonpoint source loan programs. These funds, combined with previous loan repayments, resulted in a total of $82 million in loans to private landowners to implement over 7,000 projects to reduce nonpoint source pollution.

From FY 2002 through 2007, the PFA also funded 35 projects for $39.8 million in matching grants and deferred loans under the Wastewater Infrastructure Funding program. An additional $8.4 million is reserved for 12 projects that have met requirements specified in the appropriation language, leaving $3.2 million available for new WIF projects which the PFA expects will be committed soon after federal FY 2008 appropriations are made to USDA Rural Development in October 2007.

In FY 2007 the PFA also awarded a total of $3.9 million to 9 projects under the three Clean Water Legacy Programs: the Small Community Wastewater Treatment Program, the Total Maximum Daily Load (TMDL) Grant Program, and the Phosphorus Reduction Grant Program. An additional $5.1 million has been reserved or committed for 13 projects under these programs, and the PFA expects all appropriated funds to be under contract by the end of the fiscal year.

# State Matching Funds for USEPA Capitalization Grants

**2008 STATE APPROPRIATION REQUEST:** $45,000,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

State Matching Funds for U.S. Environmental Protection Agency (EPA) and Capitalization Grants for Clean Water and Drinking Water Revolving Funds

## Project Description

The Public Facilities Authority (PFA) is seeking $45 million in state funds to match expected EPA funds for federal FY 2009-10 at the rate of 1:1 for the Clean Water Revolving Fund (M.S. 446A.07), and at the minimum required match of 1:5 for the Drinking Water Revolving Fund (M.S. 446A.081). These funds will be used to leverage PFA revenue bonds to provide low interest loans for clean water and drinking water projects. In both programs, the state matching funds are used only for municipal, publicly-owned improvements.

**2008 Legislative Session Request ($ in thousands): $45,000**

| | Clean Water | | Drinking Water | |
|---|---|---|---|---|
| **FY** | **Fed Cap. Grant** | **State Match** | **Fed Cap. Grant** | **State Match** |
| 2009 | $19,500 | $19,500 | $15,000 | $3,000 |
| 2010 | 19,500 | 19,500 | 15,000 | 3,000 |
| Total | $39,000 | **$39,000** | $30,000 | **$6,000** |

## Impact on Agency Operating Budgets (Facilities Notes)

PFA operates on federal administrative funds and special revenues generated from fees on loan payments, which together provide for all administrative expenses for these programs incurred by the PFA, the Pollution Control Agency (PCA), and the Department of Health (DOH).

## Previous Appropriations for this Project

Previous state match appropriations total $167.12 million to match federal grants from 1989-2008.

## Other Considerations

Low-cost financing under the PFA's clean water and drinking water loan programs is an important element in helping communities contain costs and remain economically competitive, while providing essential infrastructure. Funds are awarded to projects based on their ranking on Project Priority Lists prepared by the Pollution Control Agency (PCA) for clean water projects and the health department for drinking water projects. Through FY 2007, the PFA has made below market rate loans in excess of $2 billion which will result in interest savings to local taxpayers of almost $500 million compared to market rate financing.

Demand for wastewater loans from the PFA has grown to $300 million per year, more than four times the average annual long-term lending capacity of the Clean Water Revolving Fund. The demand for these loans has been driven by economic growth and population shifts, TMDL implementation plans to address impaired waters, the need to replace aging facilities, and greater attention to the impacts of individual sewage treatment systems. Demand will continue to grow as pressure to meet Clean Water Act requirements for impaired waters puts greater emphasis on storm water infrastructure needs in addition to wastewater needs. The focus on impaired waters will also increase demand for funds from nonpoint source pollution loan programs. The PFA, through the Clean Water Revolving Fund, has provided $79.4 million to nonpoint source loan programs since 1995. Recognizing these growing needs, the Legislature appropriated Clean Water matching funds at a 1:1 level in 2006. For 2008, the PFA is seeking to maintain the 1:1 match level, adjusting for an anticipated moderate increase in federal funds for 2009-10. Despite the small increase in expected federal funds, maintaining the 1:1 state match is still needed to continue to fund high priority project needs.

Demand for drinking water loans, while strong, has not grown as fast relative to the long-term lending capacity of the Drinking Water Revolving Fund. The request for drinking water matching funds remains at the minimum 20 percent necessary to access the federal funds. This should be sufficient for the Drinking Water Revolving Fund to continue to finance high priority projects.

To date, federal and state funds have been leveraged 2.5:1 through the PFA's issuance of AAA rated revenue bonds. Overall, each dollar of state matching funds has generated over $12 in project construction. It should be noted that every dollar spent on municipal water and wastewater construction generates 4.6 cents in general fund revenues directly from the income tax, corporate income tax, and sales tax. The interest savings from PFA loans for local taxpayers has been almost $3 for every $1 of state matching funds.

The Clean Water and Drinking Water Revolving Funds have shown considerable financial strength to finance municipal water and wastewater projects. The AAA ratings of the PFA's clean water and drinking water bonds from Standard and Poors Rating Group, Fitch I.C.B.A., Inc., and Moody's Investor Services reflects the financial strength of the funds, the credit quality of Minnesota communities, and the sound financial management of the programs.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $30 million for this project. Also included are budget planning estimates of $30 million in 2010 and $30 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 2,382,055 | 400,000 | 400,000 | 400,000 | 3,582,055 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,382,055** | **400,000** | **400,000** | **400,000** | **3,582,055** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 122,573 | 45,000 | 45,000 | 45,000 | 257,573 |
| General Fund Projects | 24,500 | 0 | 0 | 0 | 24,500 |
| General | 4,444 | 0 | 0 | 0 | 4,444 |
| Infrastructure Dev | 15,600 | 0 | 0 | 0 | 15,600 |
| **State Funds Subtotal** | 167,117 | 45,000 | 45,000 | 45,000 | 302,117 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 656,404 | 69,000 | 69,000 | 69,000 | 863,404 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 1,558,534 | 286,000 | 286,000 | 286,000 | 2,416,534 |
| **TOTAL** | **2,382,055** | **400,000** | **400,000** | **400,000** | **3,582,055** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 45,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $15,300,000

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Wastewater Infrastructure Funding Program (WIF) is designed to keep high cost projects affordable in conjunction with funding from either USDA Rural Development or the PFA's Clean Water Revolving Fund. Rural Development provides 40 year loans with grants in once debt service exceeds of 1.5 percent median household income. WIF is used to match the Rural Development grant. With the Clean Water Revolving Fund (CWRF) WIF is used to extend the term of the loan from 20 years up to 40 by using the WIF funds as a 0 percent loan with payments beginning after the CWRF loan is repaid.

**Project Description**

The Public Facilities Authority (PFA) is seeking $15.3 million for the Wastewater Infrastructure Funding (WIF) program (MN Statutes 446A.072). For high cost projects, WIF monies are used either as grants to match grant assistance provided by the U.S. Department of Agriculture (USDA) Rural Development, or as 0% loans for up to 40 years to supplement loans from the Clean Water Revolving Fund.

For USDA Rural Development projects, the WIF program provides 50 percent of the grant eligible amount determined by Rural Development. Rural Development's grant calculations are determined by first looking at the amount of debt service and operation and maintenance costs a city can afford to pay based on a figure of 1.7 percent of its median household income, with the total grant then providing for 100 percent of construction costs above that level.

For projects that do not receive Rural Development funding, the WIF program provides a zero interest loan for up to 40 years for eligible project costs that exceed 5 percent of the market value of the project area.

**Impact on Agency Operating Budgets (Facilities Notes)**

The requested amount includes a $300,000 general fund appropriation for program administrative costs by the Pollution Control Agency (PCA) and PFA. Of that amount, 90 percent would be used by the PCA to provide substantial project oversight, technical and environmental review, prioritizing projects, and permitting, and 10 percent would be for the PFA to cover program administrative costs not associated with the Clean Water Revolving Fund.

**Previous Appropriations for this Project**

Previous appropriations from 1996-2006 for projects under the WIF program total $116 million. As of June 2007, the PFA has awarded $102.8 million in grants and loans to 87 projects, and an additional $9.1 million is reserved for projects that have met required deadlines and are waiting for final approvals prior to bidding. The remaining balance of $4.1 million is available for new projects that are expected to receive USDA Rural Development funding commitments by 12-31-2007.

**Other Considerations**

WIF funds are directed to the highest priority projects from an environmental and public health standpoint based on their ranking on the Pollution Control Agency's Project Priority List. The WIF program gives small communities the opportunity to share in the benefits of a growing economy by addressing their wastewater problems while keeping costs affordable for their residents.

The WIF program was designed to be a gap-financing tool used in conjunction with the Clean Water Revolving Fund and the USDA's Rural Development grant program for wastewater. Communities are required to seek grant assistance from other sources before becoming eligible for either WIF or the USDA Rural Development grant program. The unique state/federal partnership with Rural Development was designed to coordinate

assistance to communities to keep the systems affordable, as well as make it easier for many of the smaller communities to access funding.

An additional benefit is that the WIF grant match helps the Minnesota Rural Development office obligate all of its federal grant and loan funds, making it eligible to go to the national pool for additional funds for Minnesota communities. The potential for the Federal Farm Bill to provide a one time injection of capital to reduce the back log of projects on USDA Rural Development's list makes it important to have this money available to get as many federal funding commitments as possible for federal FY 2008-09.

The PFA will survey projects on the PCA's 2008 project priority list and provide its report on WIF needs to the appropriate legislative committees by 2-1-2008.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $10 million for this project. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012. The governor also recommends $300 thousand from the general fund for project administration.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 300 | 300 | 300 | 900 |
| 5. Construction Costs | 398,653 | 38,000 | 38,000 | 38,000 | 512,653 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **398,653** | **38,300** | **38,300** | **38,300** | **513,553** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 143,111 | 15,000 | 15,000 | 15,000 | 188,111 |
| General Fund Projects | 1,700 | 300 | 300 | 300 | 2,600 |
| General | 3,000 | 0 | 0 | 0 | 3,000 |
| Infrastructure Dev | 1,101 | 0 | 0 | 0 | 1,101 |
| **State Funds Subtotal** | 148,912 | 15,300 | 15,300 | 15,300 | 194,812 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 82,239 | 8,000 | 8,000 | 8,000 | 106,239 |
| Local Government Funds | 11,055 | 0 | 0 | 0 | 11,055 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 156,447 | 15,000 | 15,000 | 15,000 | 201,447 |
| **TOTAL** | **398,653** | **38,300** | **38,300** | **38,300** | **513,553** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Small Communtiy Wastewater Treatment

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Small Community Wastewater Treatment Program provides loans and grants to small communities to replace non-complying septic systems with new individual sewage treatment systems or small cluster systems that are publicly owned and operated.

## Project Description

This programs provides 1 percent loans for 100 percent of the project costs to replace failing septic systems with new individual sewage treatment systems or small soil-based cluster systems. Communities with median household incomes below the statewide average can receive grants for up to 50 percent of the project costs. The program requires public ownership of the systems being financed. The program also provides technical assistance grants for feasibility studies and to assure the communities have the technical, financial, and managerial capacity to operate and maintain the systems built under the program. This is a critical feature in making lasting improvements that will restore and protect water quality.

The requested funds will finance publicly owned capital improvements as a loan or combination loan and grant. Property owners that voluntarily choose to participate in a project must donate utility easements to the community to allow for installation and maintenance of the systems. The systems must comply with M.S. 115.55 for soil-based treatment systems and must be less than the Pollution Control Agency's (PCA's) permit threshold of 10,000 gallons per day. The program is a critical component of the state's effort to reduce pollution going into impaired waters from failing septic systems and straight pipes. Funds are awarded based on the project ranking on the PCA's Project Priority List.

## Impact on Agency Operating Budgets (Facilities Notes)

Administrative costs of the PFA are captured through fees assessed on loan repayments.

## Previous Appropriations for this Project

In 2006 $1 million was appropriated from state general obligation (GO) bonds and $100,000 from the state general fund as part of the Clean Water Legacy funding package.

## Other Considerations

In 2007, the PFA was appropriated $100,000 per year in its base budget to award up-front technical assistance grants to unsewered small communities based on their ranking on the PCA's Project Priority List. Grants of $10,000 plus $500 per household can be used by the community to hire a licensed professional to conduct site evaluations and determine the feasibility of installing soil-based systems, and to contract with the University of Minnesota Extension Service to advise the community on treatment alternatives and help the community develop the technical, managerial and financial capacity to operate and maintain the systems once installed.

Given the very small size and low income of many unsewered communities, financial assistance from the state is often the only option to address the pollution problems generated by failing septic systems. The PFA plays a major role in coordinating funding from the various state financing programs and with other funding partners to minimize administrative duplication and confusion for small communities.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 1,100 | 2,000 | 2,000 | 2,000 | 7,100 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,100** | **2,000** | **2,000** | **2,000** | **7,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1000 | 2,000 | 2,000 | 2,000 | 7,000 |
| General | 100 | 0 | 0 | 0 | 100 |
| **State Funds Subtotal** | 1,100 | 2,000 | 2,000 | 2,000 | 7,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,100** | **2,000** | **2,000** | **2,000** | **7,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Total Maximum Daily Load Grants

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Total Maximum Daily Load Grant Program provides 50 percent grants for wastewater treatment and storm water projects that are needed to comply with point source wasteload allocations required by approved TMDL implementation plans.

## Project Description

The Public Facilities Authority (PFA) is seeking $15 million for the Total Maximum Daily Load (TMDL) grant program (M.S. 446A.073). The Pollution Control Agency (PCA) has approved 13 completed TMDL studies as of June 2007. Within these 13 TMDL areas 217 different communities have been identified as contributing to the water impairments (127 unsewered communities with straight pipes from homes discharging into surface waters, 46 communities with wastewater treatment or bypass issues, and 44 communities needing to undertake improvements to reduce pollution caused by storm water flowing into an impaired water). The TMDL grant program provides 50 percent grants up to a maximum of $3 million for the improvements necessary to reduce the pollutant load to the limits identified in the TMDL implementation plan. Projects are prioritized based on their ranking on the PCA's Project Priority List. The priority system will assure the available funds are directed to the projects that are the highest environmental priorities.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA covers its administrative costs for the program from a 0.5 percent (one half of one percent) fee charged to grantee at the time of the contract issuance.

## Previous Appropriations for this Project

A total of $7 million was appropriated for the program from the 2005 and 2006 bonding bills. The PFA received 23 eligible applications for over $12 million in requests for the $7 million appropriated to the PFA. The requests were limited to the first two TMDL study areas to be completed. As of June 2007 the PFA has awarded three TMDL grants for $1.6 million. Three communities are working with USDA for additional grant and loan funds to undertake their project and should be awarded this fall for a total of $1.48 million. The PFA expects to award the remaining funds by the end of the December 2007.

## Other Considerations

As the Clean Water Legacy Act continues to provide the framework to restore impaired waters throughout the state, the list of needed wastewater and storm water improvements by local governments will continue to grow. Most communities required to upgrade a component of their treatment works will undertake other improvements to upgrade and expand capacity at the same time to save costs. This creates additional construction jobs, reduces future costs of modernizing the systems as they wear out, and provides capacity necessary for residential and industrial growth. The PFA will coordinate TMDL grants with other funding sources to minimize administrative duplication and confusion for cities.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 19,868 | 30,000 | 30,000 | 30,000 | 109,868 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **19,868** | **30,000** | **30,000** | **30,000** | **109,868** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,000 | 15,000 | 15,000 | 15,000 | 52,000 |
| **State Funds Subtotal** | 7,000 | 15,000 | 15,000 | 15,000 | 52,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 5,894 | 0 | 0 | 0 | 5,894 |
| Local Government Funds | 773 | 15,000 | 15,000 | 15,000 | 45,773 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 6,201 | 0 | 0 | 0 | 6,201 |
| **TOTAL** | **19,868** | **30,000** | **30,000** | **30,000** | **109,868** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Phosphorus Reduction Grants

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Phosphorus Reduction Grant Program was created as part of the Clean Water Legacy Act to provide 75 percent grants to cities for wastewater treatment improvements to reduce the discharge of phosphorus.

**Project Description**

The Public Facilities Authority is seeking $10 million to provide grants for new projects under the Phosphorus Reduction Grant Program (M.S. 446A.074). The program provides grants to local governments to assist with the cost of wastewater treatment projects to reduce the discharge of total phosphorus to 1 milligram per liter or less. The Pollution Control Agency (PCA) requires that all wastewater treatment facilities that discharge more than 200,000 gallons per day to surface waters provide treatment to reduce phosphorus to at least the 1 milligram per liter standard. The program was established to assist local governments in meeting this mandate by providing a grant for 75 percent of eligible capital costs, up to a maximum of $500,000.

By law the PFA accepts application in the month of July and will reserve funds for projects based on their ranking on the PCA's Project Priority List. Projects have until May 1st the following year to bid and have the eligible cost certified by PCA to obtain grant funds for the project. Under the program statute, any remaining balance can be used to reimburse local governments for phosphorus reduction projects that were previously built, provided it is an eligible use of funds.

**Impact on Agency Operating Budgets (Facilities Notes)**

The PFA recovers its administrative costs with a 0.5 percent (one half on one percent) fee charged to grantee at the time of the contract issuance.

**Previous Appropriations for this Project**

In 2006 the PFA received $2.31 million in the bonding bill. In July of 2006 the PFA requested applications for Phosphorus Reduction Grants and received 47 eligible requests totaling $17.6 million for the $2.31 million available. As of June 2007, the PFA awarded five grants for $1.3 million and reserved the remaining $1 million for three other projects expected to be under contract in the near future.

**Other Considerations**

Most communities required to upgrade a component of their treatment works will undertake other improvements to upgrade and expand capacity at the same time to save cost in the future. This creates additional construction jobs, reduces future costs of modernizing the system as it wears out and provides capacity necessary for residential and industrial growth

The PFA will coordinate Phosphorus Reduction Grants with other funding sources to minimize administrative duplication and confusion for cities.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 7,433 | 13,334 | 13,334 | 20,000 | 54,101 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,433** | **13,334** | **13,334** | **20,000** | **54,101** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,310 | 10,000 | 10,000 | 10,000 | 32,310 |
| **State Funds Subtotal** | 2,310 | 10,000 | 10,000 | 10,000 | 32,310 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 1,531 | 3,334 | 3,334 | 10,000 | 18,199 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 3,592 | 0 | 0 | 0 | 3,592 |
| **TOTAL** | **7,433** | **13,334** | **13,334** | **20,000** | **54,101** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Phosphorus Reduction Grants - Reimbursement Projects

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

One time request for the Phosphorus Reduction Grant Program for funds to reimburse local governments that implemented wastewater improvements for phosphorus reduction between 3-28-2000 and 7-1-2006. This requires funding from sources other then General Obligation Bond proceeds.

**Project Description**

The Public Facilities Authority (PFA) is seeking $10 million from non-bond funds for reimbursement grants to local governments under the Phosphorus Reduction Grant Program (M.S. 446A.074). The Pollution Control Agency adopted a statewide phosphorus reduction strategy on 3-28-2000 and began requiring all permittees with discharges in excess of 200,000 gallons per day to reduce their phosphorus discharge to one milligram per liter or less. In July 2006 after the Clean Water Legacy Act passed, the PFA received 23 applications for $8.65 million for reimbursement projects. Since that time several more communities have had to proceed with phosphorus reduction projects that did not receive funding due to the lack of appropriation in 2006.

**Impact on Agency Operating Budgets (Facilities Notes)**

The PFA recovers its administrative costs with a 0.5 percent (one half on one percent) fee charged to grantee at the time of the contract issuance.

**Previous Appropriations for this Project**

In 2006 the PFA received $2.31 million for the Phosphorus Reduction Grant Program in the bonding bill.

**Other Considerations**

Although no additional environmental benefits are expected by reimbursing local units of government for costs incurred, it does make it a matter of fairness to treat those local governments that were required to undertake phosphorus reduction improvements prior to the program being established the same as those that are now eligible to receive grants from the program for those improvements.

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**Governor's Recommendations**

The governor does not recommend funding for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 13,334 | 0 | 0 | 13,334 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,334** | **0** | **0** | **13,334** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 10,000 | 0 | 0 | 10,000 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 3,334 | 0 | 0 | 3,334 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,334** | **0** | **0** | **13,334** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Water Conservation Through Wastewater Reuse

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This request is for $5 million for a pilot program to seek opportunities to support sound industrial development through reusing treated municipal wastewater for non-contact cooling water applications versus using ground water.

## Project Description

The Public Facilities Authority (PFA), in conjunction with the Department of Natural Resources (DNR) and the Pollution Control Agency (PCA), is seeking $5 million for a pilot program to encourage water conservation through the reuse of treated wastewater for industrial purposes. Development in many Minnesota communities is constrained by limited availability of ground and surface water supplies. This proposal will conserve ground and surface water at two or three municipally owned demonstration projects. These demonstrations will assess and explore the opportunity to recycle treated wastewater as non-contact cooling water, a major point of industrial water consumption. The demonstration projects will drive more efficient use of natural resources to support continued community and economic development throughout Minnesota.

Factors to be considered in the assessment include; scale of water constraint, volume of treated wastewater supply, quality of water supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, appropriation and discharge permit considerations, construction and on-going operational costs, and user fees.

## Impact on Agency Operating Budgets (Facilities Notes)

The PFA recovers its administrative costs with a 0.5 percent (one half of one percent) fee charged to grantee at the time of the contract issuance.

## Other Considerations

The PFA will work with the DNR and the PCA to explore potential projects that could be used to demonstrate how treated municipal wastewater can be reused as non-contact cooling water at industrial facilities. Special emphasis will be placed on existing ethanol plants to determine if opportunities exist to reduce overall groundwater consumption. If needed the PFA will coordinate funding of the pilot projects with other funding sources to get the projects financed in a timely manner with a minimum of confusion.

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 10,000 | 0 | 0 | 10,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 0 | 0 | 5,000 |
| **State Funds Subtotal** | 0 | 5,000 | 0 | 0 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 2,500 | 0 | 0 | 2,500 |
| Private Funds | 0 | 2,500 | 0 | 0 | 2,500 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Streamline Infrastructure Financing

**2008 STATE APPROPRIATION REQUEST:** $100,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This request will provide $100,000 in general fund monies for the development of legal documents and staff consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects.

**Project Description**

The Public Facilities Authority (PFA) is seeking a one-time appropriation of $100,000 from the general fund for staff consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects, including costs associated with developing legal documents and application forms, and negotiating underwriting criteria with the major bond rating agencies necessary to obtain bond ratings for the program. The purpose of the program is to provide loans to governmental units through the purchase of their general obligation bonds to finance municipal infrastructure projects, including facilities for wastewater, drinking water, stormwater, energy conservation, telecommunications and high speed internet, public safety, and any public building or infrastructure improvement that receives funding from grants awarded by the commissioner of the department of employment and economic development related to redevelopment, contaminated site cleanup, bio-science, small cities development programs and rural business infrastructure programs.

By pooling bonds issued by multiple governmental units, the program will provide local governments with better access to capital markets at competitive rates and save issuance costs. Interest savings will be achieved by extending the credit enhancement provisions and state aid intercept of the existing county credit enhancement program under Minnesota Statutes section 446A.086 to local government bonds issued under the program.

**Impact on Agency Operating Budgets (Facilities Notes)**

Once the program is established, the PFA will recover its administrative costs by charging fees to all program participants.

**Other Considerations**

The credit enhanced pooled bond program that will be developed through this appropriation is part of the Governor's Strategic Entrepreneurial Economic Development (SEED) initiative.

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**Governor's Recommendations**

The governor recommends a one-time appropriation of $100,000 for this project from the general fund.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 100 | 0 | 0 | 100 |
| 5. Construction Costs | 0 | 100 | 0 | 0 | 100 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **200** | **0** | **0** | **200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General | 0 | 100 | 0 | 0 | 100 |
| **State Funds Subtotal** | 0 | 100 | 0 | 0 | 100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **100** | **0** | **0** | **100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Governance:**

The University of Minnesota is governed by a 12-member, legislatively appointed Board of Regents.

**Statewide Presence:**

- Five campuses
  (Crookston, Duluth, Morris, Twin Cities, Rochester)
- Seven research and outreach centers
  (Cloquet, Crookston, Grand Rapids, Lamberton, Morris, Rosemount, Waseca)
- Eighteen regional University of Minnesota Extension Service offices

**Annual Budget:**

$2.58 billion (FY 2006 actual revenues)

**Student Enrollment (Fall 2006):**

| | |
|---|---|
| 40,437 | Undergraduate |
| 14,665 | Graduate |
| 3,942 | Professional |
| 6,709 | Non-Degree |
| 65,753 | TOTAL for all campuses |

**Faculty and Staff (Fall 2006):**

| | |
|---|---|
| 18,470 | Faculty and Staff |

**Agency Purpose**

The University of Minnesota is both the state's land-grant university, with a strong tradition of education and public service, and a major research institution, with faculty of national and international reputation. Its statutory mission is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and [to] be the primary state supported academic agency for research and extension services." (M.S. 135A.052)

The University of Minnesota, founded in 1851, has five campuses (Twin Cities, Duluth, Morris, Crookston, Rochester), six research and outreach centers, two biological stations, one forestry station and regional extension offices throughout the state.

The University of Minnesota is a multi-campus university and not a system with a separate office. The chief operating officers for the Twin Cities campus also serve as the senior officers for the entire University.

The Twin Cities campus is one of the two largest campuses in the country in terms of enrollment (50,402 students) and also one of the most comprehensive. It is the state's major research campus and with more than $500 million annually in research grant awards, it accounts for more than 98 percent of all research expenditures at Minnesota's higher education institutions, both public and private.

The Duluth campus (11,190 students) is a comprehensive regional university that offers instruction through the master's degree and has unique research strengths in natural and fresh water resources.

The Morris campus (1,747 students) provides an innovative and high quality residential undergraduate liberal arts education to a very select and intellectually gifted student body.

The Crookston campus (2,414 students) provides career-oriented education at the baccalaureate level, primarily in poly-technical disciplines.

The Rochester campus is focused on meeting the educational needs of the Rochester area at the upper division and post-baccalaureate levels.

**Core Functions**

The University of Minnesota's three mission activities are: 1) teaching and learning, 2) research and discovery, and 3) outreach and public service.

**Teaching and Learning:** The University of Minnesota provides instruction through a broad range of educational programs that prepare undergraduate, graduate, and professional students for productive roles in society.

**Research and Discovery:** The University of Minnesota generates and preserves knowledge, understanding, and creativity by conducting research, scholarship, and artistic activity.

**Outreach and Public Service:** The University of Minnesota exchanges its knowledge and resources with society by making them accessible to the citizens of the state.

**Operations**

The University of Minnesota conducts its mission activities from its campuses and other facilities throughout the state. Each year, the University of Minnesota:

- Provides instruction for more than 65,000 students
- Graduates nearly 12,500 students, 34 percent with graduate or first professional degrees
- Conducts approximately $500 million in research sponsored by the National Institutes of Health, the National Science Foundation, many other federal agencies, and numerous private companies and foundations
- Reaches out to more than one million Minnesotans through various outreach and public service activities

**Budget**

The University of Minnesota's FY 2006 revenues of $2.58 billion are a combination of five main sources of revenue:

- Gifts, Grants, and Contracts $900 million / 35%
- State Appropriations: $644 million / 25%
- Tuition and Fees: $555 million / 21%
- Sales Revenue: $455 million / 18%
- Endowment/Other: $26 million / 1%

The University of Minnesota's total state appropriation includes both a general unrestricted appropriation that supports the University's core operations and appropriations that are restricted to special purposes (e.g., University of Minnesota Extension Service).

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

The statutory mission of the University of Minnesota is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and be the primary state-supported academic agency for research and extension services" (M.S. 135A.052, subd. 1).

The University of Minnesota, founded in the belief that all people are enriched by understanding, is dedicated to the creation of knowledge and the advancement of learning and artistic activity; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission is three-fold:

- *Research and Discovery*. Generate and preserve knowledge, understanding, and creativity by conducting high quality research, scholarship, and artistic activity that benefits students, scholars, and communities across the state, the nation, and the world.

- *Teaching and Learning*. Share that knowledge, understanding, and creativity by providing a broad range of educational programs, in a strong and diverse community of learners and teachers, and prepare a graduate, professional, and undergraduate student body for active roles in a multiracial and multicultural world.

- *Outreach and Public Service*. Extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by assisting organizations and individuals to respond to their changing environments, and by making the knowledge and resources created and preserved here accessible to the citizens of the state, the nation, and the world.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

We are in a transformative era for higher education. For more than 150 years, the University of Minnesota has met the changing needs of the state's citizens, businesses, farmers, and public institutions. Now, the state, as well as the nation, is facing demographic, economic, and social changes that compel the University of Minnesota to rise up to meet these new challenges. The University must strengthen its role as the state's only major research university, as its land grant institution, and as its magnet for students, faculty, professionals, entrepreneurs, and civic and artistic leaders.

Building on a proud 156-year history of commitment to the highest quality education, research, and service to the people of Minnesota, the 'U' has embarked on a journey to become one of the top three public research institutions in the world. The entire University community is poised to take its education, research, and public engagement mission to even higher levels of service to the people of Minnesota.

In the context of these challenges, the University must make the most of its resources. Minnesota's long-term interests are best served by an institution that can meet the challenges in this new era—an institution capable of offering the highest quality academic programs, supporting ground-breaking research, and delivering innovative, responsive service to Minnesota's communities.

As a large, multi-faceted research institution, a variety of factors affect the University's demand for facilities and capital programs. Three issues that are relevant to the 2008 capital request are outlined below:

- Aging and Obsolete Facilities – Approximately 78 percent of the University's campus space is more than 25 years old. The Twin Cities campus alone has nearly 100 buildings that are more than 50 years old. Buildings become less functional and require more maintenance as they age.

- Promising New Discoveries – The University must continually renew its existing programs and make targeted investments in emerging fields to meet state needs and remain competitive. High quality programs allow the University to compete at the national level for federal science and health initiatives funds (e.g. National Institutes of Health).

- Increased Student Expectations – The University in recent years has placed a considerable emphasis on upgrading its research facilities and

infrastructure. A similar effort is now required to improve the conditions and capabilities of its educational facilities. The University's most heavily used instructional facilities are in some of the oldest buildings and often lack the necessary technological and programmatic components required to effectively teach at the university level.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The University of Minnesota takes its facilities stewardship responsibilities seriously. While there is an ongoing effort on each campus to keep buildings clean and well maintained, as buildings age and programs evolve, it becomes necessary to invest additional resources to keep a building functional and operating. Recognizing the importance of taking care of what we have, the University has surveyed and documented the condition of all the major systems within University buildings system-wide. This *Facilities Condition Assessment* program has collected information on heating, ventilation, and air conditioning (HVAC) systems, elevators, plumbing, building interiors, electrical systems, code issues, and other building conditions. This assessment expands on a similar effort done in recent years on building exteriors - roofs, walls, and windows. The Facilities Condition Assessment will identify needed building improvements and help the University plan and prioritize projects. The projects outlined in the University's $100 million Higher Education Asset Preservation and Replacement (HEAPR) request were selected based on information from this assessment.

The capacity and condition of campus infrastructure remains a critical concern. The infrastructure of a University campus is a critical component of the physical and operational systems necessary to support the much more visible teaching, research, and outreach mission. Individual buildings depend upon campus infrastructure to deliver heating, cooling, communications, electricity, and water. In portions of the campus the existing buildings have stretched the service capacity of the infrastructure to the maximum limits; while in other areas, buildings are being fed by aging, obsolete services from near the turn of the century. In these areas, any new construction, significant remodeling or expansion of existing services will require a corresponding increase in infrastructure capacity.

**Agency Process Used to Arrive at These Capital Requests**

The University of Minnesota's annual capital budget and six-year Capital Improvements Program is a method of providing for disciplined financial management. This decision making process supports the University's desire to focus on its mission, aligns capital projects with the academic goals of the institution and follows the Regents' directive to make the most efficient use of limited resources.

The capital budgeting process consists of the following steps:

- *Need Identification/Preliminary Ranking* - Academic units, Facilities Management, Campus Planning, Environmental Health and Safety, and other University groups identify capital needs. Capital needs are typically the outcome of either an academic priority (i.e. expansion of the Civil Engineering program) or deficient facility condition (i.e. inadequate ventilation or electrical capacity). Capital and programmatic needs are reviewed as part of the compact process. The provost, chancellors, and vice presidents rank these needs.

- *Project Definition and Prioritization* - A predesign study, including a needs analysis, a preliminary facility program, cost estimates, and an implementation schedule, is prepared for each project and is evaluated against academic priorities, the campus master plan, and code requirements.

- *Annual Budget Approval/Program Acceptance* - The senior administrative officers forward a recommendation to the Regents. The Regents approve the annual capital budget, including capital request items, and accept the six-year Capital Improvement Program.

The University's capital budget calendar is synchronized with the biennial budgeting process in the state legislature.

**Major Capital Projects Authorized in 2006**

| **2006 Appropriation** | **($ in Thousands)** |
|---|---|
| HEAPR | $30,000 |
| Carlson School of Management II | $26,600 |
| Labovitz School of Business and Econ | $15,333 |
| Medical Bioscience Building | $40,000 |
| Regional Stations and Centers | $ 3,500 |
| Willmar Poultry Testing | $ 300 |

| **2005 Appropriation** | **($ in Thousands)** |
|---|---|
| HEAPR | $40,000 |
| UMD Life Sciences | $10,100 |
| UMTC Kolthoff Hall | $17,400 |
| UMTC Education Services | $14,500 |
| UMTC AHC Education Services | $11,600 |
| UMD Recreational Sports | $ 8,700 |
| UMM District Facilities | $ 5,800 |
| North Central Research | $ 283 |

# University of Minnesota

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| HEAPR | 1 | GO | $100,000 | $100,000 | $100,000 | $40,000 | $40,000 | $40,000 |
| Science Teaching Student Services | 2 | GO | 48,333 | 0 | 0 | 48,333 | 0 | 0 |
| Civil Engineering Addition | 3 | GO | 10,000 | 0 | 0 | 10,000 | 0 | 0 |
| Community Services Building Renovation | 4 | GO | 5,000 | 0 | 0 | 5,000 | 0 | 0 |
| Bell Museum | 5 | GO | 24,000 | 0 | 0 | 0 | 0 | 0 |
| Folwell Hall | 6 | GO | 26,000 | 0 | 0 | 26,000 | 0 | 0 |
| Classroom Renewal | 7 | GO | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| General Laboratory Renovation | 8 | GO | 6,667 | 6,667 | 6,667 | 0 | 0 | 0 |
| Research and Outreach Centers | 9 | GO | 3,533 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Project Total | $225,533 | $108,667 | $108,667 | $129,333 | $40,000 | $40,000 |
| General Obligation Bonding (GO) | $225,533 | $108,667 | $108,667 | $129,333 | $40,000 | $40,000 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**2008 STATE APPROPRIATION REQUEST:** $100,000,000

**AGENCY PROJECT PRIORITY:** 1 of 9

**PROJECT LOCATION:** Univ. Campuses, Research Centers & Field Stations

**Project At A Glance**

- Health and safety funds are used by the University of Minnesota to ensure a safe, accessible environment for students, employees, and visitors in its more than 800 buildings.
- Building systems funds extend the useful life of existing facilities and preserve their structural integrity by replacing building components like roofs, elevators, chillers, windows, and mechanical systems.
- Infrastructure funds reduce the risk to people and research caused by aging and unreliable systems.

**Project Description**

Higher Education Asset Preservation and Replacement (HEAPR) funds will be used system wide to maximize and extend the life of the University's existing physical plant. Individual projects will fall into one of three broad categories:

- Health, Safety, and Accessibility
- Building Systems
- Utility Infrastructure

**Project Rationale**

The University's capital budget principles emphasize investment in existing facilities and infrastructure to extend useful life and to ensure the health, safety, and well being of building occupants. All projects included in this HEAPR request are consistent with those principles and will improve the University's facilities in support of strategic goals. All projects are also consistent with the statutory definition of HEAPR (M.S. 135A.046) which includes "code compliance, including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; or building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses." Individual projects have been identified through the University's capital planning process, and were prioritized according to established criteria.

**Impact on Agency Operating Budgets (Facilities Notes)**

HEAPR improvements to existing facilities will have negligible impact on the annual operation budget. No additional maintenance or program staff will result directly from these improvements.

The estimated annual repair and replacement cost for all HEAPR projects is $4.0 million, fully effective in FY 2009. This amount is equivalent to the annual depreciation of the building components such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

**Previous Appropriations for this Project**

The University received $40 million in 2005 and $30 million in 2006. The University includes HEAPR in each biennial capital request.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $40.0 million for this project. Also included are budget planning estimates of $40.0 million in 2010 and $40.0 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 3,200 | 8,000 | 8,000 | 8,000 | 27,200 |
| 4. Project Management | 2,000 | 5,000 | 5,000 | 5,000 | 17,000 |
| 5. Construction Costs | 34,800 | 74,336 | 87,000 | 87,000 | 283,136 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 12,664 | 0 | 0 | 12,664 |
| **TOTAL** | **40,000** | **100,000** | **100,000** | **100,000** | **340,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 40,000 | 100,000 | 100,000 | 100,000 | 340,000 |
| **State Funds Subtotal** | 40,000 | 100,000 | 100,000 | 100,000 | 340,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **40,000** | **100,000** | **100,000** | **100,000** | **340,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 2,400 | 3,200 | 3,200 | 8,800 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 2,400 | 3,200 | 3,200 | 8,800 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 2,400 | 3,200 | 3,200 | 8,800 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 100,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Science Teaching Student Services

**2008 STATE APPROPRIATION REQUEST:** $48,333,000

**AGENCY PROJECT PRIORITY:** 2 of 9

**PROJECT LOCATION:** Minneapolis Campus

**Project At A Glance**

- This project will provide modern, technology-rich, inquiry-based classrooms, replacing obsolete teacher-centered classrooms of the past with a vibrant student-centered learning environment for the future.
- An innovative learning environment for the foundational sciences is essential to attract, retain, and educate more students in science, technology, engineering, and mathematics (STEM) programs.
- Located at the campus' highest concentration of student traffic, the building will be an ideal location to consolidate student services to increase their accessibility and effectiveness.

## Project Description

This request is for funds to design and construct a new classroom and student services center on the Minneapolis campus. The facility will include new, innovative classrooms for teaching basic sciences, and campus-wide student services such as academic counseling, career counseling, registration, and bursar services. Demolition of the Science Classroom Building is included in the project.

## Project Rationale

The state and the nation are facing a crisis in science, technology, engineering and mathematics (STEM) graduates. Policy-makers and employers are calling for more STEM graduates. This project addresses that need for Minnesota, a state whose core industries rely on a scientifically educated workforce. By creating student-centered, inquiry-based classrooms, student retention in the sciences will be enhanced. These technology-rich, multi-media classroom environments will foster increased student-student and student-faculty interactions that promote deeper learning and the development of critical skills that are needed in a scientifically literate workforce.

The project is located at the Washington Avenue bridgehead, a central site that has one of the highest concentrations of pedestrian traffic on the Minneapolis campus. Because of its prime location, the new building is ideal for consolidating student services in one location to better serve students.

## Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 115,000 gross square feet for the Science Teaching Student Services building to the Minneapolis campus will increase the University's operating costs by an estimated $431,000 per biennium. An additional 1.3 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $2.175 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $48.333 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 200 | 0 | 0 | 200 |
| 3. Design Fees | 0 | 5,235 | 0 | 0 | 5,235 |
| 4. Project Management | 0 | 2,250 | 0 | 0 | 2,250 |
| 5. Construction Costs | 0 | 54,700 | 0 | 0 | 54,700 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 75 | 0 | 0 | 75 |
| 8. Occupancy | 0 | 493 | 0 | 0 | 493 |
| 9. Inflation | 0 | 9,447 | 0 | 0 | 9,447 |
| **TOTAL** | **0** | **72,500** | **0** | **0** | **72,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 48,333 | 0 | 0 | 48,333 |
| **State Funds Subtotal** | 0 | 48,333 | 0 | 0 | 48,333 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 24,167 | 0 | 0 | 24,167 |
| **TOTAL** | **0** | **72,500** | **0** | **0** | **72,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 92 | 184 | 276 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 124 | 248 | 372 |
| Building Repair and Replacement Expenses | 0 | 1,088 | 2,175 | 3,263 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,304 | 2,607 | 3,911 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 1,304 | 2,607 | 3,911 |
| Change in F.T.E. Personnel | 0.0 | 0.6 | 0.6 | 1.2 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 48,333 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Civil Engineering Addition

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 3 of 9

**PROJECT LOCATION:** Duluth Campus

**Project At A Glance**

- The project will provide instructional and laboratory space for the University of Minnesota, Duluth's new baccalaureate civil engineering program.
- The new Bachelor of Science in Civil Engineering will fulfill a strong, identified need for civil engineers in the region by educating and retaining students who presently leave the state to obtain their degree elsewhere.
- The new civil engineering program is a natural expansion and complement to UMD's mechanical, chemical, and industrial engineering programs and will provide a more stable and comprehensive engineering foundation for northern Minnesota.

## Project Description

This request is for funds to provide instructional and laboratory space for the new civil engineering program at University of Minnesota, Duluth (UMD). Offering a new Bachelor of Science in Civil Engineering is a strategic goal of the Duluth campus and the new degree program will serve approximately 200 undergraduate students. The new structure will adjoin Voss-Kovach Hall, which houses the mechanical, chemical, and industrial engineering programs, and will include state-of-the-art teaching laboratories, research laboratories, classrooms and administrative offices.

## Project Rationale

UMD's new civil engineering degree program is in direct response to engineering personnel needs expressed by the private and public sectors in northern Minnesota and the career aspirations of prospective students and their parents. Students graduating from this new program, 35 to 40 per year, will provide a stable and comprehensive base for northern Minnesota industries and be poised to contribute to the development of sustainable solutions to regional needs.

UMD must expand its facilities to meet the needs of the new civil engineering program. The current facility is undersized and not capable of accommodating the expected increased level of enrollment—200 students within four years. And there are unique structural, plumbing, and ventilation needs for the specialized laboratories needed in civil engineering. The new facility will provide experiential learning opportunities for students in specialized laboratories.

## Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 34,000 gross square feet for the Civil Engineering addition to Voss-Kovach Hall on the Duluth campus will increase the University's operating costs by an estimated $874,000 per biennium. An additional 2.6 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $450,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $10.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 1,340 | 0 | 0 | 1,340 |
| 4. Project Management | 0 | 456 | 0 | 0 | 456 |
| 5. Construction Costs | 0 | 11,265 | 0 | 0 | 11,265 |
| 6. One Percent for Art | 0 | 98 | 0 | 0 | 98 |
| 7. Relocation Expenses | 0 | 25 | 0 | 0 | 25 |
| 8. Occupancy | 0 | 344 | 0 | 0 | 344 |
| 9. Inflation | 0 | 1,472 | 0 | 0 | 1,472 |
| **TOTAL** | **0** | **15,000** | **0** | **0** | **15,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 0 | 0 | 10,000 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 5,000 | 0 | 0 | 5,000 |
| **TOTAL** | **0** | **15,000** | **0** | **0** | **15,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 279 | 372 | 651 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 376 | 501 | 877 |
| Building Repair and Replacement Expenses | 0 | 337 | 450 | 787 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 992 | 1,323 | 2,315 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 992 | 1,323 | 2,315 |
| Change in F.T.E. Personnel | 0.0 | 1.2 | 2.4 | 3.6 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Community Services Building Renovation

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 4 of 9

**PROJECT LOCATION:** Morris Campus

**Project At A Glance**

- This project will renovate the old Community Services Building at the University of Minnesota, Morris (UMM) to provide a welcoming gateway into campus for prospective students, parents, alumnae, and community partners.
- With a greater capacity to reach out to prospective students, UMM will be able to attract more students to its world-class public liberal arts education in a small college environment.
- Building on a strong foundation of existing community and regional partnerships, UMM's ability to provide resources and research for rural economic vitality and development will be enhanced.

## Project Description

This request is for funds to renovate the Community Services Building to serve as a gateway to the University of Minnesota, Morris campus -- housing units that meet and serve external audiences. In addition, infrastructure facilities will be improved that serve the building. The renovated facility will be occupied by UMM's student admissions, external relations, continuing education, and public outreach units.

## Project Rationale

The University of Minnesota, Morris lacks a public "face" into campus. By renovating the historic Community Services Building, a new welcoming gateway into campus can be created for prospective students, parents, alumni, donors, community partners, and other external visitors. The new Gateway Center will feature shared reception areas and meeting rooms, making efficient use of space, while enhancing UMM's external relationships.

The new Gateway Center will enhance recruitment and retention of prospective students; help build relationships with alumni, donors, and community members; and strengthen public initiatives such as Continuing Education and the Center for Small Towns—an award-winning community outreach program that serves as a point-of-entry to the many resources of the University of Minnesota, Morris. Currently housed in the building, the Center for Small Towns draws together local units of government, K-12 schools, nonprofit organizations, and other University units as they work on issues of rural vitality. UMM can increase the ways it connects with the community and the region by revitalizing the historic Community Services Building and be better positioned in the new Gateway Center to make contributions to west central Minnesota.

## Impact on Agency Operating Budgets (Facilities Notes)

The approximately 16,800 gross square feet for the UMM Community Services will have estimated operating costs of $68,000 per biennium. An additional 1.3 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $225,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $5.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 39 | 0 | 0 | 39 |
| 3. Design Fees | 0 | 731 | 0 | 0 | 731 |
| 4. Project Management | 0 | 268 | 0 | 0 | 268 |
| 5. Construction Costs | 0 | 5,100 | 0 | 0 | 5,100 |
| 6. One Percent for Art | 0 | 46 | 0 | 0 | 46 |
| 7. Relocation Expenses | 0 | 10 | 0 | 0 | 10 |
| 8. Occupancy | 0 | 386 | 0 | 0 | 386 |
| 9. Inflation | 0 | 920 | 0 | 0 | 920 |
| **TOTAL** | **0** | **7,500** | **0** | **0** | **7,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 0 | 0 | 5,000 |
| **State Funds Subtotal** | 0 | 5,000 | 0 | 0 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 2,500 | 0 | 0 | 2,500 |
| **TOTAL** | **0** | **7,500** | **0** | **0** | **7,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 18 | 29 | 47 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 24 | 39 | 63 |
| Building Repair and Replacement Expenses | 0 | 141 | 225 | 366 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 183 | 293 | 476 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 183 | 293 | 476 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.1 | 0.1 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $24,000,000

**AGENCY PROJECT PRIORITY:** 5 of 9

**PROJECT LOCATION:** St. Paul Campus

**Project At A Glance**

- The project will construct a new Bell Museum of Natural History on the St. Paul campus, providing a gateway to the many public resources of the University and serving as a model of sustainable design.
- The Bell Museum is one of the country's premier research-based science museums that educates thousands of visitors annually on Minnesota's biological, environmental, social, and physical sciences.
- The Bell Museum, the state's official natural history museum, will better serve the public with its innovative programming in a modern, interactive space that brings people closer to their natural world.

**Project Description**

This request is for funds to complete design and construct a new Bell Museum of Natural History on the St. Paul campus. The museum serves as the state's official natural history museum, charged with collecting, preserving, and displaying the state's animal and plant life for research, teaching and public enjoyment. The Bell houses the largest collection in the state documenting Minnesota's biodiversity and serves as a living research museum for University faculty and national collaborators. The museum attracts more than 100,000 visitors each year.

**Project Rationale**

Changes in the public's expectations for modern museums plus changes in the nature and scope of University research have left the Bell Museum of Natural History dated and anachronistic. Opened in 1940, the current facility falls short of visitor amenities and spacious galleries. In addition, the building's 3,000 square-foot special exhibits gallery is too small for most traveling exhibits. Compared to other museums of its kind, the facility is short on program and community space.

The current facility was built at a time when natural history museums focused on preserving or memorializing the past, rather than engaging visitors in the world in which they live today. To be relevant and competitive, the Bell Museum of Natural History must be updated in order to better engage, inspire, and motivate visitors to interact with their natural world.

**Impact on Agency Operating Budgets (Facilities Notes)**

The addition of approximately 70,000 gross square feet for the new Bell Museum building to the St. Paul campus will increase the University's operating costs by an estimated $854,000 per biennium. An additional 2.6 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $1.08 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

**Project Contact Person**

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336a Morrill Hall, 100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 271 | 0 | 0 | 271 |
| 3. Design Fees | 0 | 2,133 | 0 | 0 | 2,133 |
| 4. Project Management | 0 | 499 | 0 | 0 | 499 |
| 5. Construction Costs | 0 | 28,076 | 0 | 0 | 28,076 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 85 | 0 | 0 | 85 |
| 8. Occupancy | 0 | 1,750 | 0 | 0 | 1,750 |
| 9. Inflation | 0 | 3,086 | 0 | 0 | 3,086 |
| **TOTAL** | **0** | **36,000** | **0** | **0** | **36,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 24,000 | 0 | 0 | 24,000 |
| **State Funds Subtotal** | 0 | 24,000 | 0 | 0 | 24,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 12,000 | 0 | 0 | 12,000 |
| **TOTAL** | **0** | **36,000** | **0** | **0** | **36,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 364 | 364 | 728 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 490 | 490 | 980 |
| Building Repair and Replacement Expenses | 0 | 1,080 | 1,080 | 2,160 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,934 | 1,934 | 3,868 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 1,934 | 1,934 | 3,868 |
| Change in F.T.E. Personnel | 0.0 | 1.3 | 1.3 | 2.6 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 24,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Folwell Hall

**2008 STATE APPROPRIATION REQUEST:** $26,000,000

**AGENCY PROJECT PRIORITY:** 6 of 9

**PROJECT LOCATION:** Minneapolis Campus

**Project At A Glance**

- This project will renovate the interior of Folwell Hall, one of the oldest buildings on campus, in the historic Knoll District.
- Folwell Hall will house the new Baccalaureate Writing Initiative and every freshman on the Twin Cities campus, more than 5,000 each year, will take a writing course in this historic building.
- Folwell Hall will also provide technology-enhanced learning environments for the study of nearly 20 languages.

## Project Description

This request is for funds to design and renovate the interior of Folwell Hall to modernize the teaching and research space for College of Liberal Arts programs. This project includes renovation to accommodate the new Baccalaureate Writing Initiative and modern, technology-rich teaching and learning environments for language instruction. Exterior improvements required to stabilize the building shell, part of a separate project, will be completed in December 2007.

## Project Rationale

Folwell Hall was built in 1907; it is one of the oldest buildings on the University of Minnesota Twin Cities (UMTC) campus. Folwell Hall is on the National Register of Historic Places and the University has a keen interest in preserving this landmark building. Renovating Folwell Hall will better support key academic programs while preserving it as an important symbol of the University's long history of serving the state of Minnesota.

UMTC's Baccalaureate Writing Initiative will be housed in Folwell Hall. Every single undergraduate on the UMTC campus will use this building. A renovated Folwell Hall will define the freshman experience for each entering class. Folwell Hall will also house several language departments. Currently 30 languages are taught at the University, 19 in Folwell Hall alone. Folwell Hall is also home to nearly 300 instructional staff and more than 1,000 majors; 100,000 student credit hours are logged in this building.

This project will allow Folwell Hall to become a multilingual and multicultural hub for both the study and research of languages, literature, and writing. A renovated Folwell Hall will better serve students and the state by educating global citizens with effective communication skills across disciplines and cultures.

## Impact on Agency Operating Budgets (Facilities Notes)

The approximately 112,866 gross square feet for Folwell Hall will have operating costs estimated at $586,000 per biennium. An additional 1.7 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $1.17 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $26.0 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 114 | 0 | 0 | 114 |
| 3. Design Fees | 0 | 2,166 | 0 | 0 | 2,166 |
| 4. Project Management | 0 | 1,054 | 0 | 0 | 1,054 |
| 5. Construction Costs | 0 | 27,518 | 0 | 0 | 27,518 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 75 | 0 | 0 | 75 |
| 8. Occupancy | 0 | 2,896 | 0 | 0 | 2,896 |
| 9. Inflation | 0 | 5,077 | 0 | 0 | 5,077 |
| **TOTAL** | **0** | **39,000** | **0** | **0** | **39,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 26,000 | 0 | 0 | 26,000 |
| **State Funds Subtotal** | 0 | 26,000 | 0 | 0 | 26,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 13,000 | 0 | 0 | 13,000 |
| **TOTAL** | **0** | **39,000** | **0** | **0** | **39,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 124 | 248 | 372 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 167 | 334 | 501 |
| Building Repair and Replacement Expenses | 0 | 585 | 1,170 | 1,755 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 876 | 1,752 | 2,628 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 876 | 1,752 | 2,628 |
| Change in F.T.E. Personnel | 0.0 | 0.8 | 0.9 | 1.7 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 26,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Classroom Renewal

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 7 of 9

**PROJECT LOCATION:** System-wide

**Project At A Glance**

- This project will improve and upgrade classrooms system-wide.
- Modern, technology-enhanced classrooms are essential to providing quality teaching and learning environments.
- Meeting the needs of faculty and the expectations of students in classroom facilities is vital to the University to stay competitive with other research and land grant institutions.

## Project Description

This request is for funds to be used on all campuses to improve instructional spaces, including basic space upgrades, accessibility improvements and technology upgrades, as well as allowing campuses to begin developing more innovative learning spaces required by changing pedagogy.

## Project Rationale

Classrooms are at the heart of the University's teaching mission. To meet the needs of faculty and the expectations of students, the University must provide modern, technology-rich classrooms in order to optimize teaching and learning. Improved, up-to-date classrooms are essential to attract the best and brightest students and remain competitive with other regional universities. The overall student experience at the University of Minnesota will be improved by enhancing the physical environment and adding modern classroom learning technologies.

## Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these classrooms are housed in existing University of Minnesota buildings, there will be no additional calculated operating costs. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $300,000. This amount is equivalent to the annual depreciation of the classroom components such as interiors, mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 240 | 240 | 240 | 720 |
| 4. Project Management | 0 | 150 | 150 | 150 | 450 |
| 5. Construction Costs | 0 | 2,219 | 2,610 | 2,610 | 7,439 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 391 | 0 | 0 | 391 |
| **TOTAL** | **0** | **3,000** | **3,000** | **3,000** | **9,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| **State Funds Subtotal** | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,000** | **3,000** | **3,000** | **9,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 300 | 300 | 600 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 300 | 300 | 600 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 300 | 300 | 600 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# General Laboratory Renovation

**2008 STATE APPROPRIATION REQUEST:** $6,667,000

**AGENCY PROJECT PRIORITY:** 8 of 9

**PROJECT LOCATION:** System-wide

**Project At A Glance**

- This project will improve and upgrade laboratory facilities system wide.
- Updated research facilities are critical to continuing the University of Minnesota's strong record of research discoveries.
- Updated research laboratories provide the margin-of-excellence that is needed to attract and retain top researchers and competitive grant awards, both vital to the University's national competitiveness.

## Project Description

This request is for funds to be used on all campuses, in making targeted, strategic investments in research laboratory space to improve the University's national competitiveness and enhance faculty recruitment and retention.

## Project Rationale

Modern research facilities are essential to the University's ability to recruit and retain exceptional researchers; without state-of-the-art laboratories in which to conduct their research, faculty will choose other institutions with better facilities. Research funding and national competitiveness depend upon an institution's researchers, and state-of-the-art laboratories are the foundation of the solid research program at the University of Minnesota.

## Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these laboratories are housed in existing University of Minnesota buildings, there will be no additional calculated operating costs. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $1 million. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

## Project Contact Person

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Minneapolis, Minnesota 55455
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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 800 | 800 | 800 | 2,400 |
| 4. Project Management | 0 | 500 | 0 | 0 | 500 |
| 5. Construction Costs | 0 | 7,396 | 9,200 | 9,200 | 25,796 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 1,304 | 0 | 0 | 1,304 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 6,667 | 6,667 | 6,667 | 20,001 |
| **State Funds Subtotal** | 0 | 6,667 | 6,667 | 6,667 | 20,001 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 3,333 | 3,333 | 3,333 | 9,999 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 1,000 | 1,000 | 2,000 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,000 | 1,000 | 2,000 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 1,000 | 1,000 | 2,000 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,667 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,533,000

**AGENCY PROJECT PRIORITY:** 9 of 9

**PROJECT LOCATION:** Crookston, Morris

**Project At A Glance**

- This project will provide new facilities at two of the University's research and outreach centers.
- A new maintenance facility at the Northwest Research and Outreach Center in Crookston will allow the center to continue its strong record of partnerships with regional farmers in this agriculturally vital part of Minnesota's economy.
- An addition to the administration building at the West Central Research and Outreach Center in Morris will enhance renewable energy research and regional collaborations at the Midwest's premier renewable energy incubator.

**Project Description**

This request is for funds to construct a new maintenance and farm support facility at the Northwest Research and Outreach Center in Crookston to accommodate the equipment required to sustain current research and operations, and for funds to construct an addition to the administration building at the West Central Research and Outreach Center in Morris to house the University's expanding research in renewable energy.

**Project Rationale**

These improvements will enhance the University's research, education, and outreach activities.

At the Northwest Research and Outreach Center, research and outreach is focused on agricultural commodities and enterprises. The center's laboratories and staff support more than 50 researchers leading more than 140 research projects and an educational program for University of Minnesota Crookston students enrolled in agriculture and natural resources programs. The center builds connections with area farmers and places major emphasis on research and education that is relevant to the needs of northwest Minnesota. A new maintenance facility is critical to supporting the important research taking place at this center.

At the West Central Research and Outreach Center, research is focused on renewable, sustainable and economical agricultural production systems. The center also houses the University of Minnesota Renewable Energy Research and Demonstration Center that focuses on wind, biomass, biofuels and renewable hydrogen. Its goal is to provide a model for rural communities and agricultural producers to integrate renewable energy systems and to provide information to stimulate the overall renewable energy industry. The new administration building addition will support and enhance the important research being conducted at this center.

**Impact on Agency Operating Budgets (Facilities Notes)**

The addition of approximately 4,500 gross square feet for the new maintenance and farm support facility at the North Central Research and Outreach Center will increase the University's operating costs by an estimated $108,000 per biennium. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $150,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

**Project Contact Person**

Richard Pfutzenreuter, CFO and Treasurer
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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 300 | 0 | 0 | 300 |
| 4. Project Management | 0 | 360 | 0 | 0 | 360 |
| 5. Construction Costs | 0 | 3,830 | 0 | 0 | 3,830 |
| 6. One Percent for Art | 0 | 36 | 0 | 0 | 36 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 168 | 0 | 0 | 168 |
| 9. Inflation | 0 | 606 | 0 | 0 | 606 |
| **TOTAL** | **0** | **5,300** | **0** | **0** | **5,300** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,533 | 0 | 0 | 3,533 |
| **State Funds Subtotal** | 0 | 3,533 | 0 | 0 | 3,533 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 1,767 | 0 | 0 | 1,767 |
| **TOTAL** | **0** | **5,300** | **0** | **0** | **5,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 5 | 46 | 51 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 8 | 62 | 70 |
| Building Repair and Replacement Expenses | 0 | 150 | 150 | 300 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 163 | 258 | 421 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 163 | 258 | 421 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.3 | 0.3 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,533 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# University of Minnesota

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| HEAPR | 1 | $100,000 | $100,000 | $100,000 | $300,000 | $40,000 | $40,000 | $40,000 |
| Science Teaching Student Services | 2 | 48,333 | 0 | 0 | 48,333 | 48,333 | 0 | 0 |
| Civil Engineering Addition | 3 | 10,000 | 0 | 0 | 10,000 | 10,000 | 0 | 0 |
| Community Services Building Renovation | 4 | 5,000 | 0 | 0 | 5,000 | 5,000 | 0 | 0 |
| Bell Museum | 5 | 24,000 | 0 | 0 | 24,000 | 0 | 0 | 0 |
| Folwell Hall | 6 | 26,000 | 0 | 0 | 26,000 | 26,000 | 0 | 0 |
| Classroom Renewal | 7 | 2,000 | 2,000 | 2,000 | 6,000 | 0 | 0 | 0 |
| General Laboratory Renovation | 8 | 6,667 | 6,667 | 6,667 | 20,001 | 0 | 0 | 0 |
| Research and Outreach Centers | 9 | 3,533 | 0 | 0 | 3,533 | 0 | 0 | 0 |
| **Total Project Requests** | | $225,533 | $108,667 | $108,667 | $442,867 | $129,333 | $40,000 | $40,000 |

**Agency Profile At A Glance**

**Governance:**

The University of Minnesota is governed by a 12-member, legislatively appointed Board of Regents.

**Statewide Presence:**

- Five campuses
  (Crookston, Duluth, Morris, Twin Cities, Rochester)
- Seven research and outreach centers
  (Cloquet, Crookston, Grand Rapids, Lamberton, Morris, Rosemount, Waseca)
- Eighteen regional University of Minnesota Extension Service offices

**Annual Budget:**

$2.58 billion (FY 2006 actual revenues)

**Student Enrollment (Fall 2006):**

| | |
|---|---|
| 40,437 | Undergraduate |
| 14,665 | Graduate |
| 3,942 | Professional |
| 6,709 | Non-Degree |
| 65,753 | TOTAL for all campuses |

**Faculty and Staff (Fall 2006):**

| | |
|---|---|
| 18,470 | Faculty and Staff |

**Agency Purpose**

The University of Minnesota is both the state's land-grant university, with a strong tradition of education and public service, and a major research institution, with faculty of national and international reputation. Its statutory mission is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and [to] be the primary state supported academic agency for research and extension services." (M.S. 135A.052)

The University of Minnesota, founded in 1851, has five campuses (Twin Cities, Duluth, Morris, Crookston, Rochester), six research and outreach centers, two biological stations, one forestry station and regional extension offices throughout the state.

The University of Minnesota is a multi-campus university and not a system with a separate office. The chief operating officers for the Twin Cities campus also serve as the senior officers for the entire University.

The Twin Cities campus is one of the two largest campuses in the country in terms of enrollment (50,402 students) and also one of the most comprehensive. It is the state's major research campus and with more than $500 million annually in research grant awards, it accounts for more than 98 percent of all research expenditures at Minnesota's higher education institutions, both public and private.

The Duluth campus (11,190 students) is a comprehensive regional university that offers instruction through the master's degree and has unique research strengths in natural and fresh water resources.

The Morris campus (1,747 students) provides an innovative and high quality residential undergraduate liberal arts education to a very select and intellectually gifted student body.

The Crookston campus (2,414 students) provides career-oriented education at the baccalaureate level, primarily in poly-technical disciplines.

The Rochester campus is focused on meeting the educational needs of the Rochester area at the upper division and post-baccalaureate levels.

**Core Functions**

The University of Minnesota's three mission activities are: 1) teaching and learning, 2) research and discovery, and 3) outreach and public service.

**Teaching and Learning:** The University of Minnesota provides instruction through a broad range of educational programs that prepare undergraduate, graduate, and professional students for productive roles in society.

**Research and Discovery:** The University of Minnesota generates and preserves knowledge, understanding, and creativity by conducting research, scholarship, and artistic activity.

**Outreach and Public Service:** The University of Minnesota exchanges its knowledge and resources with society by making them accessible to the citizens of the state.

**Operations**

The University of Minnesota conducts its mission activities from its campuses and other facilities throughout the state. Each year, the University of Minnesota:

- Provides instruction for more than 65,000 students
- Graduates nearly 12,500 students, 34 percent with graduate or first professional degrees
- Conducts approximately $500 million in research sponsored by the National Institutes of Health, the National Science Foundation, many other federal agencies, and numerous private companies and foundations
- Reaches out to more than one million Minnesotans through various outreach and public service activities

**Budget**

The University of Minnesota's FY 2006 revenues of $2.58 billion are a combination of five main sources of revenue:

- Gifts, Grants, and Contracts $900 million / 35%
- State Appropriations: $644 million / 25%
- Tuition and Fees: $555 million / 21%
- Sales Revenue: $455 million / 18%
- Endowment/Other: $26 million / 1%

The University of Minnesota's total state appropriation includes both a general unrestricted appropriation that supports the University's core operations and appropriations that are restricted to special purposes (e.g., University of Minnesota Extension Service).

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

The statutory mission of the University of Minnesota is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and be the primary state-supported academic agency for research and extension services" (M.S. 135A.052, subd. 1).

The University of Minnesota, founded in the belief that all people are enriched by understanding, is dedicated to the creation of knowledge and the advancement of learning and artistic activity; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission is three-fold:

- *Research and Discovery*. Generate and preserve knowledge, understanding, and creativity by conducting high quality research, scholarship, and artistic activity that benefits students, scholars, and communities across the state, the nation, and the world.

- *Teaching and Learning*. Share that knowledge, understanding, and creativity by providing a broad range of educational programs, in a strong and diverse community of learners and teachers, and prepare a graduate, professional, and undergraduate student body for active roles in a multiracial and multicultural world.

- *Outreach and Public Service*. Extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by assisting organizations and individuals to respond to their changing environments, and by making the knowledge and resources created and preserved here accessible to the citizens of the state, the nation, and the world.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

We are in a transformative era for higher education. For more than 150 years, the University of Minnesota has met the changing needs of the state's citizens, businesses, farmers, and public institutions. Now, the state, as well as the nation, is facing demographic, economic, and social changes that compel the University of Minnesota to rise up to meet these new challenges. The University must strengthen its role as the state's only major research university, as its land grant institution, and as its magnet for students, faculty, professionals, entrepreneurs, and civic and artistic leaders.

Building on a proud 156-year history of commitment to the highest quality education, research, and service to the people of Minnesota, the 'U' has embarked on a journey to become one of the top three public research institutions in the world. The entire University community is poised to take its education, research, and public engagement mission to even higher levels of service to the people of Minnesota.

In the context of these challenges, the University must make the most of its resources. Minnesota's long-term interests are best served by an institution that can meet the challenges in this new era—an institution capable of offering the highest quality academic programs, supporting ground-breaking research, and delivering innovative, responsive service to Minnesota's communities.

As a large, multi-faceted research institution, a variety of factors affect the University's demand for facilities and capital programs. Three issues that are relevant to the 2008 capital request are outlined below:

- Aging and Obsolete Facilities – Approximately 78 percent of the University's campus space is more than 25 years old. The Twin Cities campus alone has nearly 100 buildings that are more than 50 years old. Buildings become less functional and require more maintenance as they age.

- Promising New Discoveries – The University must continually renew its existing programs and make targeted investments in emerging fields to meet state needs and remain competitive. High quality programs allow the University to compete at the national level for federal science and health initiatives funds (e.g. National Institutes of Health).

- Increased Student Expectations – The University in recent years has placed a considerable emphasis on upgrading its research facilities and

infrastructure. A similar effort is now required to improve the conditions and capabilities of its educational facilities. The University's most heavily used instructional facilities are in some of the oldest buildings and often lack the necessary technological and programmatic components required to effectively teach at the university level.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The University of Minnesota takes its facilities stewardship responsibilities seriously. While there is an ongoing effort on each campus to keep buildings clean and well maintained, as buildings age and programs evolve, it becomes necessary to invest additional resources to keep a building functional and operating. Recognizing the importance of taking care of what we have, the University has surveyed and documented the condition of all the major systems within University buildings system-wide. This *Facilities Condition Assessment* program has collected information on heating, ventilation, and air conditioning (HVAC) systems, elevators, plumbing, building interiors, electrical systems, code issues, and other building conditions. This assessment expands on a similar effort done in recent years on building exteriors - roofs, walls, and windows. The Facilities Condition Assessment will identify needed building improvements and help the University plan and prioritize projects. The projects outlined in the University's $100 million Higher Education Asset Preservation and Replacement (HEAPR) request were selected based on information from this assessment.

The capacity and condition of campus infrastructure remains a critical concern. The infrastructure of a University campus is a critical component of the physical and operational systems necessary to support the much more visible teaching, research, and outreach mission. Individual buildings depend upon campus infrastructure to deliver heating, cooling, communications, electricity, and water. In portions of the campus the existing buildings have stretched the service capacity of the infrastructure to the maximum limits; while in other areas, buildings are being fed by aging, obsolete services from near the turn of the century. In these areas, any new construction, significant remodeling or expansion of existing services will require a corresponding increase in infrastructure capacity.

**Agency Process Used to Arrive at These Capital Requests**

The University of Minnesota's annual capital budget and six-year Capital Improvements Program is a method of providing for disciplined financial management. This decision making process supports the University's desire to focus on its mission, aligns capital projects with the academic goals of the institution and follows the Regents' directive to make the most efficient use of limited resources.

The capital budgeting process consists of the following steps:

- *Need Identification/Preliminary Ranking* - Academic units, Facilities Management, Campus Planning, Environmental Health and Safety, and other University groups identify capital needs. Capital needs are typically the outcome of either an academic priority (i.e. expansion of the Civil Engineering program) or deficient facility condition (i.e. inadequate ventilation or electrical capacity). Capital and programmatic needs are reviewed as part of the compact process. The provost, chancellors, and vice presidents rank these needs.

- *Project Definition and Prioritization* - A predesign study, including a needs analysis, a preliminary facility program, cost estimates, and an implementation schedule, is prepared for each project and is evaluated against academic priorities, the campus master plan, and code requirements.

- *Annual Budget Approval/Program Acceptance* - The senior administrative officers forward a recommendation to the Regents. The Regents approve the annual capital budget, including capital request items, and accept the six-year Capital Improvement Program.

The University's capital budget calendar is synchronized with the biennial budgeting process in the state legislature.

**Major Capital Projects Authorized in 2006**

| **2006 Appropriation** | **($ in Thousands)** |
|---|---|
| HEAPR | $30,000 |
| Carlson School of Management II | $26,600 |
| Labovitz School of Business and Econ | $15,333 |
| Medical Bioscience Building | $40,000 |
| Regional Stations and Centers | $ 3,500 |
| Willmar Poultry Testing | $ 300 |

| **2005 Appropriation** | **($ in Thousands)** |
|---|---|
| HEAPR | $40,000 |
| UMD Life Sciences | $10,100 |
| UMTC Kolthoff Hall | $17,400 |
| UMTC Education Services | $14,500 |
| UMTC AHC Education Services | $11,600 |
| UMD Recreational Sports | $ 8,700 |
| UMM District Facilities | $ 5,800 |
| North Central Research | $ 283 |

**2008 STATE APPROPRIATION REQUEST:** $100,000,000

**AGENCY PROJECT PRIORITY:** 1 of 9

**PROJECT LOCATION:** Univ. Campuses, Research Centers & Field Stations

**Project At A Glance**

- Health and safety funds are used by the University of Minnesota to ensure a safe, accessible environment for students, employees, and visitors in its more than 800 buildings.
- Building systems funds extend the useful life of existing facilities and preserve their structural integrity by replacing building components like roofs, elevators, chillers, windows, and mechanical systems.
- Infrastructure funds reduce the risk to people and research caused by aging and unreliable systems.

**Project Description**

Higher Education Asset Preservation and Replacement (HEAPR) funds will be used system wide to maximize and extend the life of the University's existing physical plant. Individual projects will fall into one of three broad categories:

- Health, Safety, and Accessibility
- Building Systems
- Utility Infrastructure

**Project Rationale**

The University's capital budget principles emphasize investment in existing facilities and infrastructure to extend useful life and to ensure the health, safety, and well being of building occupants. All projects included in this HEAPR request are consistent with those principles and will improve the University's facilities in support of strategic goals. All projects are also consistent with the statutory definition of HEAPR (M.S. 135A.046) which includes "code compliance, including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; or building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses." Individual projects have been identified through the University's capital planning process, and were prioritized according to established criteria.

**Impact on Agency Operating Budgets (Facilities Notes)**

HEAPR improvements to existing facilities will have negligible impact on the annual operation budget. No additional maintenance or program staff will result directly from these improvements.

The estimated annual repair and replacement cost for all HEAPR projects is $4.0 million, fully effective in FY 2009. This amount is equivalent to the annual depreciation of the building components such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

**Previous Appropriations for this Project**

The University received $40 million in 2005 and $30 million in 2006. The University includes HEAPR in each biennial capital request.

**Project Contact Person**

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Phone: (612) 625-4517 Fax: (612) 626-2278
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**Governor's Recommendations**

The governor recommends general obligation bonding of $40.0 million for this project. Also included are budget planning estimates of $40.0 million in 2010 and $40.0 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 3,200 | 8,000 | 8,000 | 8,000 | 27,200 |
| 4. Project Management | 2,000 | 5,000 | 5,000 | 5,000 | 17,000 |
| 5. Construction Costs | 34,800 | 74,336 | 87,000 | 87,000 | 283,136 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 12,664 | 0 | 0 | 12,664 |
| **TOTAL** | **40,000** | **100,000** | **100,000** | **100,000** | **340,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 40,000 | 100,000 | 100,000 | 100,000 | 340,000 |
| **State Funds Subtotal** | 40,000 | 100,000 | 100,000 | 100,000 | 340,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **40,000** | **100,000** | **100,000** | **100,000** | **340,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 2,400 | 3,200 | 3,200 | 8,800 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 2,400 | 3,200 | 3,200 | 8,800 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 2,400 | 3,200 | 3,200 | 8,800 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 100,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $48,333,000

**AGENCY PROJECT PRIORITY:** 2 of 9

**PROJECT LOCATION:** Minneapolis Campus

**Project At A Glance**

- This project will provide modern, technology-rich, inquiry-based classrooms, replacing obsolete teacher-centered classrooms of the past with a vibrant student-centered learning environment for the future.
- An innovative learning environment for the foundational sciences is essential to attract, retain, and educate more students in science, technology, engineering, and mathematics (STEM) programs.
- Located at the campus' highest concentration of student traffic, the building will be an ideal location to consolidate student services to increase their accessibility and effectiveness.

**Project Description**

This request is for funds to design and construct a new classroom and student services center on the Minneapolis campus. The facility will include new, innovative classrooms for teaching basic sciences, and campus-wide student services such as academic counseling, career counseling, registration, and bursar services. Demolition of the Science Classroom Building is included in the project.

**Project Rationale**

The state and the nation are facing a crisis in science, technology, engineering and mathematics (STEM) graduates. Policy-makers and employers are calling for more STEM graduates. This project addresses that need for Minnesota, a state whose core industries rely on a scientifically educated workforce. By creating student-centered, inquiry-based classrooms, student retention in the sciences will be enhanced. These technology-rich, multi-media classroom environments will foster increased student-student and student-faculty interactions that promote deeper learning and the development of critical skills that are needed in a scientifically literate workforce.

The project is located at the Washington Avenue bridgehead, a central site that has one of the highest concentrations of pedestrian traffic on the Minneapolis campus. Because of its prime location, the new building is ideal for consolidating student services in one location to better serve students.

**Impact on Agency Operating Budgets (Facilities Notes)**

The addition of approximately 115,000 gross square feet for the Science Teaching Student Services building to the Minneapolis campus will increase the University's operating costs by an estimated $431,000 per biennium. An additional 1.3 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $2.175 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $48.333 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 200 | 0 | 0 | 200 |
| 3. Design Fees | 0 | 5,235 | 0 | 0 | 5,235 |
| 4. Project Management | 0 | 2,250 | 0 | 0 | 2,250 |
| 5. Construction Costs | 0 | 54,700 | 0 | 0 | 54,700 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 75 | 0 | 0 | 75 |
| 8. Occupancy | 0 | 493 | 0 | 0 | 493 |
| 9. Inflation | 0 | 9,447 | 0 | 0 | 9,447 |
| **TOTAL** | **0** | **72,500** | **0** | **0** | **72,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 48,333 | 0 | 0 | 48,333 |
| **State Funds Subtotal** | 0 | 48,333 | 0 | 0 | 48,333 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 24,167 | 0 | 0 | 24,167 |
| **TOTAL** | **0** | **72,500** | **0** | **0** | **72,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 92 | 184 | 276 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 124 | 248 | 372 |
| Building Repair and Replacement Expenses | 0 | 1,088 | 2,175 | 3,263 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,304 | 2,607 | 3,911 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 1,304 | 2,607 | 3,911 |
| Change in F.T.E. Personnel | 0.0 | 0.6 | 0.6 | 1.2 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 48,333 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Civil Engineering Addition

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 3 of 9

**PROJECT LOCATION:** Duluth Campus

**Project At A Glance**

- The project will provide instructional and laboratory space for the University of Minnesota, Duluth's new baccalaureate civil engineering program.
- The new Bachelor of Science in Civil Engineering will fulfill a strong, identified need for civil engineers in the region by educating and retaining students who presently leave the state to obtain their degree elsewhere.
- The new civil engineering program is a natural expansion and complement to UMD's mechanical, chemical, and industrial engineering programs and will provide a more stable and comprehensive engineering foundation for northern Minnesota.

## Project Description

This request is for funds to provide instructional and laboratory space for the new civil engineering program at University of Minnesota, Duluth (UMD). Offering a new Bachelor of Science in Civil Engineering is a strategic goal of the Duluth campus and the new degree program will serve approximately 200 undergraduate students. The new structure will adjoin Voss-Kovach Hall, which houses the mechanical, chemical, and industrial engineering programs, and will include state-of-the-art teaching laboratories, research laboratories, classrooms and administrative offices.

## Project Rationale

UMD's new civil engineering degree program is in direct response to engineering personnel needs expressed by the private and public sectors in northern Minnesota and the career aspirations of prospective students and their parents. Students graduating from this new program, 35 to 40 per year, will provide a stable and comprehensive base for northern Minnesota industries and be poised to contribute to the development of sustainable solutions to regional needs.

UMD must expand its facilities to meet the needs of the new civil engineering program. The current facility is undersized and not capable of accommodating the expected increased level of enrollment—200 students within four years. And there are unique structural, plumbing, and ventilation needs for the specialized laboratories needed in civil engineering. The new facility will provide experiential learning opportunities for students in specialized laboratories.

## Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 34,000 gross square feet for the Civil Engineering addition to Voss-Kovach Hall on the Duluth campus will increase the University's operating costs by an estimated $874,000 per biennium. An additional 2.6 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $450,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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Minneapolis, Minnesota 55455
Phone: (612) 625-4517
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## Governor's Recommendations

The governor recommends general obligation bonding of $10.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 1,340 | 0 | 0 | 1,340 |
| 4. Project Management | 0 | 456 | 0 | 0 | 456 |
| 5. Construction Costs | 0 | 11,265 | 0 | 0 | 11,265 |
| 6. One Percent for Art | 0 | 98 | 0 | 0 | 98 |
| 7. Relocation Expenses | 0 | 25 | 0 | 0 | 25 |
| 8. Occupancy | 0 | 344 | 0 | 0 | 344 |
| 9. Inflation | 0 | 1,472 | 0 | 0 | 1,472 |
| **TOTAL** | **0** | **15,000** | **0** | **0** | **15,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 0 | 0 | 10,000 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 5,000 | 0 | 0 | 5,000 |
| **TOTAL** | **0** | **15,000** | **0** | **0** | **15,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 279 | 372 | 651 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 376 | 501 | 877 |
| Building Repair and Replacement Expenses | 0 | 337 | 450 | 787 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 992 | 1,323 | 2,315 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 992 | 1,323 | 2,315 |
| Change in F.T.E. Personnel | 0.0 | 1.2 | 2.4 | 3.6 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Community Services Building Renovation

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 4 of 9

**PROJECT LOCATION:** Morris Campus

**Project At A Glance**

- This project will renovate the old Community Services Building at the University of Minnesota, Morris (UMM) to provide a welcoming gateway into campus for prospective students, parents, alumnae, and community partners.
- With a greater capacity to reach out to prospective students, UMM will be able to attract more students to its world-class public liberal arts education in a small college environment.
- Building on a strong foundation of existing community and regional partnerships, UMM's ability to provide resources and research for rural economic vitality and development will be enhanced.

## Project Description

This request is for funds to renovate the Community Services Building to serve as a gateway to the University of Minnesota, Morris campus -- housing units that meet and serve external audiences. In addition, infrastructure facilities will be improved that serve the building. The renovated facility will be occupied by UMM's student admissions, external relations, continuing education, and public outreach units.

## Project Rationale

The University of Minnesota, Morris lacks a public "face" into campus. By renovating the historic Community Services Building, a new welcoming gateway into campus can be created for prospective students, parents, alumni, donors, community partners, and other external visitors. The new Gateway Center will feature shared reception areas and meeting rooms, making efficient use of space, while enhancing UMM's external relationships.

The new Gateway Center will enhance recruitment and retention of prospective students; help build relationships with alumni, donors, and community members; and strengthen public initiatives such as Continuing Education and the Center for Small Towns—an award-winning community outreach program that serves as a point-of-entry to the many resources of the University of Minnesota, Morris. Currently housed in the building, the Center for Small Towns draws together local units of government, K-12 schools, nonprofit organizations, and other University units as they work on issues of rural vitality. UMM can increase the ways it connects with the community and the region by revitalizing the historic Community Services Building and be better positioned in the new Gateway Center to make contributions to west central Minnesota.

## Impact on Agency Operating Budgets (Facilities Notes)

The approximately 16,800 gross square feet for the UMM Community Services will have estimated operating costs of $68,000 per biennium. An additional 1.3 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $225,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $5.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 39 | 0 | 0 | 39 |
| 3. Design Fees | 0 | 731 | 0 | 0 | 731 |
| 4. Project Management | 0 | 268 | 0 | 0 | 268 |
| 5. Construction Costs | 0 | 5,100 | 0 | 0 | 5,100 |
| 6. One Percent for Art | 0 | 46 | 0 | 0 | 46 |
| 7. Relocation Expenses | 0 | 10 | 0 | 0 | 10 |
| 8. Occupancy | 0 | 386 | 0 | 0 | 386 |
| 9. Inflation | 0 | 920 | 0 | 0 | 920 |
| **TOTAL** | **0** | **7,500** | **0** | **0** | **7,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 0 | 0 | 5,000 |
| **State Funds Subtotal** | 0 | 5,000 | 0 | 0 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 2,500 | 0 | 0 | 2,500 |
| **TOTAL** | **0** | **7,500** | **0** | **0** | **7,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 18 | 29 | 47 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 24 | 39 | 63 |
| Building Repair and Replacement Expenses | 0 | 141 | 225 | 366 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 183 | 293 | 476 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 183 | 293 | 476 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.1 | 0.1 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $24,000,000

**AGENCY PROJECT PRIORITY:** 5 of 9

**PROJECT LOCATION:** St. Paul Campus

**Project At A Glance**

- The project will construct a new Bell Museum of Natural History on the St. Paul campus, providing a gateway to the many public resources of the University and serving as a model of sustainable design.
- The Bell Museum is one of the country's premier research-based science museums that educates thousands of visitors annually on Minnesota's biological, environmental, social, and physical sciences.
- The Bell Museum, the state's official natural history museum, will better serve the public with its innovative programming in a modern, interactive space that brings people closer to their natural world.

**Project Description**

This request is for funds to complete design and construct a new Bell Museum of Natural History on the St. Paul campus. The museum serves as the state's official natural history museum, charged with collecting, preserving, and displaying the state's animal and plant life for research, teaching and public enjoyment. The Bell houses the largest collection in the state documenting Minnesota's biodiversity and serves as a living research museum for University faculty and national collaborators. The museum attracts more than 100,000 visitors each year.

**Project Rationale**

Changes in the public's expectations for modern museums plus changes in the nature and scope of University research have left the Bell Museum of Natural History dated and anachronistic. Opened in 1940, the current facility falls short of visitor amenities and spacious galleries. In addition, the building's 3,000 square-foot special exhibits gallery is too small for most traveling exhibits. Compared to other museums of its kind, the facility is short on program and community space.

The current facility was built at a time when natural history museums focused on preserving or memorializing the past, rather than engaging visitors in the world in which they live today. To be relevant and competitive, the Bell Museum of Natural History must be updated in order to better engage, inspire, and motivate visitors to interact with their natural world.

**Impact on Agency Operating Budgets (Facilities Notes)**

The addition of approximately 70,000 gross square feet for the new Bell Museum building to the St. Paul campus will increase the University's operating costs by an estimated $854,000 per biennium. An additional 2.6 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $1.08 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 271 | 0 | 0 | 271 |
| 3. Design Fees | 0 | 2,133 | 0 | 0 | 2,133 |
| 4. Project Management | 0 | 499 | 0 | 0 | 499 |
| 5. Construction Costs | 0 | 28,076 | 0 | 0 | 28,076 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 85 | 0 | 0 | 85 |
| 8. Occupancy | 0 | 1,750 | 0 | 0 | 1,750 |
| 9. Inflation | 0 | 3,086 | 0 | 0 | 3,086 |
| **TOTAL** | **0** | **36,000** | **0** | **0** | **36,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 24,000 | 0 | 0 | 24,000 |
| **State Funds Subtotal** | 0 | 24,000 | 0 | 0 | 24,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 12,000 | 0 | 0 | 12,000 |
| **TOTAL** | **0** | **36,000** | **0** | **0** | **36,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 364 | 364 | 728 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 490 | 490 | 980 |
| Building Repair and Replacement Expenses | 0 | 1,080 | 1,080 | 2,160 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,934 | 1,934 | 3,868 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 1,934 | 1,934 | 3,868 |
| Change in F.T.E. Personnel | 0.0 | 1.3 | 1.3 | 2.6 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 24,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Folwell Hall

**2008 STATE APPROPRIATION REQUEST:** $26,000,000

**AGENCY PROJECT PRIORITY:** 6 of 9

**PROJECT LOCATION:** Minneapolis Campus

**Project At A Glance**

- This project will renovate the interior of Folwell Hall, one of the oldest buildings on campus, in the historic Knoll District.
- Folwell Hall will house the new Baccalaureate Writing Initiative and every freshman on the Twin Cities campus, more than 5,000 each year, will take a writing course in this historic building.
- Folwell Hall will also provide technology-enhanced learning environments for the study of nearly 20 languages.

## Project Description

This request is for funds to design and renovate the interior of Folwell Hall to modernize the teaching and research space for College of Liberal Arts programs. This project includes renovation to accommodate the new Baccalaureate Writing Initiative and modern, technology-rich teaching and learning environments for language instruction. Exterior improvements required to stabilize the building shell, part of a separate project, will be completed in December 2007.

## Project Rationale

Folwell Hall was built in 1907; it is one of the oldest buildings on the University of Minnesota Twin Cities (UMTC) campus. Folwell Hall is on the National Register of Historic Places and the University has a keen interest in preserving this landmark building. Renovating Folwell Hall will better support key academic programs while preserving it as an important symbol of the University's long history of serving the state of Minnesota.

UMTC's Baccalaureate Writing Initiative will be housed in Folwell Hall. Every single undergraduate on the UMTC campus will use this building. A renovated Folwell Hall will define the freshman experience for each entering class. Folwell Hall will also house several language departments. Currently 30 languages are taught at the University, 19 in Folwell Hall alone. Folwell Hall is also home to nearly 300 instructional staff and more than 1,000 majors; 100,000 student credit hours are logged in this building.

This project will allow Folwell Hall to become a multilingual and multicultural hub for both the study and research of languages, literature, and writing. A renovated Folwell Hall will better serve students and the state by educating global citizens with effective communication skills across disciplines and cultures.

## Impact on Agency Operating Budgets (Facilities Notes)

The approximately 112,866 gross square feet for Folwell Hall will have operating costs estimated at $586,000 per biennium. An additional 1.7 FTE of maintenance and program staff will result directly from these improvements. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $1.17 million. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $26.0 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 114 | 0 | 0 | 114 |
| 3. Design Fees | 0 | 2,166 | 0 | 0 | 2,166 |
| 4. Project Management | 0 | 1,054 | 0 | 0 | 1,054 |
| 5. Construction Costs | 0 | 27,518 | 0 | 0 | 27,518 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 75 | 0 | 0 | 75 |
| 8. Occupancy | 0 | 2,896 | 0 | 0 | 2,896 |
| 9. Inflation | 0 | 5,077 | 0 | 0 | 5,077 |
| **TOTAL** | **0** | **39,000** | **0** | **0** | **39,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 26,000 | 0 | 0 | 26,000 |
| **State Funds Subtotal** | 0 | 26,000 | 0 | 0 | 26,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 13,000 | 0 | 0 | 13,000 |
| **TOTAL** | **0** | **39,000** | **0** | **0** | **39,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 124 | 248 | 372 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 167 | 334 | 501 |
| Building Repair and Replacement Expenses | 0 | 585 | 1,170 | 1,755 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 876 | 1,752 | 2,628 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 876 | 1,752 | 2,628 |
| Change in F.T.E. Personnel | 0.0 | 0.8 | 0.9 | 1.7 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 26,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Classroom Renewal

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 7 of 9

**PROJECT LOCATION:** System-wide

**Project At A Glance**

- This project will improve and upgrade classrooms system-wide.
- Modern, technology-enhanced classrooms are essential to providing quality teaching and learning environments.
- Meeting the needs of faculty and the expectations of students in classroom facilities is vital to the University to stay competitive with other research and land grant institutions.

**Project Description**

This request is for funds to be used on all campuses to improve instructional spaces, including basic space upgrades, accessibility improvements and technology upgrades, as well as allowing campuses to begin developing more innovative learning spaces required by changing pedagogy.

**Project Rationale**

Classrooms are at the heart of the University's teaching mission. To meet the needs of faculty and the expectations of students, the University must provide modern, technology-rich classrooms in order to optimize teaching and learning. Improved, up-to-date classrooms are essential to attract the best and brightest students and remain competitive with other regional universities. The overall student experience at the University of Minnesota will be improved by enhancing the physical environment and adding modern classroom learning technologies.

**Impact on Agency Operating Budgets (Facilities Notes)**

Due to the fact that these classrooms are housed in existing University of Minnesota buildings, there will be no additional calculated operating costs. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $300,000. This amount is equivalent to the annual depreciation of the classroom components such as interiors, mechanical, electrical, and plumbing systems.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 240 | 240 | 240 | 720 |
| 4. Project Management | 0 | 150 | 150 | 150 | 450 |
| 5. Construction Costs | 0 | 2,219 | 2,610 | 2,610 | 7,439 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 391 | 0 | 0 | 391 |
| **TOTAL** | **0** | **3,000** | **3,000** | **3,000** | **9,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| **State Funds Subtotal** | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,000** | **3,000** | **3,000** | **9,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 300 | 300 | 600 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 300 | 300 | 600 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 300 | 300 | 600 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# General Laboratory Renovation

**2008 STATE APPROPRIATION REQUEST:** $6,667,000

**AGENCY PROJECT PRIORITY:** 8 of 9

**PROJECT LOCATION:** System-wide

**Project At A Glance**

- This project will improve and upgrade laboratory facilities system wide.
- Updated research facilities are critical to continuing the University of Minnesota's strong record of research discoveries.
- Updated research laboratories provide the margin-of-excellence that is needed to attract and retain top researchers and competitive grant awards, both vital to the University's national competitiveness.

## Project Description

This request is for funds to be used on all campuses, in making targeted, strategic investments in research laboratory space to improve the University's national competitiveness and enhance faculty recruitment and retention.

## Project Rationale

Modern research facilities are essential to the University's ability to recruit and retain exceptional researchers; without state-of-the-art laboratories in which to conduct their research, faculty will choose other institutions with better facilities. Research funding and national competitiveness depend upon an institution's researchers, and state-of-the-art laboratories are the foundation of the solid research program at the University of Minnesota.

## Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these laboratories are housed in existing University of Minnesota buildings, there will be no additional calculated operating costs. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $1 million. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

## Project Contact Person

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336a Morrill Hall, 100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 800 | 800 | 800 | 2,400 |
| 4. Project Management | 0 | 500 | 0 | 0 | 500 |
| 5. Construction Costs | 0 | 7,396 | 9,200 | 9,200 | 25,796 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 1,304 | 0 | 0 | 1,304 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 6,667 | 6,667 | 6,667 | 20,001 |
| **State Funds Subtotal** | 0 | 6,667 | 6,667 | 6,667 | 20,001 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 3,333 | 3,333 | 3,333 | 9,999 |
| **TOTAL** | **0** | **10,000** | **10,000** | **10,000** | **30,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 1,000 | 1,000 | 2,000 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,000 | 1,000 | 2,000 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 1,000 | 1,000 | 2,000 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,667 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,533,000

**AGENCY PROJECT PRIORITY:** 9 of 9

**PROJECT LOCATION:** Crookston, Morris

**Project At A Glance**

- This project will provide new facilities at two of the University's research and outreach centers.
- A new maintenance facility at the Northwest Research and Outreach Center in Crookston will allow the center to continue its strong record of partnerships with regional farmers in this agriculturally vital part of Minnesota's economy.
- An addition to the administration building at the West Central Research and Outreach Center in Morris will enhance renewable energy research and regional collaborations at the Midwest's premier renewable energy incubator.

**Project Description**

This request is for funds to construct a new maintenance and farm support facility at the Northwest Research and Outreach Center in Crookston to accommodate the equipment required to sustain current research and operations, and for funds to construct an addition to the administration building at the West Central Research and Outreach Center in Morris to house the University's expanding research in renewable energy.

**Project Rationale**

These improvements will enhance the University's research, education, and outreach activities.

At the Northwest Research and Outreach Center, research and outreach is focused on agricultural commodities and enterprises. The center's laboratories and staff support more than 50 researchers leading more than 140 research projects and an educational program for University of Minnesota Crookston students enrolled in agriculture and natural resources programs. The center builds connections with area farmers and places major emphasis on research and education that is relevant to the needs of northwest Minnesota. A new maintenance facility is critical to supporting the important research taking place at this center.

At the West Central Research and Outreach Center, research is focused on renewable, sustainable and economical agricultural production systems. The center also houses the University of Minnesota Renewable Energy Research and Demonstration Center that focuses on wind, biomass, biofuels and renewable hydrogen. Its goal is to provide a model for rural communities and agricultural producers to integrate renewable energy systems and to provide information to stimulate the overall renewable energy industry. The new administration building addition will support and enhance the important research being conducted at this center.

**Impact on Agency Operating Budgets (Facilities Notes)**

The addition of approximately 4,500 gross square feet for the new maintenance and farm support facility at the North Central Research and Outreach Center will increase the University's operating costs by an estimated $108,000 per biennium. Any additional faculty and programmatic cost increases will be addressed by the University.

The estimated annual repair and replacement cost for this project is $150,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

**Project Contact Person**

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336a Morrill Hall, 100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 300 | 0 | 0 | 300 |
| 4. Project Management | 0 | 360 | 0 | 0 | 360 |
| 5. Construction Costs | 0 | 3,830 | 0 | 0 | 3,830 |
| 6. One Percent for Art | 0 | 36 | 0 | 0 | 36 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 168 | 0 | 0 | 168 |
| 9. Inflation | 0 | 606 | 0 | 0 | 606 |
| **TOTAL** | **0** | **5,300** | **0** | **0** | **5,300** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,533 | 0 | 0 | 3,533 |
| **State Funds Subtotal** | 0 | 3,533 | 0 | 0 | 3,533 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 1,767 | 0 | 0 | 1,767 |
| **TOTAL** | **0** | **5,300** | **0** | **0** | **5,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 5 | 46 | 51 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 8 | 62 | 70 |
| Building Repair and Replacement Expenses | 0 | 150 | 150 | 300 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 163 | 258 | 421 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 163 | 258 | 421 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.3 | 0.3 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,533 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Metropolitan Council Operations:**
- 3,577 employees (FTE)
- $453 million operating expenditure budget

**Community Development Functions:**
- 5,885 households in the Section 8 program
- 193 local government comprehensive plans reviewed
- Over 33 million visits a year to 52,660 acre regional park system

**Transportation Functions:**
- 2,602 employees (FTE)
- $325 million operating budget
- $177.5 million FY 2008-09 biennial state general fund appropriation
- $104 million annual projected motor vehicle sales tax (MVST) ($125 with Suburban Transit Association Providers) in calendar year 2007
- Nearly 73 million transit rides in 2006

**Environmental Services Functions:**
- 694 employees (FTE)
- $111 million operating budget
- Nearly 300 million gallons of wastewater treated daily

## Agency Purpose

The Metropolitan Council (Council) is a political subdivision of the state governed by a chairperson and 16 other Council members, who represent equal-population districts. All Council members are appointed by the governor. Council members' role is to provide a regional perspective and work toward a regional consensus on issues facing the metropolitan area.

The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks, and aviation systems that guide the efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

The Council has jurisdiction in the seven-county metropolitan area comprising Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties. The seven-county area is an economically stable region that is expected to grow by one million people, a half-million households and nearly 600,000 jobs between the year 2000 and 2030.

## Core Functions

**The Council's main functions are:**
- Providing a planning framework for regional growth and conducting long-range planning for regional transportation, wastewater, and parks systems.
- Operating the regional transit and wastewater systems.
- Coordinating system-wide planning and capital improvement funding for the regional parks system.
- Operating a regional housing and redevelopment authority that provides assistance to low-income families in the region.

## Operations

The Council is organized into staff divisions that focus on community development, the environment, and transportation, supported by administrative and service units.

The **Community Development Division** provides local planning assistance to communities, conducts research, and maintains geographic information systems that integrate and depict geographic-based data. The unit administers the Metropolitan Livable Communities Act, which provides grants to eligible communities to help them clean up polluted sites, expand housing choices, and develop projects that use land and infrastructure more efficiently. It also delivers rent assistance and provides affordable housing to low-income households through the Metropolitan Housing and Redevelopment Authority. The unit administers planning and grants for the regional park system.

- The regional park system consists of 52,660 acres currently open for public use, of which 22,928 have been acquired with state and Metropolitan Council funds since 1974. Approximately $425 million of state and Metropolitan Council funds have been invested to acquire land, develop new parks and trails, and rehabilitate existing parks and trails since 1974. Since 1985, the state has appropriated over $93 million of general fund and Lottery-in-Lieu-of-Sales-Tax revenues to help finance the operations and maintenance of the regional park system.
- The unit administers regional park planning by designating lands to be acquired by cities, counties, and special parks districts as regional recreation open space under M.S. 473.147; distributes state appropriations to these agencies to acquire land and develop recreation facilities under M.S. 473.315; and distributes state appropriations to supplement local property taxes and user fees to operate and maintain the regional park system under M.S. 473.351.
- The unit also administers the Livable Communities Act, which has awarded $160 million in grants to metropolitan area communities to help them clean up polluted land for redevelopment and new jobs, create efficient, cost-effective development and redevelopment, and provide affordable housing opportunities.

The **Environmental Services Division** maintains approximately 600 miles of regional sewers and treats nearly 300 million gallons of wastewater daily at eight regional treatment plants. The division maintains near-perfect compliance with clean water discharge permits and, in 2005, all eight treatment plants received major awards. Wastewater services are fully fee funded, and its rates are below the national average. In addition, the division works with approximately 800 industrial clients in the metro area to reduce pollution and provides water resources monitoring and analysis for the entire region.

The **Transportation Division** is responsible for providing transit services in the region. The division operates Metro Transit, the region's largest transit provider, with nearly 73 million rides in 2006. Metro Transit opened the Hiawatha Light Rail line in 2004 and, in 2006, had over 9 million rides. The division also provides Metro Mobility, the region's Americans with Disabilities paratransit service, and manages contracted regular route and dial-a-ride services. It also acts as a liaison with suburban transit authority providers and other regional transit services. The combined ridership for these services reached over 81 million in 2006. The Council's transit functions are funded by state general fund dollars, Motor Vehicle Sales Tax (MVST), federal revenue, and fares.

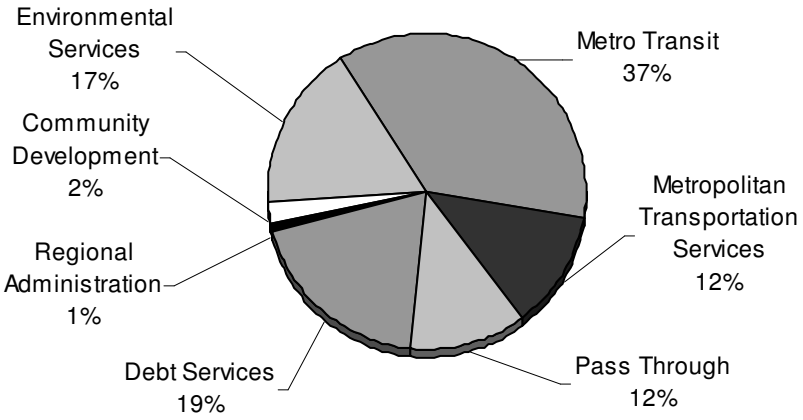
The Council also serves as the federally designated Metropolitan Planning Organization and manages the allocation of federal transportation funds. In this role, the Transportation Division provides regional transportation planning including aviation, highway, and transit systems. Every four years it develops and updates the 20 - year regional transportation plan, and annually produces the federally required three- year Transportation Improvement Program (TIP) for the metropolitan area.

**Budget**

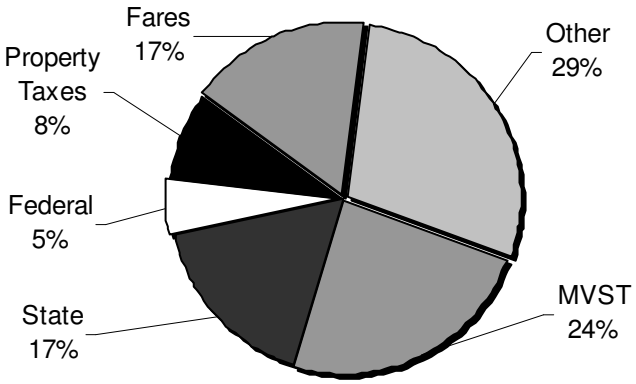
The Council adopts an annual budget for its operations. The $666 million unified operating budget for calendar year 2007 is composed of three major categories: $453 million of operating expenditures, $80 million of pass-through grants and loans, and $133 million of debt service expenditures. Organization staff includes 3,577 FTE.

Of the Council operating budget, $325 million is for transportation, $111 million is for wastewater treatment, and $17 million is for planning and administration.

## 2007 Unified Operating Budget by Function




## 2007 Unified Operating Budget by Funds




**Contact**

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Home Page: http://www.metrocouncil.org

For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us/.

**At A Glance: Agency Long-Range Strategic Goals**

The Metropolitan Council provides regional planning and providing essential services for the Twin Cities seven-county metropolitan area. The council works with local communities to provide these critical services:

- Operates most of the region's transit system
- Collects and treats wastewater
- Engages communities and the public in planning for future growth
- Provides affordable housing opportunities for low and moderate income individuals and families
- Provides planning, acquisitions, and funding for a regional system of parks and trails

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

There are three program areas requesting capital funds:

**Transit:** Since 1982, the number of trips taken every day in the region increased and the number of daily vehicle miles traveled (VMT) increased. Because of this, the region is experiencing significant congestion. The Texas Transportation Institute (TTI) estimates that 41 percent of the region's highway lane miles experience congestion during the peak in 2005, up from 19 percent in 1982.

This increase in congestion is having a significant impact on citizens and businesses. The average commuter traveling during the peak spent 43 hours in congestion in 2005. Forty-three hours in congestion equaled $790 in time and fuel or $1,099 million for the region in 2005. Business impacts include higher shipping costs; reduced worker productivity; smaller area to draw customers and employees from; and reduced regional competitiveness.

Transit is already making a substantial impact on reducing freeway congestion. A freeway lane can carry about 2,000 cars per lane per hour. The I-35W Study found that transit served 15,000 persons each day and express buses carry the equivalent of one and a half lanes of traffic in the peak hour.

But transit's benefits are constrained by two issues:

- First, transit operating funding is lower than peer regions. This limits the amount of transit service that can be made available to citizens.
- Second, buses have to operate in the same congested traffic that automobiles do. The region has constructed ramp meter bypasses and bus-only shoulders to allow buses to bypass some of the traffic, but it doesn't free the buses from traffic. If transit could operate in space dedicated to transit, citizens could get around the region without being impacted by congestion.

**Regional Parks:** Since 1974, when the Metropolitan Regional Park System was created, the size of the regional park system has grown from 31,000 acres to about 52,660 acres today. Concurrently, use has grown from five million visits in 1974 to 33 million visits in 2006. This has increased the need both for rehabilitation of existing parks and for new parkland.

As the metropolitan region continues to grow the demand for outdoor recreation facilities provided in the Metropolitan Regional Park System will be strong. Visits to regional parks are expected to continue to increase and the need to maintain existing parks and develop new or expanded parks will continue.

The state has had a strong commitment to regional parks. Since 1974, the state has provided $243.2 million of bonds and $35.2 million of Environmental Trust Funds to acquire land, and to rehabilitate existing and develop new regional parks and trails. The state investment has been leveraged with $156.8 million of bonds issued by the Metropolitan Council.

**Environmental Services:** Environmental Services' infrastructure capital improvement program, for the next 10 years, is over $1.5 billion. This is due to increasing needs for rehabilitation of the aging infrastructure in the older parts of the region, growth of the metropolitan disposal system, and quality improvements which are mostly regulatory driven. With rising capital costs, and also a decreasing share of the PFA subsidy available to the metro area, debt and debt service are rising rapidly. The council's wastewater debt

outstanding will hit $1 billion within the next couple of years, and the percent of the annual wastewater budget used for debt service will hit 50 percent within 10 years.

Since all debt service for wastewater functions is paid by wastewater fees, rising debt service is putting substantial pressure on metro sewer rates.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Transit:** The functionality of the highway system during peak travel times is severely compromised by congestion and is simply not functioning as it should. I-94 in the Central Corridor, I-35W North and South, I-35E North, I-94 West, I-694, I-494 and TH62 often experience Level of Service F (unsatisfactory stop-and-go traffic with traffic jams and stoppages of long duration) for more than three hours in the evening.

**Regional Parks:** Master plans for each regional park and trail unit are prepared by the regional park implementing agency that owns/manages each park. Updates to these plans are done to reflect new demand for recreation facilities and to help manage existing facilities and natural resources in the parks. With continued growth in the use of the park system, it is imperative to invest in facility rehabilitation and development. Furthermore, land acquisition for new park units needs to occur at a pace that will allow those units to be developed to meet demand and future population growth.

**Environmental Services:** The $3-4 billion metropolitan disposal system for the most part is in good condition. However, rate pressures are continuously balanced against infrastructure risks. Inflow and infiltration into the system and new regulatory initiatives are and will continue to put substantial financial pressure on the system.

The Council's $1.5 billion (10 year) wastewater CIP does *not* include an additional $900+ million in estimated need for capacity enhancement in the next 20 years that would be required if excess inflow and infiltration (I/I) of clear water into the sewer system is not eliminated. The council is pushing for I/I mitigation at the source through a few programs, including surcharging its served cities that have the excessive I/I; however, this is putting substantial pressure on city finances. If the I/I reduction program fails, either significant council rate increases will be needed or growth will be impacted in the metropolitan area. The I/I program is part of the council's Water Resources Management Plan, adopted with much public input. Fixing the I/I problem at the source is much more cost effective than the council making rarely-used capacity enhancements and also has other environmental benefits. The requested funds would pay for only 50 percent of the cities' public infrastructure fix.

**Agency Process Used to Arrive at These Capital Requests**

The Metropolitan Council prepares a six-year capital improvement program (CIP) for each year as part of its annual budget process. This CIP includes funding for capital investment in the Transportation, Community Development and Environmental Services Divisions. Transportation includes fleet, support facilities, customer facilities (including transitways and transit stations/park and rides), equipment and technology improvements. Community Development provides for acquisition, development and redevelopment of the regional park system. Environmental Services includes the preservation, growth and quality improvement of the wastewater system.

**Major Capital Projects Authorized in 2006**

**Transit:** In 2006, the following transit projects were appropriated capital funds in the state bonding bill:

- Northstar Commuter Rail: $60 million
- Cedar Avenue Bus Rapid Transit: $5 million
- Central Corridor: $7.8 million
- Red Rock Corridor: $500,000
- I-35W Bus Rapid Transit: $3.3 million
- Robert Street Corridor: $500,000
- Union Depot: $3.5 million

**Regional Parks:** In 2006, $7 million of state bonds leveraged $4.6 million of Metropolitan Council bonds, $1.8 million of federal TEA-21 grants and a $574,000 watershed district grant to finance acquisitions in three regional parks, rehabilitate worn out facilities in 16 regional parks and trails and develop new facilities in 12 parks and trails. These projects were prioritized in

the Metropolitan Council's regional parks capital improvement program. An additional $22.8 million of state bonds were appropriated for line item projects outside the Council's regional parks capital program that were passed through to regional park agencies.

In 2007, $2.5 million of Environmental Trust Funds leveraged $1.6 million of Metropolitan Council bonds to help regional park agencies partially finance the acquisition of land for the regional park system. To-date, 61 acres has been acquired for a new regional park in Scott County.

**2007 Urban Partnership Agreement:** In 2007, the US Department of Transportation entered into an agreement in principle with the Minnesota Department of Transportation and the Metropolitan Council to fund strategies to reduce traffic congestion in the Twin Cities. Money from the UPA will be used to tackle congestion on I-35W. Under the agreement, the Minnesota Legislature must provide the legislative authority needed to put the plan in place within 90 days of the State Legislature convening in February. Capital improvements eligible for the UPA funding include:

- Priced dynamic shoulder lanes, similar to the I-394 MnPASS, on I-35W from 46th Street to downtown Minneapolis
- Addition of a High Occupancy Toll (HOT) lane in the Crosstown reconstruction project from 66th Street to 46th Street
- Conversion of the High Occupancy Vehicle (HOV) lane to High Occupancy Toll (HOT) lane on I-35W from 66th Street to Burnsville Parkway
- Cedar Avenue Bus Rapid Transit (BRT) and transit stations/park and rides between downtown Minneapolis and Lakeville ahead of the planned schedule
- Construction of additional park-and-ride lots along the I-35W corridor north and south of Minneapolis
- Construction of additional dedicated bus lanes in downtown Minneapolis
- Partnerships with major employers along the I-35W corridor to promote flex-time and telecommuting programs
- Use of additional Intelligent Transportation Systems (ITS) technology

# Metropolitan Council

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Central Corridor Light Rail Transit | 1 | GO | $140,000 | $0 | $0 | $70,000 | $0 | $0 |
| Metropolitan Regional Parks | 2 | GO | 10,500 | 10,500 | 10,500 | 6,000 | 6,000 | 6,000 |
| Urban Partnership Agreement (UPA) | 3 | GF | 4,003 | 0 | 0 | 4,003 | 0 | 0 |
| | | GO | 16,672 | 0 | 0 | 16,672 | 0 | 0 |
| | | THB | 400 | 0 | 0 | 400 | 0 | 0 |
| Regional Park and Ride System Expansion | 4 | GO | 15,000 | 30,000 | 30,000 | 0 | 0 | 0 |
| Transitway Studies and Facilities | 5 | GF | 2,000 | 8,000 | 10,000 | 0 | 0 | 0 |
| Metro Cities Inflow and Infiltration Reduction | 6 | GO | 14,000 | 0 | 0 | 0 | 0 | 0 |
| Land Acquisition for Affordable New Development Loan Fund | 7 | GF | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Renewable Fuel/Pollution Reduction Demonstration | 8 | GF | 990 | 0 | 0 | 0 | 0 | 0 |
| Regional Bus Garage Facilities | | GO | 0 | 15,000 | 10,000 | 0 | 0 | 0 |
| Southwest Corridor DEIS/PE | | GO | 0 | 10,000 | 0 | 0 | 0 | 0 |
| I-35W BRT (included in UPA above) | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Cedar Avenue BRT (included in UPA above) | | | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $213,565 | $73,500 | $60,500 | $97,075 | $6,000 | $6,000 |
| General Obligation Bonding (GO) | $196,172 | $65,500 | $50,500 | $92,672 | $6,000 | $6,000 |
| General Fund Projects (GF) | $16,993 | $8,000 | $10,000 | $4,003 | $0 | $0 |
| Trunk Hwy Fund Bonding (THB) | $400 | $0 | $0 | $400 | $0 | $0 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Central Corridor Light Rail Transit

**2008 STATE APPROPRIATION REQUEST:** $140,000,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** St. Paul and Minneapolis

**Project At A Glance**

The Metropolitan Council requests $140 million to provide one-half of the state share to complete the engineering, design and construction of the Central Corridor Light Rail Transit.

## Project Description

The Central Corridor links five major centers of activity in the Twin Cities region – downtown Minneapolis, the University of Minnesota, the Midway area, the State Capitol complex and downtown St. Paul. This corridor serves the region's largest employment concentrations – the two downtowns and the university - with almost 280,000 jobs today.

The 11-mile Central Corridor Light Rail Transit (LRT) will connect with the Hiawatha LRT line at the Metrodome station and terminate at the new Twins Ballpark and Northstar commuter rail line in Minneapolis. The Central Corridor will have 16 new stations, plus share five stations with Hiawatha in downtown Minneapolis.

Weekday ridership is projected for Central Corridor LRT with 38,100 rides estimated by 2020 and 43,270 by 2030. Service will be similar to Hiawatha with trips every 7.5 minutes in the rush hours.

The Central Corridor LRT enjoys broad support. St. Paul, Minneapolis, Hennepin County, Ramsey County, and the University of Minnesota all consider Central a top priority. Hennepin and Ramsey Regional Rail Authorities have committed significant financial resources to the project, including funding the majority of Preliminary Engineering costs. The business community, led by the Central Corridor Partnership business coalition, strongly supports delivering the Central project as soon as possible. Local community groups and coalitions also voice support for the project.

The project schedule calls for Preliminary Engineering to be completed in 2007 and 2008, Final Design in 2009, a Full Funding Grant Agreement secured with the Federal Transit Administration (FTA) in late 2009, Construction from 2010 through 2013 and Start of Revenue Operations in early 2014. The FTA has given approval to the Metropolitan Council (the federal grantee for the project) to proceed with Preliminary Engineering.

During Preliminary Engineering, the project's current scope, recently updated to $990 million in year-of-expenditure dollars, will be reduced to approximately $840 million to meet federal cost effectiveness requirements. The FTA will fund $420 million, or 50 percent of the project capital cost, contingent upon meeting federal criteria. Hennepin and Ramsey counties will fund $140 million and the state is expected to fund $280 million, of which $13 million was received in the 2005 and 2006 State Bonding Bills. This request is for $140 million in state bonding. The remaining $127 million state share is planned to be from other transportation funding sources.

To keep the project on schedule, and avoid additional inflationary costs, the Metropolitan Council must make application to the FTA to enter into Final Design by August/September 2008. The FTA prefers most, if not all, non-federal funding for the project to be *committed* at the time of Final Design application to demonstrate local support for the project. Hennepin and Ramsey counties will also commit to their share of costs prior to Final Design application. Actual bond issuance will occur primarily during the construction phase.

## Impact on Agency Operating Budgets (Facilities Notes)

Central Corridor LRT is scheduled for start-up in early 2014. The 2014 annual net operating cost (after fares) is estimated at $16 million. Fifty percent or $8 million annually, will be funded by the Metropolitan Council using Motor Vehicle Sales Tax (MVST) revenues dedicated to transit. The remaining $8 million annual net operating cost will be funded jointly by Hennepin and Ramsey County Regional Rail Authorities.

**Previous Appropriations for this Project**

2005 Bonding Bill: $5.25 million
2006 Bonding Bill: $7.8 million

**Other Considerations**

The Central Corridor LRT is a vital component of the region's transportation plan. Traffic congestion is already a problem in the Central Corridor. Certain points in the corridor are experiencing more than three hours of congestion in the evening. Traffic is projected to continue to grow as the region adds another million people by 2030. No other transportation improvements are planned for the Central Corridor, including I-94, in the region's long-term transportation plans.

The number of jobs in the Central Corridor is expected to grow to 345,000 by 2030, demonstrating the vitality of the corridor and need to provide enhanced transportation capacity.

**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB has been extensively involved in Central Corridor planning since 1993 and fully supports current plans, route, alignment, and station plans, assuming that all such plans and implementation continue to respond favorably to both the *Comprehensive Plan for the Minnesota State Capitol Area* and the design directions of CAAPB staff, Architectural Advisors, and the Board intended to safeguard the goals of that Comprehensive Plan.

**Governor's Recommendation**

The governor recommends general obligation bonding of $70 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45,500 | 0 | 0 | 0 | 45,500 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 266,929 | 452,553 | 75,018 | 794,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **45,500** | **266,929** | **452,553** | **75,018** | **840,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 13,050 | 140,000 | 0 | 0 | 153,050 |
| **State Funds Subtotal** | 13,050 | 140,000 | 0 | 0 | 153,050 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 22,700 | 40,245 | 305,588 | 50,656 | 419,189 |
| Local Government Funds | 9,750 | 43,861 | 74,362 | 12,327 | 140,300 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 42,823 | 72,603 | 12,035 | 127,461 |
| **TOTAL** | **45,500** | **266,929** | **452,553** | **75,018** | **840,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 140,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $10,500,000

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $10.5 million in state bonds to match $7 million of Metropolitan Council bonds to improve and expand the Metropolitan Regional Park System.

**Project Description**

The Metropolitan Regional Park System consists of 52,000 acres of parks and 172 miles of trails. The Metropolitan Regional Park System is owned, operated, and maintained by ten regional park implementing agencies:

| | |
|---|---|
| Anoka County | Ramsey County |
| City of Bloomington | City of St. Paul |
| Carver County | Scott County |
| Dakota County | Three Rivers Park District |
| Minneapolis Park & Rec. Bd. | Washington County |

This request is based on distributing the state and Metropolitan Council bonds as subgrants to regional park implementing agencies for each park agency's prioritized list of capital projects that have been approved by the Metropolitan Council in the Council's 2008-09 portion of the 2008-13 Metropolitan Regional Parks Capital Improvement Program (CIP).

The Metropolitan Council, with the advice of the Metropolitan Parks and Open Space Commission, prepares a Metropolitan Regional Parks CIP under direction from M.S. 473.147. This request is to fund a portion of that CIP. The table included at the end of this narrative illustrates the amount of each park agency's subgrant in the CIP as part of this state bond request.

The percentage share of the total request (combined state bonds and matching Metro Council bonds) for each park agency is also shown on the table.

The agency share is based on the agency's 2005 population, which was given a weight of 70 percent; and the percentage of non-local visits that park agency's regional park/trail units received in a 1998-99 park visitor study, which was given a weight of 30 percent. If less than $10.5 million is appropriated, each park agency will receive its percentage share of the state bond appropriation and Metro Council bond match as shown on the following table. For example, 10.8 percent of the combined appropriated state bonds and Metro Council bond match would be granted to Anoka County. The park agency must spend its share on funding projects in priority order of its prioritized project list, which is attached at the end of this narrative.

Over 33 million visits occurred in the Metropolitan Regional Park System in 2006. Of this amount, 40.0 percent or 13.2 million visits were from persons living out-of-state, from Greater Minnesota, and from the Metropolitan Area outside the park implementing agency's local jurisdiction. The state bond request is matched with Metropolitan Council bonds on a 60 percent state/40 percent Metropolitan Council basis. This spreads the costs of these capital improvements between all state taxpayers based on their use of the park system and what they pay in taxes for debt service on the state bonds and council bonds.

The final list of projects in priority order for each park implementing agency that would be funded from the state bond request and the Metropolitan Council bond match is shown at the end of this narrative. This final list is changed from the preliminary request submitted in June 2007. The projects are consistent with Council-approved park or trail master plans.

**Metropolitan Regional Park System as part of State's Strategic Mission**

The Metropolitan Regional Park System is one of four regional systems the Metropolitan Council is charged to plan and develop capital improvement programs under state law (M.S. 473.147). Since 1974, the state of Minnesota has provided $278.5 million in capital funds and Environmental Trust Funds as recommended by the Legislative Citizens Commission on Minnesota Resources (LCCMR) and its predecessor.

**Impact on Agency Operating Budgets (Facilities Notes)**

There is no direct impact on state agency operating budgets since the state of Minnesota does not operate Metropolitan Regional Park System units. However, indirectly, the state's capital investment in the Metropolitan Regional Park System reduces the visitor impact on three state parks, one state recreation area and two state trails in the metropolitan region. The reduced visitor pressure on the state park/trail units reduces the costs to operate and maintain those parks.

**Previous Appropriations for this Project**

The state has appropriated $243.2 million of bonds to the Metropolitan Council for this program from 1974 to 2007. In 2006, $29.9 million was appropriated including $7 million for the 2006-07 Metropolitan Regional Parks CIP projects, plus $22.9 million of line item appropriations for projects in addition to the projects in the 2006-07 Parks CIP. The Council provided $4.6 million of bonds as a 40 percent match to the $7 million of state bonds appropriated for the 2006-07 parks CIP projects.

The state has provided $35.2 million of Environmental Trust Fund appropriations from 1991 to 2007 as recommended by the Legislative Commission on Minnesota Resources-now the LCCMR. In 2007 the LCCMR recommended a $2.5 million appropriation to be used to partially finance land acquisition projects to supplement what is appropriated for land acquisition in the 2006-07 parks CIP. The Council provided a $1.33 million match to the LCCMR recommended funding.

**Other Considerations**

The LCCMR and its predecessor the Legislative Commission on Minnesota Resources have recommended funds to supplement the state bond appropriations for the parks CIP. As noted above, the most recent appropriation of $2.5 million in 2007 was targeted to land acquisition projects.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $6 million for this project. Also included are budget planning estimates of $6 million in 2010 and $6 million in 2012.

**Attachment 1: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request--Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Anoka County | 1 | Bunker Hills Regional Park | Rehabilitate approx. 2 miles of bituminous trails; construct approx.1 mile of new bituminous trail, construct a new restroom building, play structure and interpretive facility; rehabilitate building for satellite maintenance shop; landscaping; site furnishings; and utilities. | $ 597 | $ 261 | $ 858 |
| Anoka County | 2 | East Anoka County Regional Trail | Reimbursement to the City of Blaine via Anoka County for half the cost of constructing 2.25 miles of bituminous trail that was completed in 2005. | $ - | $ 81 | $ 81 |
| Anoka County | 3 | Rice Creek Chain of Lakes Park Reserve | Construct campground visitor center, road and parking lot; construct approx. 1 mile of new trail, 1 picnic shelter, playground, landscaping, restoration, and upgrade utilities. | $ 569 | $ 171 | $ 740 |
| Anoka County | 4 | Anoka County Riverfront Regional Park | Reconstruct parking lot, lighting, landscaping/restoration, site furnishings, and utilities. | $ 54 | $ 36 | $ 90 |
| Anoka County | 5 | Central Anoka County Regional Trail | Reimbursement for constructing 2 miles of bituminous trail that is scheduled to be completed in 2008. Matched with $125,388 provided by City of Centerville. | $ - | $ 125 | $ 125 |
| | | | **Anoka County Percentage Share is 10.8% Subtotal is** | **$ 1,220** | **$ 674** | **$ 1,894** |
| City of Bloomington | 1 | Hyland-Bush-Anderson Lakes Park Reserve - Bush Lake Park Unit | Reimbursement for partial funding to acquire in-holding property located at 9625 East Bush Lake Road. Property acquired October, 2004. | $ - | $ 67 | $ 67 |
| City of Bloomington | 2 | Hyland-Bush-Anderson Lakes - Bush Lake Park Unit | Reconstruct some of the bituminous trails in the Bush Lake unit of the park as far as the funds will allow. | $ 330 | $ 109 | $ 439 |
| | | | **City of Bloomington Percentage Share is 2.9% Subtotal is** | **$ 330** | **$ 176** | **$ 506** |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Carver County | 1 | Lake Waconia Regional Park | Reimburse the County for partially financing the acquisition of 43.94 acres acquired for the park in late 2006 and early 2007. | $ - | $ 426 | $ 426 |
| | | | **Carver County Percentage Share is 2.4% Subtotal is** | $ - | **$ 426** | **$ 426** |
| Dakota County | 1 | Lebanon Hills Regional Park | Loop trail of 1.1 miles around McDonough Lake plus other connector trail spurs (approximately .3 miles); parking lot redevelopment for efficiency, security and improved storm water management; trail connections between visitor center, beach, overflow parking lot; intepretive and play elements; and beach shade structures. | $ 667 | $ 83 | $ 750 |
| Dakota County | 2 | Big Rivers Regional Trail | Design and construction of trail head including small shelter with restroom core, trailhead orientation, drinking water, related restoration and landscaping. | $ 353 | $ 47 | $ 400 |
| Dakota County | 3 | Lebanon Hills Regional Park | Design and construction of a trailhead including a new parking lot (capacity 60), small restroom building, drinking water, trailhead orientation signage. Also remove inadequate and poorly located parking lot and restore site. | $ 369 | $ 60 | $ 429 |
| Dakota County | 4 | Lake Byllesby Regional Park | Reimbursement for county funds spent on the development of the Lake Byllesby Regional Park road and beach project of 1997. | $ - | $ 225 | $ 225 |
| | | | **Dakota County Percentage Share is 10.3% Subtotal is** | **$ 1,389** | **$ 415** | **$ 1,804** |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request- Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Minneapolis Park & Rec. Board | 1 | Minnehaha Regional Park | Rehabilitation of Wabun / Omemee picnic area and all related site elements, and may include such facilities as picnic tables, lighting, maintenance garage, benches, entrance drives, approximately 2 1/2 miles of paths, parking, restrooms, shelters, drinking fountain, play equipment, wading pool, overlook, stormwater management, signage, entry monuments, landscaping, bridges, related facilities, and tasks to include design, survey, soil borings, engineering and construction. Portion of the work initially financed by MPRB in 2007 and early 2008 and is proposed for reimbursement with Metro Council bonds. Also $300,000 provided by MN Veterans Home Board | $ 1,741 | $ 1,059 | $ 2,800 |
| Minneapolis Park & Rec. Board | 2 | Theodore Wirth Regional Park | Continued major rehabilitation of Wirth Lake Beach that may include such facilities as play equipment, sand volleyball court, 1/2 court basketball, picnic area, life guard tower(s), new turf areas, wetland enhancements, plaza surrounding recently rebuilt beach building, and support facilities such as paths, boardwalk, site furniture, landscaping, and all related tasks such as demolition, survey, design, construction, consulting. | $ 532 | $ 7 | $ 539 |
| | | | **Minneapolis Park & Rec. Bd. Percentage Share is 19.1%** **Subtotal is** | **$ 2,273** | **$ 1,066** | **$ 3,339** |
| Ramsey County | 1 | Rice Creek North Regional Trail | Reimbursement to Ramsey County for balance of construction costs for that section of Rice Creek North Regional Trail within the former Twin City Army Ammunition Plant. Project Includes 2.2 miles of paved bicycle/pedestrian trail, construction of an 85 foot bridge over Rice Creek, wetland development, fencing and trurf establishment. Previous Metropolitan Council Grant will finance $455,000 of project costs. | $ - | $ 145 | $ 145 |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Ramsey County | 2 | Bald Eagle-Otter Lakes Regional Park & Rice Creek North Regional Trail | Construct natural resource restoration projects at Tamarack Nature Center (50 acre prairie) within Bald Eagle-Otter Lakes Regional Park and Rice Creek North Regional Trail (22 acre prairie). | $ 30 | $ 20 | $ 50 |
| Ramsey County | 3 | Keller Regional Park | Continued phased redevelopment of Keller Regional Park to include construction of additional restrooms and picnic shelters. Associated sitework includes parking, pathways and landscaping. Previously completed phases include installation of sewer and water utilities and construction of five restroom facilities | $ 932 | $ 479 | $ 1,411 |
| | | | **Ramsey County Percentage Share is 9.2% Subtotal is** | **$ 962** | **$ 644** | **$ 1,606** |
| City of Saint Paul | 1 | Como Regional Park | Reimbursement to Saint Paul Public Works for a loan of $149, 000 to fund the budget gap to award and complete construction of the Como Trail project. | $ - | $ 149 | $ 149 |
| City of Saint Paul | 2 | Lilydale Regional Park | Detailed site survey and design plans for major park improvements including infastructure/utilities, road alignment, trail alignment, bridge structure, trailhead, soft camping, parking, wetland/ storm water improvements, interpretive signage, lake improvements, and former brick quarry site. | $ 60 | $ 40 | $ 100 |
| City of Saint Paul | 3 | Sam Morgan Regional Trail | Design and engineering of 1.7 miles and reconstruction of 0.9 miles of this section of trail between 35E and Hwy 5 which is in poor condition and only 8 feet wide. Project includes design and engineering for entire 1.7 miles and construction of 0.6 miles. | $ 414 | $ 194 | $ 608 |
| City of Saint Paul | 4 | Cherokee Regional Park | Complete design and engineering for 1.3 miles of trails and overlooks from Ohio Street to Annapolis along the bluff side of Cherokee Parkway. This request follows up on the 2006 grant for preliminary design. | $ 26 | $ 167 | $ 193 |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| City of St. Paul | 5 | Como Regional Park | Design and engineering for reconstruction of Estabrook Drive from Lexington west to the Frog Pond (including Lexington intersection), and Nason Place from Estabrook Drive to Aida Place. | $ 102 | 401 | $ 503 |
| City of Saint Paul | 6 | Como Regional Park | Design/engineering of a phased construction of an expanded outdoor aquatics facility at the site of the existing Como Pool inclujding renovation of existing pool, new building with outdoor shower facilities, expanded parking area, wave pool, splash pad and infrastructure for future development phases. | $ 182 | $ 455 | $ 637 |
| City of Saint Paul | 7 | Harriet Island Regional Park | Design and construction of 110+/- parking spaces adjacent to Water Street including lighting, utilites and storm water treatment. | $ 118 | $ 246 | $ 364 |
| | | | **City of St. Paul Percentage Share is 14.6% Subtotal is** | **$ 902** | **$ 1,652** | **$ 2,554** |
| Scott County | 1 | Doyle-Kennefick Regional Park and Cedar Lake Farm Regional Park | Partial reimbursement for County's contributions towards acquisition of the 400-acre Doyle family property at Doyle-Kennifick Regional Park and the 61-acre Cedar Lake Farm property at Cedar Lake Farm Regional Park. . | $ - | $ 570 | $ 570 |
| | | | **Scott County Percentage Share is 3.3% Subtotal is** | **$ -** | **$ 570** | **$ 570** |
| Three Rivers Park District | 1 | Lake Rebecca Park Reserve | Construction phase to rehabilitate paved roads, parking lots, paved trails and trail connections in the park as part of the Pavement Management program | $ 3,110 | $ 524 | $ 3,634 |
| | | | **Three Rivers Park District Percentage Share is 20.8% Subtotal is** | **$ 3,110** | **$ 524** | **$ 3,634** |
| Washington County | 1 | Lake Elmo Park Reserve | Reimburse County funding for replacing playground equipment to meet ADA requirements in 2004. | $ - | $ 125 | $ 125 |
| Washington County | 2 | St. Croix Bluffs Regional Park | Design and construct a new shower building, well, water distribution system and dump station area in the campground. | $ 314 | $ 168 | $ 482 |
| Washington County | 3 | St. Croix Bluffs Regional Park | Partial reimbursement for County funding of a 208 acre parcel that was acquired on Oct. 31, 1996 for the park. | $ - | $ 560 | $ 560 |
| | | | **Washington County Percentage Share is 6.7% Subtotal is** | **$ 314** | **$ 853** | **$ 1,167** |
| | | | **Grand Total** | **$ 10,500** | **$ 7,000** | **$ 17,500** |

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 150,845 | 1,623 | 2,174 | 627 | 155,269 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 274,630 | 15,877 | 15,326 | 16,873 | 322,706 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **425,475** | **17,500** | **17,500** | **17,500** | **477,975** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 243,216 | 10,500 | 10,500 | 10,500 | 274,716 |
| Environmental Trust | 35,254 | 0 | 0 | 0 | 35,254 |
| **State Funds Subtotal** | 278,470 | 10,500 | 10,500 | 10,500 | 309,970 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 147,005 | 7,000 | 7,000 | 7,000 | 168,005 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **425,475** | **17,500** | **17,500** | **17,500** | **477,975** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Urban Partnership Agreement (UPA)

**2008 STATE APPROPRIATION REQUEST:** $21,075,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council and Minnesota Department of Transportation request $54.853 million to provide local match for funding from USDOT for congestion pricing implementation, park and ride construction and intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

**Project Description**

The Minnesota Department of Transportation (Mn/DOT) and the Metropolitan Council have been jointly awarded $133.3 million in federal funds by the US Department of Transportation through the Urban Partnership Agreement (UPA) program. The project provides a comprehensive approach to congestion reduction that includes congestion pricing, transit enhancements, telecommuting/telework, and the use of advanced technologies.

In conjunction with the UPA application, Mn/DOT and Met Council have submitted federal grant applications under the Value Pricing Pilot Program (VPPP), the Intelligent Transportation System Operational Testing to Mitigate Congestion (ITS-OTMC) and Section 5309 Bus and Bus Related Capital Facilities grant programs to fund the UPA improvements.

The UPA funding must be matched with a minimum 20 percent local funding. This capital request is for the local funding required to match the federal UPA dollars, match federal (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) SAFETEA-LU dollars for two Cedar Avenue Bus Rapid Transit (BRT) project components in the UPA, and fund three UPA components that did not receive federal funding.

This total UPA state funding request is being submitted by both Mn/DOT and the Met Council. Of the $54.853 million in state funds, $33.778 million will be appropriated to Mn/DOT and $21.075 million to the Metropolitan Council.

*Note:* The accompanying Project Detail page for Met Council shows all costs and funding except for Mn/DOT's state request. The Project Detail page that accompanies Mn/DOT's Project Narrative shows only the Mn/DOT state request to avoid double-counting.

The complete components of the UPA project for both agencies are as follows:

**Mn/DOT - Congestion Pricing:** Convert I-35W High-Occupancy Vehicle (HOV) lane to a MnPASS High-Occupancy Toll (HOT) lane from Burnsville to approximately I-494 including a lane add between 106th Street and Highway (Hwy) 13, construct a HOT Lanes between I-494 and 46th Street with reconstruction of the Crosstown Project, construct a Priced Dynamic Shoulder Lane from 46th Street to downtown Minneapolis and implement arterial traffic management.

Total cost: $71.778 million
Federal funds: $47.4 million
Requested State funds: $24.378 million (Trunk Highway Bonds)

**Mn/DOT – Telecommuting/Outreach:** Implement the UPA telecommuting requirement by recruiting local employers as partners to increase the number of telecommuters. Also, develop and implement an Outreach Program involving state and local elected officials and community representatives to facilitate communication and project implementation.

| | |
|---|---|
| Total cost: | $9 million |
| Federal funds: | $0 |
| Requested State funds: | $9 million (General Fund) |

**Mn/DOT – Hwy 77 and Hwy 62 Transit Advantage:** Design and construct a bus-only transit advantage from northbound Hwy 77 to westbound Hwy 62.

Total cost: $2 million
Federal funds: $1.6 million
Requested State funds: $0.4 million (Trunk Highway Bonds)

**Met Council – Fleet:** Purchase 26 buses for enhanced transit service in the 35W South corridor (15 buses) and the 35W North corridor (11 buses). These buses will serve the new and expanded park-and-rides being constructed as part of the UPA.

Total cost: $13 million
Federal funds: $10.4 million
Requested State funds: $2.6 million (General Fund)

**Met Council – 35W Transit Stations/Park-and-Rides:** Acquire land, design and construct three new or expanded park-and-rides in 35W corridor.

Total cost: $32.7 million
Federal funds: $26.16 million
Requested State funds: $6.54 million
($6.14 million GO Bonds;
$0.4 million Trunk Highway Bonds)

**Met Council – Cedar Avenue BRT Transit Stations/Park-and-Rides:** Accelerate land acquisition, design and construction of transit station/park-and-ride facilities at 185th Street, 147th Street, 140th Street, Palomino Drive and Cedar Grove.

Total cost: $17.41 million
Federal funds: $13.25 million
($8.88 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State funds: $2.22 million (GO Bonds)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Met Council – Downtown Bus Lanes:** Expand single bus lanes to two lanes on Marquette and 2nd Avenues.

Total cost: $41.56 million
Federal funds: $33.248 million
Requested State funds: $8.312 million (GO Bonds)

**Met Council – Transit Technology:** Design and implement transit technology improvements including bus arrival, congestion conditions and parking availability information systems and a transit operator lane guidance system.

Total cost: $7.015 million
Federal funds: $5.612 million
Requested State funds: $1.403 million (General Fund)

**Summary:**

Mn/DOT components
Total Cost: $82.778 million
Federal funds: $49 million
Requested State Funds: $33.778 million
$24.778 million Trunk Highway Bonds;
$9 million General Fund)

Met Council components
Total Cost: $111.685 million
Federal funds: $88.67 million
($84.3 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State Funds: $21.075 million
($0.4 Trunk Highway Bonds;
$16.672 million GO;
$4.003 General Fund)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Impact on Agency Operating Budgets (Facilities Notes)**

Toll revenues generated by the congestion pricing will be used to fund Mn/DOT start-up and ongoing HOT-Lane operations as well as expanded transit service.

The unfunded portion of the expanded transit service is anticipated to come from regional transit operating funds and fares.

**Previous Appropriations for this Project**

None for UPA

Previous corridor appropriations:
Cedar Ave: $10 million GO bonds in 2005; $5 million in 2006

35W BRT: $3.3 million GO bonds in 2005; $14.8 million in trunk highway bonds (BAPTA) for transit element of crosstown project.

**Other Considerations**

Implementation of the UPA will accelerate the 35W and Cedar Avenue BRT components of the Met Council's regional 2030 Transportation Policy Plan.

Mn/DOT start up costs, estimated at $1 million, HOT-lane operating costs, and a portion of annual transit operating costs, estimated at $3 million, will be funded by toll revenues.

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**Governor's Recommendations**

The governor recommends for Met Council an appropriation of $4,003,000 from the general fund, $16,672,000 in general obligation bonding, and $400,000 in trunk highway bonding for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 11,505 | 0 | 0 | 11,505 |
| 2. Predesign Fees | 0 | 405 | 0 | 0 | 405 |
| 3. Design Fees | 0 | 15,046 | 1,975 | 0 | 17,021 |
| 4. Project Management | 0 | 10,936 | 6,103 | 0 | 17,039 |
| 5. Construction Costs | 0 | 105,942 | 40,687 | 0 | 146,629 |
| 6. One Percent for Art | 0 | 304 | 360 | 0 | 664 |
| 7. Relocation Expenses | 0 | 400 | 0 | 0 | 400 |
| 8. Occupancy | 0 | 800 | 0 | 0 | 800 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **145,338** | **49,125** | **0** | **194,463** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 670 | 16,672 | 0 | 0 | 17,342 |
| G.O. Bonds/Transp | 0 | 0 | 0 | 0 | 0 |
| General Fund Projects | 0 | 4,003 | 0 | 0 | 4,003 |
| Trunk Hwy Fund Bonding | 0 | 400 | 0 | 0 | 400 |
| **State Funds Subtotal** | 670 | 21,075 | 0 | 0 | 21,745 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 4,370 | 84,175 | 49,125 | 0 | 137,670 |
| Local Government Funds | 0 | 1,270 | 0 | 0 | 1,270 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,040** | **106,520** | **49,125** | **0** | **160,685** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 16,672 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Regional Park and Ride System Expansion

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $15 million to develop a number of new or expanded park-and-ride facilities throughout the Twin Cities metropolitan area.

## Project Description

This proposal is to develop a number of new or expanded park-and-ride facilities throughout the Twin Cities metropolitan area to meet the growing commuter demands for express bus transit.

Since 1999, the size and usage of the regional park-and-ride system has grown from approximately 6,700 spaces and 4,700 users in 1999 to approximately 19,500 spaces and 15,300 users in 2006. That is a 191 percent increase in capacity and a 226 percent increase in usage over the last seven years. The Regional Park-and-Ride Plan projects a system-wide need for nearly 25,000 spaces between 2015 and 2020, and nearly 35,000 spaces between 2025 and 2030 to serve forecasted transit commuter growth.

Since 1999, the number of park-and-rides decreased from nearly 150 to just over 100 in reaction to changing customer preferences. A shift away from smaller, neighborhood-oriented park-and-rides to larger, freeway-oriented park-and-rides began to occur in the early 1990s to provide customers with the auto-competitive travel time and frequent service. Today, the 11 largest facilities contain nearly 9,000 spaces while the 58 smallest facilities contain less than 3,000 spaces. The remaining 8,000 spaces are spread across 34 medium-sized facilities.

Accounting for both spaces to accommodate future transit commuter growth and spaces to replace capacity at existing, small park-and-rides, there is an estimated need for 8,000 new spaces by 2015 to 2020 and another 10,000 new parking spaces by 2025 to 2030.

Park-and-rides combined with frequent express service and bus only shoulders create an attractive alternative to driving alone, thereby slowing the rate of congestion on regional travel corridors, in the downtowns and on the University of Minnesota campus.

Several new or expanded park-and-ride projects are programmed for FY 2008-09. The scope of these projects vary widely from relatively simple surface expansions to more complicated structure expansions. Some of these projects will include land negotiations and acquisition. The project sites will provide additional, needed capacity to all parts of the metro area, including but not limited to specific sites in Edina (Hennepin County), Maplewood (Ramsey County), Blaine (Anoka County), Oakdale (Washington County), Chanhassen (Carver County). These programmed projects are expected to add between 2,000 and 3,000 new spaces to the regional system.

## Impact on Agency Operating Budgets (Facilities Notes)

Funding for additional buses and operating costs may need to be appropriated to support the additional park-and-ride capacity.

## Other Considerations

Some of these projects are Congestion Mitigation/Air Quality (CMAQ)-eligible.

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**Governor's Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 3,100 | 6,100 | 6,100 | 15,300 |
| 2. Predesign Fees | 0 | 400 | 800 | 800 | 2,000 |
| 3. Design Fees | 0 | 1,000 | 2,000 | 2,000 | 5,000 |
| 4. Project Management | 0 | 400 | 800 | 800 | 2,000 |
| 5. Construction Costs | 0 | 10,100 | 20,300 | 20,300 | 50,700 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **15,000** | **30,000** | **30,000** | **75,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 15,000 | 30,000 | 30,000 | 75,000 |
| **State Funds Subtotal** | 0 | 15,000 | 30,000 | 30,000 | 75,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **15,000** | **30,000** | **30,000** | **75,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Transitway Studies and Facilities

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $2 million to fund four or five in-depth transitway studies.

## Project Description

This project will fund four or five in-depth studies of transitway corridors to determine their potential for light rail transit, commuter rail, or dedicated busway.

In early 2008, the Metropolitan Council will be completing the 2030 Transit Master Plan. This study will include a screening of approximately 25 regional corridors for their potential for light rail, commuter rail and dedicated busway. Based on this analysis, the council will be recommending a list of transitway corridors for further in-depth study. This request is to fund these in-depth studies to determine the feasibility of these corridors for major transit investments and to conduct alternative analyses of potential modes and alignments. Future year funding would be toward environmental studies, preliminary engineering, design, construction of facilities in the corridors (i.e. passenger facilities or park and rides) and potentially to match available federal funds.

## Impact on Agency Operating Budgets (Facilities Notes)

No impact until light rail, commuter rail or dedicated busways are constructed.

## Other Considerations

In the 2007 legislative session, there were approximately 10 individual requests for studies of transit corridors at a cost of $500,000 or more each. This request consolidates those individual requests into one request which will fund studies in the corridors identified as having the highest potential.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend funds for this request in the capital budget.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 2,000 | 8,000 | 10,000 | 20,000 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **8,000** | **10,000** | **20,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 2,000 | 8,000 | 10,000 | 20,000 |
| **State Funds Subtotal** | 0 | 2,000 | 8,000 | 10,000 | 20,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **8,000** | **10,000** | **20,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Metro Cities Inflow and Infiltration Reduction

**2008 STATE APPROPRIATION REQUEST:** $14,000,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $14 million to facilitate a municipal grant program for the mitigation of inflow and infiltration (I/I) into the metropolitan sanitary sewer disposal system.

## Project Description

The Metropolitan Council, representing more than one-half of the state's population, operates the Metropolitan Disposal System under M.S. 473.515 and other statutes. Inflow and infiltration (I/I) of clear water (ground and storm waters) into the sanitary sewer may cause sewage spills and thus is an environmental threat to the state's waters. This request would facilitate fixes only on publicly-owned assets (i.e. city sewer pipes and ancillary sewer facilities). This proposal benefits both the metropolitan sewer system and metropolitan cities. The Association of Metropolitan Municipalities (aka "Metro Cities") supports this request.

The Council has initiated an overall I/I mitigation program primarily addressing the problem in local systems, rather than at the regional level. The program the Council initiated is a national model and has made our region a leader in addressing a problem that continues to plague other large metropolitan areas. This approach will slow the rate of sewer charge increases that would otherwise place a larger financial burden on some of the state's struggling industries and municipalities, and will help maintain a competitive advantage for our region. Also, an effective mitigation program will likely enhance the amount of clear water that beneficially infiltrates into the state's ground waters (instead of going through the sewers into the Mississippi).

The total mitigation program is expected to cost about $150 million, compared to $900+ million if the Council built metropolitan capacity to handle the I/I. A number of cities are experiencing a significant financial burden to implement the mitigation program. This appropriation would grant up to $14 million to metropolitan communities to rehabilitate local public sewer systems to eliminate excessive I/I. The cities would be required to match each grant dollar. Previously, the Council has used regional dollars to promote I/I fixes in the cities, and is currently spending regional funds to assure that excessive I/I does not occur in the regional system.

If the program is implemented, municipalities would:

- Identify eligible I/I project capital costs (sewer system rehabilitation and improvements)
- Secure city council resolutions committing financing for the 50% matching funds
- Apply to the Metropolitan Council for the grant
- Contract for the repairs to city pipes
- Account for the use of the proceeds

And the Metropolitan Council would:

- Draft generic grant agreements and city council resolutions
- Develop a grant list by municipality
- Disburse funds and verify expenditures

## Impact on Agency Operating Budgets (Facilities Notes)

There is no financial impact to the Metropolitan Council. The technical and accounting review of the municipal I/I project expenditures already are ongoing by the Council, regardless of this grant program, since the Council requires such accountability of its customer cities as part of its I/I surcharge program.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 28,000 | 0 | 0 | 28,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **28,000** | **0** | **0** | **28,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 14,000 | 0 | 0 | 14,000 |
| **State Funds Subtotal** | 0 | 14,000 | 0 | 0 | 14,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 14,000 | 0 | 0 | 14,000 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **28,000** | **0** | **0** | **28,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 14,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Land Acquisition for Affordable New Development Loan Fund

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $10 million of cash to fund a land acquisition revolving loan fund for the purchase of land by local governments for the development of affordable housing.

**Project Description**

The Council will make no-interest loans to municipalities or their development agencies that participate in the Livable Communities Act Local Housing Incentives Account program for the purchase of property to be developed or redeveloped as affordable housing. It is anticipated the loan fund will require some amount of local investment to match the funding from the council.

The loans will be made to municipalities or their development agencies to accelerate the acquisition of property to be used for future affordable housing, or to avert the purchase of such property for a use that does not include affordable housing. The property for which the municipality is seeking the acquisition loan would ensure the council that the property is or will be appropriately guided and zoned for development as affordable housing, and that the development of such housing will help the town or city advance its Livable Communities Act affordable housing goals and help address its low- and moderate-income housing responsibilities under the Land Planning Act as described in its local comprehensive plan. Acquisition of the land funded by the loan would be required to take place no more than three to five years after the loan is made.

All municipalities participating in the Livable Communities Act Local Housing Incentives Account Program have unmet affordable housing goals through 2010. As they prepare their 2008 local comprehensive plan updates, municipalities will be including their plans to address their share of the region's anticipated 51,000 new affordable housing needs between 2011 and 2020. The ability to acquire and hold land for future affordable housing development is integral to achieving long-term housing objectives.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend funds for this request in the capital budget.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 10,000 | 0 | 0 | 10,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 10,000 | 0 | 0 | 10,000 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Renewable Fuel/Pollution Reduction Demonstration

**2008 STATE APPROPRIATION REQUEST:** $990,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $990,000 of cash for the design, construction, and installation of equipment for a demonstration project for renewable fuel production and pollutant reduction from algae growth on wastewater process effluent.

**Project Description**

"Over the past 30 years, funding for energy research and development has significantly declined in the United States (U.S.) However, any long-term strategy aimed at greater use of cleaner alternatives requires significant investments in research, development and testing of new technologies. Recognizing this, states can expand opportunities to fund energy R&D through universities and support private sector demonstration and pilot programs." Securing a Clean Energy Future, National Governor's Association pamphlet.

The Metropolitan Council and the University of Minnesota (U of M) recently entered into a collaborative effort to determine the economic feasibility of growing high oil content algae in treated wastewater and using the algal cell mass to produce biodiesel and bio-oils. The council has an interest in this concept because algae can: 1) remove significant phosphorus and nitrogen from wastewater treatment plant discharges; and 2) reduce the amount of carbon dioxide discharged to the atmosphere from combustion facilities. It is anticipated that state and federal environmental regulations will require the council to increase phosphorus and nitrogen removals and initiate control of greenhouse gases within the next 10 years. In addition to regulatory compliance issues, the process will produce a renewable fuel which will have a beneficial impact on the regional economy (displaces fuel purchased from outside region). Note that the concept may also provide the low cost alternative for additional nutrient removal at a number of smaller treatment plants throughout the state.

The demonstration effort will generate approximately one kilogram of algal cell mass per day and convert it to biodiesel and other energy products. Metropolitan Council Environmental Services (MCES) will be responsible for producing the algal cell mass and the U of M will process the material at their Center for Biorefinery Pilot Facility on the St. Paul campus.

MCES will design and construct small demonstration facilities (growth reactor and separation process) to produce the algae and evaluate separation technologies. Direct costs to design and construct the demonstration facilities are estimated to be approximately $215,000.

The U of M (Dr. Roger Ruan) will procure and install equipment to concentrate the algal cell mass, extract the oil from the algal cell mass, produce biodiesel from the extracted oil, and pyrolyze the remaining cell mass to produce other energy products. The total cost for the installed apparatus is approximately $500,000. Prior to procuring the demonstration scale equipment, similar equipment to process bench scale quantities of algal cell mass will be procured to evaluate effectiveness. The cost for the bench scale equipment is estimated to be approximately $75,000. Finally the U of M will procure equipment to characterize the products that are produced at an estimated cost of $200,000.

The U of M is currently using an internal grant and a small council grant to conduct laboratory scale algal growth and oil extraction studies. Without additional funds, however, the feasibility of the concept in a production environment cannot be demonstrated.

**Impact on Agency Operating Budgets (Facilities Notes)**

MCES will provide staff resources for the operation of the demonstration equipment located at the metro plant. These costs will be funded out of wastewater fee revenues. The U of M will provide the staff resources for the operation of the demonstration equipment located at the U of M.

**Other Considerations**

This funding request was endorsed by the Interagency Energy and Environment Group, headed by Edward Garvey, Deputy Commissioner of the Department of Commerce. The Pollution Control Agency, Department of Natural Resources, Department of Agriculture, Department of Employment and Economic Development and the Minnesota Housing Finance Agency also participate in the Group.

The University of Minnesota's Initiative for Renewable Energy and Environment (IREE) will continue to participate in this project and endorses this request.

**Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend funds for this request in the capital budget.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 80 | 0 | 0 | 0 | 80 |
| 3. Design Fees | 0 | 50 | 0 | 0 | 50 |
| 4. Project Management | 35 | 0 | 0 | 0 | 35 |
| 5. Construction Costs | 125 | 940 | 0 | 0 | 1,065 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **240** | **990** | **0** | **0** | **1,230** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 990 | 0 | 0 | 990 |
| **State Funds Subtotal** | 0 | 990 | 0 | 0 | 990 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 50 | 0 | 0 | 0 | 50 |
| Private Funds | 150 | 0 | 0 | 0 | 150 |
| Other | 40 | 0 | 0 | 0 | 40 |
| **TOTAL** | **240** | **990** | **0** | **0** | **1,230** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Metropolitan Council

## Projects Summary
## ($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Central Corridor Light Rail Transit | 1 | $140,000 | $0 | $0 | $140,000 | $70,000 | $0 | $0 |
| Metropolitan Regional Parks | 2 | 10,500 | 10,500 | 10,500 | 31,500 | 6,000 | 6,000 | 6,000 |
| Urban Partnership Agreement (UPA) | 3 | 21,075 | 0 | 0 | 21,075 | 21,075 | 0 | 0 |
| Regional Park and Ride System Expansion | 4 | 15,000 | 30,000 | 30,000 | 75,000 | 0 | 0 | 0 |
| Transitway Studies and Facilities | 5 | 2,000 | 8,000 | 10,000 | 20,000 | 0 | 0 | 0 |
| Metro Cities Inflow and Infiltration Reduction | 6 | 14,000 | 0 | 0 | 14,000 | 0 | 0 | 0 |
| Land Acquisition for Affordable New Development Loan Fund | 7 | 10,000 | 0 | 0 | 10,000 | 0 | 0 | 0 |
| Renewable Fuel/Pollution Reduction Demonstration | 8 | 990 | 0 | 0 | 990 | 0 | 0 | 0 |
| Cedar Avenue BRT (included in UPA above) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I-35W BRT (included in UPA above) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Regional Bus Garage Facilities | | 0 | 15,000 | 10,000 | 25,000 | 0 | 0 | 0 |
| Southwest Corridor DEIS/PE | | 0 | 10,000 | 0 | 10,000 | 0 | 0 | 0 |
| **Total Project Requests** | | $213,565 | $73,500 | $60,500 | $347,565 | $97,075 | $6,000 | $6,000 |

**Agency Profile At A Glance**

**Metropolitan Council Operations:**
- 3,577 employees (FTE)
- $453 million operating expenditure budget

**Community Development Functions:**
- 5,885 households in the Section 8 program
- 193 local government comprehensive plans reviewed
- Over 33 million visits a year to 52,660 acre regional park system

**Transportation Functions:**
- 2,602 employees (FTE)
- $325 million operating budget
- $177.5 million FY 2008-09 biennial state general fund appropriation
- $104 million annual projected motor vehicle sales tax (MVST) ($125 with Suburban Transit Association Providers) in calendar year 2007
- Nearly 73 million transit rides in 2006

**Environmental Services Functions:**
- 694 employees (FTE)
- $111 million operating budget
- Nearly 300 million gallons of wastewater treated daily

**Agency Purpose**

The Metropolitan Council (Council) is a political subdivision of the state governed by a chairperson and 16 other Council members, who represent equal-population districts. All Council members are appointed by the governor. Council members' role is to provide a regional perspective and work toward a regional consensus on issues facing the metropolitan area.

The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks, and aviation systems that guide the efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

The Council has jurisdiction in the seven-county metropolitan area comprising Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties. The seven-county area is an economically stable region that is expected to grow by one million people, a half-million households and nearly 600,000 jobs between the year 2000 and 2030.

**Core Functions**

**The Council's main functions are:**
- Providing a planning framework for regional growth and conducting long-range planning for regional transportation, wastewater, and parks systems.
- Operating the regional transit and wastewater systems.
- Coordinating system-wide planning and capital improvement funding for the regional parks system.
- Operating a regional housing and redevelopment authority that provides assistance to low-income families in the region.

**Operations**

The Council is organized into staff divisions that focus on community development, the environment, and transportation, supported by administrative and service units.

The **Community Development Division** provides local planning assistance to communities, conducts research, and maintains geographic information systems that integrate and depict geographic-based data. The unit administers the Metropolitan Livable Communities Act, which provides grants to eligible communities to help them clean up polluted sites, expand housing choices, and develop projects that use land and infrastructure more efficiently. It also delivers rent assistance and provides affordable housing to low-income households through the Metropolitan Housing and Redevelopment Authority. The unit administers planning and grants for the regional park system.

- The regional park system consists of 52,660 acres currently open for public use, of which 22,928 have been acquired with state and Metropolitan Council funds since 1974. Approximately $425 million of state and Metropolitan Council funds have been invested to acquire land, develop new parks and trails, and rehabilitate existing parks and trails since 1974. Since 1985, the state has appropriated over $93 million of general fund and Lottery-in-Lieu-of-Sales-Tax revenues to help finance the operations and maintenance of the regional park system.
- The unit administers regional park planning by designating lands to be acquired by cities, counties, and special parks districts as regional recreation open space under M.S. 473.147; distributes state appropriations to these agencies to acquire land and develop recreation facilities under M.S. 473.315; and distributes state appropriations to supplement local property taxes and user fees to operate and maintain the regional park system under M.S. 473.351.
- The unit also administers the Livable Communities Act, which has awarded $160 million in grants to metropolitan area communities to help them clean up polluted land for redevelopment and new jobs, create efficient, cost-effective development and redevelopment, and provide affordable housing opportunities.

The **Environmental Services Division** maintains approximately 600 miles of regional sewers and treats nearly 300 million gallons of wastewater daily at eight regional treatment plants. The division maintains near-perfect compliance with clean water discharge permits and, in 2005, all eight treatment plants received major awards. Wastewater services are fully fee funded, and its rates are below the national average. In addition, the division works with approximately 800 industrial clients in the metro area to reduce pollution and provides water resources monitoring and analysis for the entire region.

The **Transportation Division** is responsible for providing transit services in the region. The division operates Metro Transit, the region's largest transit provider, with nearly 73 million rides in 2006. Metro Transit opened the Hiawatha Light Rail line in 2004 and, in 2006, had over 9 million rides. The division also provides Metro Mobility, the region's Americans with Disabilities paratransit service, and manages contracted regular route and dial-a-ride services. It also acts as a liaison with suburban transit authority providers and other regional transit services. The combined ridership for these services reached over 81 million in 2006. The Council's transit functions are funded by state general fund dollars, Motor Vehicle Sales Tax (MVST), federal revenue, and fares.

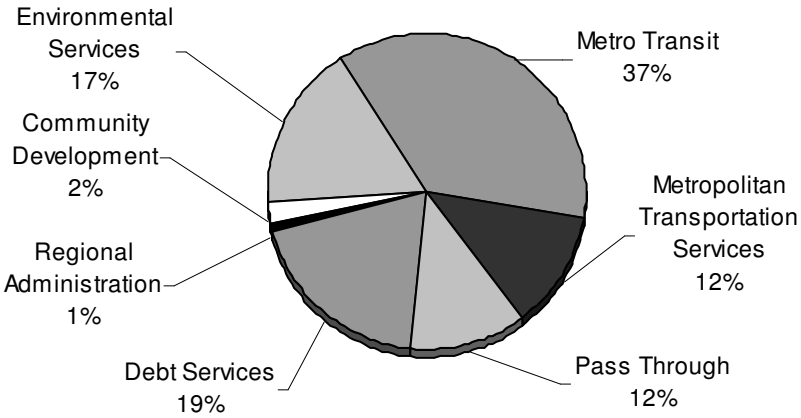
The Council also serves as the federally designated Metropolitan Planning Organization and manages the allocation of federal transportation funds. In this role, the Transportation Division provides regional transportation planning including aviation, highway, and transit systems. Every four years it develops and updates the 20 - year regional transportation plan, and annually produces the federally required three- year Transportation Improvement Program (TIP) for the metropolitan area.

**Budget**

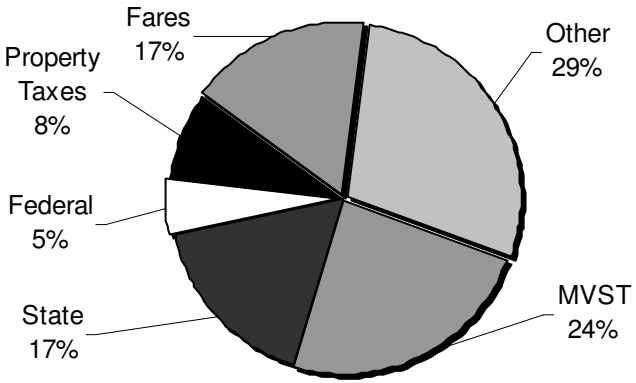
The Council adopts an annual budget for its operations. The $666 million unified operating budget for calendar year 2007 is composed of three major categories: $453 million of operating expenditures, $80 million of pass-through grants and loans, and $133 million of debt service expenditures. Organization staff includes 3,577 FTE.

Of the Council operating budget, $325 million is for transportation, $111 million is for wastewater treatment, and $17 million is for planning and administration.

## 2007 Unified Operating Budget by Function




## 2007 Unified Operating Budget by Funds

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For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us/.

**At A Glance: Agency Long-Range Strategic Goals**

The Metropolitan Council provides regional planning and providing essential services for the Twin Cities seven-county metropolitan area. The council works with local communities to provide these critical services:

- Operates most of the region's transit system
- Collects and treats wastewater
- Engages communities and the public in planning for future growth
- Provides affordable housing opportunities for low and moderate income individuals and families
- Provides planning, acquisitions, and funding for a regional system of parks and trails

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

There are three program areas requesting capital funds:

**Transit:** Since 1982, the number of trips taken every day in the region increased and the number of daily vehicle miles traveled (VMT) increased. Because of this, the region is experiencing significant congestion. The Texas Transportation Institute (TTI) estimates that 41 percent of the region's highway lane miles experience congestion during the peak in 2005, up from 19 percent in 1982.

This increase in congestion is having a significant impact on citizens and businesses. The average commuter traveling during the peak spent 43 hours in congestion in 2005. Forty-three hours in congestion equaled $790 in time and fuel or $1,099 million for the region in 2005. Business impacts include higher shipping costs; reduced worker productivity; smaller area to draw customers and employees from; and reduced regional competitiveness.

Transit is already making a substantial impact on reducing freeway congestion. A freeway lane can carry about 2,000 cars per lane per hour. The I-35W Study found that transit served 15,000 persons each day and express buses carry the equivalent of one and a half lanes of traffic in the peak hour.

But transit's benefits are constrained by two issues:

- First, transit operating funding is lower than peer regions. This limits the amount of transit service that can be made available to citizens.
- Second, buses have to operate in the same congested traffic that automobiles do. The region has constructed ramp meter bypasses and bus-only shoulders to allow buses to bypass some of the traffic, but it doesn't free the buses from traffic. If transit could operate in space dedicated to transit, citizens could get around the region without being impacted by congestion.

**Regional Parks:** Since 1974, when the Metropolitan Regional Park System was created, the size of the regional park system has grown from 31,000 acres to about 52,660 acres today. Concurrently, use has grown from five million visits in 1974 to 33 million visits in 2006. This has increased the need both for rehabilitation of existing parks and for new parkland.

As the metropolitan region continues to grow the demand for outdoor recreation facilities provided in the Metropolitan Regional Park System will be strong. Visits to regional parks are expected to continue to increase and the need to maintain existing parks and develop new or expanded parks will continue.

The state has had a strong commitment to regional parks. Since 1974, the state has provided $243.2 million of bonds and $35.2 million of Environmental Trust Funds to acquire land, and to rehabilitate existing and develop new regional parks and trails. The state investment has been leveraged with $156.8 million of bonds issued by the Metropolitan Council.

**Environmental Services:** Environmental Services' infrastructure capital improvement program, for the next 10 years, is over $1.5 billion. This is due to increasing needs for rehabilitation of the aging infrastructure in the older parts of the region, growth of the metropolitan disposal system, and quality improvements which are mostly regulatory driven. With rising capital costs, and also a decreasing share of the PFA subsidy available to the metro area, debt and debt service are rising rapidly. The council's wastewater debt

outstanding will hit $1 billion within the next couple of years, and the percent of the annual wastewater budget used for debt service will hit 50 percent within 10 years.

Since all debt service for wastewater functions is paid by wastewater fees, rising debt service is putting substantial pressure on metro sewer rates.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Transit:** The functionality of the highway system during peak travel times is severely compromised by congestion and is simply not functioning as it should. I-94 in the Central Corridor, I-35W North and South, I-35E North, I-94 West, I-694, I-494 and TH62 often experience Level of Service F (unsatisfactory stop-and-go traffic with traffic jams and stoppages of long duration) for more than three hours in the evening.

**Regional Parks:** Master plans for each regional park and trail unit are prepared by the regional park implementing agency that owns/manages each park. Updates to these plans are done to reflect new demand for recreation facilities and to help manage existing facilities and natural resources in the parks. With continued growth in the use of the park system, it is imperative to invest in facility rehabilitation and development. Furthermore, land acquisition for new park units needs to occur at a pace that will allow those units to be developed to meet demand and future population growth.

**Environmental Services:** The $3-4 billion metropolitan disposal system for the most part is in good condition. However, rate pressures are continuously balanced against infrastructure risks. Inflow and infiltration into the system and new regulatory initiatives are and will continue to put substantial financial pressure on the system.

The Council's $1.5 billion (10 year) wastewater CIP does *not* include an additional $900+ million in estimated need for capacity enhancement in the next 20 years that would be required if excess inflow and infiltration (I/I) of clear water into the sewer system is not eliminated. The council is pushing for I/I mitigation at the source through a few programs, including surcharging its served cities that have the excessive I/I; however, this is putting substantial pressure on city finances. If the I/I reduction program fails, either significant council rate increases will be needed or growth will be impacted in the metropolitan area. The I/I program is part of the council's Water Resources Management Plan, adopted with much public input. Fixing the I/I problem at the source is much more cost effective than the council making rarely-used capacity enhancements and also has other environmental benefits. The requested funds would pay for only 50 percent of the cities' public infrastructure fix.

**Agency Process Used to Arrive at These Capital Requests**

The Metropolitan Council prepares a six-year capital improvement program (CIP) for each year as part of its annual budget process. This CIP includes funding for capital investment in the Transportation, Community Development and Environmental Services Divisions. Transportation includes fleet, support facilities, customer facilities (including transitways and transit stations/park and rides), equipment and technology improvements. Community Development provides for acquisition, development and redevelopment of the regional park system. Environmental Services includes the preservation, growth and quality improvement of the wastewater system.

**Major Capital Projects Authorized in 2006**

**Transit:** In 2006, the following transit projects were appropriated capital funds in the state bonding bill:

- Northstar Commuter Rail: $60 million
- Cedar Avenue Bus Rapid Transit: $5 million
- Central Corridor: $7.8 million
- Red Rock Corridor: $500,000
- I-35W Bus Rapid Transit: $3.3 million
- Robert Street Corridor: $500,000
- Union Depot: $3.5 million

**Regional Parks:** In 2006, $7 million of state bonds leveraged $4.6 million of Metropolitan Council bonds, $1.8 million of federal TEA-21 grants and a $574,000 watershed district grant to finance acquisitions in three regional parks, rehabilitate worn out facilities in 16 regional parks and trails and develop new facilities in 12 parks and trails. These projects were prioritized in

the Metropolitan Council's regional parks capital improvement program. An additional $22.8 million of state bonds were appropriated for line item projects outside the Council's regional parks capital program that were passed through to regional park agencies.

In 2007, $2.5 million of Environmental Trust Funds leveraged $1.6 million of Metropolitan Council bonds to help regional park agencies partially finance the acquisition of land for the regional park system. To-date, 61 acres has been acquired for a new regional park in Scott County.

**2007 Urban Partnership Agreement:** In 2007, the US Department of Transportation entered into an agreement in principle with the Minnesota Department of Transportation and the Metropolitan Council to fund strategies to reduce traffic congestion in the Twin Cities. Money from the UPA will be used to tackle congestion on I-35W. Under the agreement, the Minnesota Legislature must provide the legislative authority needed to put the plan in place within 90 days of the State Legislature convening in February. Capital improvements eligible for the UPA funding include:

- Priced dynamic shoulder lanes, similar to the I-394 MnPASS, on I-35W from 46th Street to downtown Minneapolis
- Addition of a High Occupancy Toll (HOT) lane in the Crosstown reconstruction project from 66th Street to 46th Street
- Conversion of the High Occupancy Vehicle (HOV) lane to High Occupancy Toll (HOT) lane on I-35W from 66th Street to Burnsville Parkway
- Cedar Avenue Bus Rapid Transit (BRT) and transit stations/park and rides between downtown Minneapolis and Lakeville ahead of the planned schedule
- Construction of additional park-and-ride lots along the I-35W corridor north and south of Minneapolis
- Construction of additional dedicated bus lanes in downtown Minneapolis
- Partnerships with major employers along the I-35W corridor to promote flex-time and telecommuting programs
- Use of additional Intelligent Transportation Systems (ITS) technology

**2008 STATE APPROPRIATION REQUEST:** $140,000,000

**AGENCY PROJECT PRIORITY:** 1 of 8

**PROJECT LOCATION:** St. Paul and Minneapolis

**Project At A Glance**

The Metropolitan Council requests $140 million to provide one-half of the state share to complete the engineering, design and construction of the Central Corridor Light Rail Transit.

**Project Description**

The Central Corridor links five major centers of activity in the Twin Cities region – downtown Minneapolis, the University of Minnesota, the Midway area, the State Capitol complex and downtown St. Paul. This corridor serves the region's largest employment concentrations – the two downtowns and the university - with almost 280,000 jobs today.

The 11-mile Central Corridor Light Rail Transit (LRT) will connect with the Hiawatha LRT line at the Metrodome station and terminate at the new Twins Ballpark and Northstar commuter rail line in Minneapolis. The Central Corridor will have 16 new stations, plus share five stations with Hiawatha in downtown Minneapolis.

Weekday ridership is projected for Central Corridor LRT with 38,100 rides estimated by 2020 and 43,270 by 2030. Service will be similar to Hiawatha with trips every 7.5 minutes in the rush hours.

The Central Corridor LRT enjoys broad support. St. Paul, Minneapolis, Hennepin County, Ramsey County, and the University of Minnesota all consider Central a top priority. Hennepin and Ramsey Regional Rail Authorities have committed significant financial resources to the project, including funding the majority of Preliminary Engineering costs. The business community, led by the Central Corridor Partnership business coalition, strongly supports delivering the Central project as soon as possible. Local community groups and coalitions also voice support for the project.

The project schedule calls for Preliminary Engineering to be completed in 2007 and 2008, Final Design in 2009, a Full Funding Grant Agreement secured with the Federal Transit Administration (FTA) in late 2009, Construction from 2010 through 2013 and Start of Revenue Operations in early 2014. The FTA has given approval to the Metropolitan Council (the federal grantee for the project) to proceed with Preliminary Engineering.

During Preliminary Engineering, the project's current scope, recently updated to $990 million in year-of-expenditure dollars, will be reduced to approximately $840 million to meet federal cost effectiveness requirements. The FTA will fund $420 million, or 50 percent of the project capital cost, contingent upon meeting federal criteria. Hennepin and Ramsey counties will fund $140 million and the state is expected to fund $280 million, of which $13 million was received in the 2005 and 2006 State Bonding Bills. This request is for $140 million in state bonding. The remaining $127 million state share is planned to be from other transportation funding sources.

To keep the project on schedule, and avoid additional inflationary costs, the Metropolitan Council must make application to the FTA to enter into Final Design by August/September 2008. The FTA prefers most, if not all, non-federal funding for the project to be *committed* at the time of Final Design application to demonstrate local support for the project. Hennepin and Ramsey counties will also commit to their share of costs prior to Final Design application. Actual bond issuance will occur primarily during the construction phase.

**Impact on Agency Operating Budgets (Facilities Notes)**

Central Corridor LRT is scheduled for start-up in early 2014. The 2014 annual net operating cost (after fares) is estimated at $16 million. Fifty percent or $8 million annually, will be funded by the Metropolitan Council using Motor Vehicle Sales Tax (MVST) revenues dedicated to transit. The remaining $8 million annual net operating cost will be funded jointly by Hennepin and Ramsey County Regional Rail Authorities.

**Previous Appropriations for this Project**

2005 Bonding Bill: $5.25 million
2006 Bonding Bill: $7.8 million

**Other Considerations**

The Central Corridor LRT is a vital component of the region's transportation plan. Traffic congestion is already a problem in the Central Corridor. Certain points in the corridor are experiencing more than three hours of congestion in the evening. Traffic is projected to continue to grow as the region adds another million people by 2030. No other transportation improvements are planned for the Central Corridor, including I-94, in the region's long-term transportation plans.

The number of jobs in the Central Corridor is expected to grow to 345,000 by 2030, demonstrating the vitality of the corridor and need to provide enhanced transportation capacity.

**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB has been extensively involved in Central Corridor planning since 1993 and fully supports current plans, route, alignment, and station plans, assuming that all such plans and implementation continue to respond favorably to both the *Comprehensive Plan for the Minnesota State Capitol Area* and the design directions of CAAPB staff, Architectural Advisors, and the Board intended to safeguard the goals of that Comprehensive Plan.

**Governor's Recommendation**

The governor recommends general obligation bonding of $70 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45,500 | 0 | 0 | 0 | 45,500 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 266,929 | 452,553 | 75,018 | 794,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **45,500** | **266,929** | **452,553** | **75,018** | **840,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 13,050 | 140,000 | 0 | 0 | 153,050 |
| **State Funds Subtotal** | 13,050 | 140,000 | 0 | 0 | 153,050 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 22,700 | 40,245 | 305,588 | 50,656 | 419,189 |
| Local Government Funds | 9,750 | 43,861 | 74,362 | 12,327 | 140,300 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 42,823 | 72,603 | 12,035 | 127,461 |
| **TOTAL** | **45,500** | **266,929** | **452,553** | **75,018** | **840,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 140,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $10,500,000

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $10.5 million in state bonds to match $7 million of Metropolitan Council bonds to improve and expand the Metropolitan Regional Park System.

**Project Description**

The Metropolitan Regional Park System consists of 52,000 acres of parks and 172 miles of trails. The Metropolitan Regional Park System is owned, operated, and maintained by ten regional park implementing agencies:

| | |
|---|---|
| Anoka County | Ramsey County |
| City of Bloomington | City of St. Paul |
| Carver County | Scott County |
| Dakota County | Three Rivers Park District |
| Minneapolis Park & Rec. Bd. | Washington County |

This request is based on distributing the state and Metropolitan Council bonds as subgrants to regional park implementing agencies for each park agency's prioritized list of capital projects that have been approved by the Metropolitan Council in the Council's 2008-09 portion of the 2008-13 Metropolitan Regional Parks Capital Improvement Program (CIP).

The Metropolitan Council, with the advice of the Metropolitan Parks and Open Space Commission, prepares a Metropolitan Regional Parks CIP under direction from M.S. 473.147. This request is to fund a portion of that CIP. The table included at the end of this narrative illustrates the amount of each park agency's subgrant in the CIP as part of this state bond request.

The percentage share of the total request (combined state bonds and matching Metro Council bonds) for each park agency is also shown on the table.

The agency share is based on the agency's 2005 population, which was given a weight of 70 percent; and the percentage of non-local visits that park agency's regional park/trail units received in a 1998-99 park visitor study, which was given a weight of 30 percent. If less than $10.5 million is appropriated, each park agency will receive its percentage share of the state bond appropriation and Metro Council bond match as shown on the following table. For example, 10.8 percent of the combined appropriated state bonds and Metro Council bond match would be granted to Anoka County. The park agency must spend its share on funding projects in priority order of its prioritized project list, which is attached at the end of this narrative.

Over 33 million visits occurred in the Metropolitan Regional Park System in 2006. Of this amount, 40.0 percent or 13.2 million visits were from persons living out-of-state, from Greater Minnesota, and from the Metropolitan Area outside the park implementing agency's local jurisdiction. The state bond request is matched with Metropolitan Council bonds on a 60 percent state/40 percent Metropolitan Council basis. This spreads the costs of these capital improvements between all state taxpayers based on their use of the park system and what they pay in taxes for debt service on the state bonds and council bonds.

The final list of projects in priority order for each park implementing agency that would be funded from the state bond request and the Metropolitan Council bond match is shown at the end of this narrative. This final list is changed from the preliminary request submitted in June 2007. The projects are consistent with Council-approved park or trail master plans.

**Metropolitan Regional Park System as part of State's Strategic Mission**

The Metropolitan Regional Park System is one of four regional systems the Metropolitan Council is charged to plan and develop capital improvement programs under state law (M.S. 473.147). Since 1974, the state of Minnesota has provided $278.5 million in capital funds and Environmental Trust Funds as recommended by the Legislative Citizens Commission on Minnesota Resources (LCCMR) and its predecessor.

**Impact on Agency Operating Budgets (Facilities Notes)**

There is no direct impact on state agency operating budgets since the state of Minnesota does not operate Metropolitan Regional Park System units. However, indirectly, the state's capital investment in the Metropolitan Regional Park System reduces the visitor impact on three state parks, one state recreation area and two state trails in the metropolitan region. The reduced visitor pressure on the state park/trail units reduces the costs to operate and maintain those parks.

**Previous Appropriations for this Project**

The state has appropriated $243.2 million of bonds to the Metropolitan Council for this program from 1974 to 2007. In 2006, $29.9 million was appropriated including $7 million for the 2006-07 Metropolitan Regional Parks CIP projects, plus $22.9 million of line item appropriations for projects in addition to the projects in the 2006-07 Parks CIP. The Council provided $4.6 million of bonds as a 40 percent match to the $7 million of state bonds appropriated for the 2006-07 parks CIP projects.

The state has provided $35.2 million of Environmental Trust Fund appropriations from 1991 to 2007 as recommended by the Legislative Commission on Minnesota Resources-now the LCCMR. In 2007 the LCCMR recommended a $2.5 million appropriation to be used to partially finance land acquisition projects to supplement what is appropriated for land acquisition in the 2006-07 parks CIP. The Council provided a $1.33 million match to the LCCMR recommended funding.

**Other Considerations**

The LCCMR and its predecessor the Legislative Commission on Minnesota Resources have recommended funds to supplement the state bond appropriations for the parks CIP. As noted above, the most recent appropriation of $2.5 million in 2007 was targeted to land acquisition projects.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $6 million for this project. Also included are budget planning estimates of $6 million in 2010 and $6 million in 2012.

**Attachment 1: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request--Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Anoka County | 1 | Bunker Hills Regional Park | Rehabilitate approx. 2 miles of bituminous trails; construct approx.1 mile of new bituminous trail, construct a new restroom building, play structure and interpretive facility; rehabilitate building for satellite maintenance shop; landscaping; site furnishings; and utilities. | $ 597 | $ 261 | $ 858 |
| Anoka County | 2 | East Anoka County Regional Trail | Reimbursement to the City of Blaine via Anoka County for half the cost of constructing 2.25 miles of bituminous trail that was completed in 2005. | $ - | $ 81 | $ 81 |
| Anoka County | 3 | Rice Creek Chain of Lakes Park Reserve | Construct campground visitor center, road and parking lot; construct approx. 1 mile of new trail, 1 picnic shelter, playground, landscaping, restoration, and upgrade utilities. | $ 569 | $ 171 | $ 740 |
| Anoka County | 4 | Anoka County Riverfront Regional Park | Reconstruct parking lot, lighting, landscaping/restoration, site furnishings, and utilities. | $ 54 | $ 36 | $ 90 |
| Anoka County | 5 | Central Anoka County Regional Trail | Reimbursement for constructing 2 miles of bituminous trail that is scheduled to be completed in 2008. Matched with $125,388 provided by City of Centerville. | $ - | $ 125 | $ 125 |
| | | | **Anoka County Percentage Share is 10.8% Subtotal is** | **$ 1,220** | **$ 674** | **$ 1,894** |
| City of Bloomington | 1 | Hyland-Bush-Anderson Lakes Park Reserve - Bush Lake Park Unit | Reimbursement for partial funding to acquire in-holding property located at 9625 East Bush Lake Road. Property acquired October, 2004. | $ - | $ 67 | $ 67 |
| City of Bloomington | 2 | Hyland-Bush-Anderson Lakes - Bush Lake Park Unit | Reconstruct some of the bituminous trails in the Bush Lake unit of the park as far as the funds will allow. | $ 330 | $ 109 | $ 439 |
| | | | **City of Bloomington Percentage Share is 2.9% Subtotal is** | **$ 330** | **$ 176** | **$ 506** |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Carver County | 1 | Lake Waconia Regional Park | Reimburse the County for partially financing the acquisition of 43.94 acres acquired for the park in late 2006 and early 2007. | $ - | $ 426 | $ 426 |
| | | | **Carver County Percentage Share is 2.4% Subtotal is** | $ - | **$ 426** | **$ 426** |
| Dakota County | 1 | Lebanon Hills Regional Park | Loop trail of 1.1 miles around McDonough Lake plus other connector trail spurs (approximately .3 miles); parking lot redevelopment for efficiency, security and improved storm water management; trail connections between visitor center, beach, overflow parking lot; intepretive and play elements; and beach shade structures. | $ 667 | $ 83 | $ 750 |
| Dakota County | 2 | Big Rivers Regional Trail | Design and construction of trail head including small shelter with restroom core, trailhead orientation, drinking water, related restoration and landscaping. | $ 353 | $ 47 | $ 400 |
| Dakota County | 3 | Lebanon Hills Regional Park | Design and construction of a trailhead including a new parking lot (capacity 60), small restroom building, drinking water, trailhead orientation signage. Also remove inadequate and poorly located parking lot and restore site. | $ 369 | $ 60 | $ 429 |
| Dakota County | 4 | Lake Byllesby Regional Park | Reimbursement for county funds spent on the development of the Lake Byllesby Regional Park road and beach project of 1997. | $ - | $ 225 | $ 225 |
| | | | **Dakota County Percentage Share is 10.3% Subtotal is** | **$ 1,389** | **$ 415** | **$ 1,804** |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request- Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Minneapolis Park & Rec. Board | 1 | Minnehaha Regional Park | Rehabilitation of Wabun / Omemee picnic area and all related site elements, and may include such facilities as picnic tables, lighting, maintenance garage, benches, entrance drives, approximately 2 1/2 miles of paths, parking, restrooms, shelters, drinking fountain, play equipment, wading pool, overlook, stormwater management, signage, entry monuments, landscaping, bridges, related facilities, and tasks to include design, survey, soil borings, engineering and construction. Portion of the work initially financed by MPRB in 2007 and early 2008 and is proposed for reimbursement with Metro Council bonds. Also $300,000 provided by MN Veterans Home Board | $ 1,741 | $ 1,059 | $ 2,800 |
| Minneapolis Park & Rec. Board | 2 | Theodore Wirth Regional Park | Continued major rehabilitation of Wirth Lake Beach that may include such facilities as play equipment, sand volleyball court, 1/2 court basketball, picnic area, life guard tower(s), new turf areas, wetland enhancements, plaza surrounding recently rebuilt beach building, and support facilities such as paths, boardwalk, site furniture, landscaping, and all related tasks such as demolition, survey, design, construction, consulting. | $ 532 | $ 7 | $ 539 |
| | | | **Minneapolis Park & Rec. Bd. Percentage Share is 19.1%** **Subtotal is** | **$ 2,273** | **$ 1,066** | **$ 3,339** |
| Ramsey County | 1 | Rice Creek North Regional Trail | Reimbursement to Ramsey County for balance of construction costs for that section of Rice Creek North Regional Trail within the former Twin City Army Ammunition Plant. Project Includes 2.2 miles of paved bicycle/pedestrian trail, construction of an 85 foot bridge over Rice Creek, wetland development, fencing and trurf establishment. Previous Metropolitan Council Grant will finance $455,000 of project costs. | $ - | $ 145 | $ 145 |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| Ramsey County | 2 | Bald Eagle-Otter Lakes Regional Park & Rice Creek North Regional Trail | Construct natural resource restoration projects at Tamarack Nature Center (50 acre prairie) within Bald Eagle-Otter Lakes Regional Park and Rice Creek North Regional Trail (22 acre prairie). | $ 30 | $ 20 | $ 50 |
| Ramsey County | 3 | Keller Regional Park | Continued phased redevelopment of Keller Regional Park to include construction of additional restrooms and picnic shelters. Associated sitework includes parking, pathways and landscaping. Previously completed phases include installation of sewer and water utilities and construction of five restroom facilities | $ 932 | $ 479 | $ 1,411 |
| | | | **Ramsey County Percentage Share is 9.2% Subtotal is** | **$ 962** | **$ 644** | **$ 1,606** |
| City of Saint Paul | 1 | Como Regional Park | Reimbursement to Saint Paul Public Works for a loan of $149, 000 to fund the budget gap to award and complete construction of the Como Trail project. | $ - | $ 149 | $ 149 |
| City of Saint Paul | 2 | Lilydale Regional Park | Detailed site survey and design plans for major park improvements including infastructure/utilities, road alignment, trail alignment, bridge structure, trailhead, soft camping, parking, wetland/ storm water improvements, interpretive signage, lake improvements, and former brick quarry site. | $ 60 | $ 40 | $ 100 |
| City of Saint Paul | 3 | Sam Morgan Regional Trail | Design and engineering of 1.7 miles and reconstruction of 0.9 miles of this section of trail between 35E and Hwy 5 which is in poor condition and only 8 feet wide. Project includes design and engineering for entire 1.7 miles and construction of 0.6 miles. | $ 414 | $ 194 | $ 608 |
| City of Saint Paul | 4 | Cherokee Regional Park | Complete design and engineering for 1.3 miles of trails and overlooks from Ohio Street to Annapolis along the bluff side of Cherokee Parkway. This request follows up on the 2006 grant for preliminary design. | $ 26 | $ 167 | $ 193 |

**Attachment 1 *continued*: Prioritized Project List of Each Regional Park Implementing Agency for 2008 State Bond Request-Metropolitan Regional Parks**

| Regional Park Implementing Agency | Priority of Project for that Agency | Project Location | Project Description | State Bonds ($000's) | Metro Council Bonds ($000's) | Project Total Subgrant ($000's) |
|---|---|---|---|---|---|---|
| City of St. Paul | 5 | Como Regional Park | Design and engineering for reconstruction of Estabrook Drive from Lexington west to the Frog Pond (including Lexington intersection), and Nason Place from Estabrook Drive to Aida Place. | $ 102 | 401 | $ 503 |
| City of Saint Paul | 6 | Como Regional Park | Design/engineering of a phased construction of an expanded outdoor aquatics facility at the site of the existing Como Pool inclujding renovation of existing pool, new building with outdoor shower facilities, expanded parking area, wave pool, splash pad and infrastructure for future development phases. | $ 182 | $ 455 | $ 637 |
| City of Saint Paul | 7 | Harriet Island Regional Park | Design and construction of 110+/- parking spaces adjacent to Water Street including lighting, utilites and storm water treatment. | $ 118 | $ 246 | $ 364 |
| | | | **City of St. Paul Percentage Share is 14.6% Subtotal is** | **$ 902** | **$ 1,652** | **$ 2,554** |
| Scott County | 1 | Doyle-Kennefick Regional Park and Cedar Lake Farm Regional Park | Partial reimbursement for County's contributions towards acquisition of the 400-acre Doyle family property at Doyle-Kennifick Regional Park and the 61-acre Cedar Lake Farm property at Cedar Lake Farm Regional Park. . | $ - | $ 570 | $ 570 |
| | | | **Scott County Percentage Share is 3.3% Subtotal is** | **$ -** | **$ 570** | **$ 570** |
| Three Rivers Park District | 1 | Lake Rebecca Park Reserve | Construction phase to rehabilitate paved roads, parking lots, paved trails and trail connections in the park as part of the Pavement Management program | $ 3,110 | $ 524 | $ 3,634 |
| | | | **Three Rivers Park District Percentage Share is 20.8% Subtotal is** | **$ 3,110** | **$ 524** | **$ 3,634** |
| Washington County | 1 | Lake Elmo Park Reserve | Reimburse County funding for replacing playground equipment to meet ADA requirements in 2004. | $ - | $ 125 | $ 125 |
| Washington County | 2 | St. Croix Bluffs Regional Park | Design and construct a new shower building, well, water distribution system and dump station area in the campground. | $ 314 | $ 168 | $ 482 |
| Washington County | 3 | St. Croix Bluffs Regional Park | Partial reimbursement for County funding of a 208 acre parcel that was acquired on Oct. 31, 1996 for the park. | $ - | $ 560 | $ 560 |
| | | | **Washington County Percentage Share is 6.7% Subtotal is** | **$ 314** | **$ 853** | **$ 1,167** |
| | | | **Grand Total** | **$ 10,500** | **$ 7,000** | **$ 17,500** |

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 150,845 | 1,623 | 2,174 | 627 | 155,269 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 274,630 | 15,877 | 15,326 | 16,873 | 322,706 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **425,475** | **17,500** | **17,500** | **17,500** | **477,975** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 243,216 | 10,500 | 10,500 | 10,500 | 274,716 |
| Environmental Trust | 35,254 | 0 | 0 | 0 | 35,254 |
| **State Funds Subtotal** | 278,470 | 10,500 | 10,500 | 10,500 | 309,970 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 147,005 | 7,000 | 7,000 | 7,000 | 168,005 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **425,475** | **17,500** | **17,500** | **17,500** | **477,975** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Urban Partnership Agreement (UPA)

**2008 STATE APPROPRIATION REQUEST:** $21,075,000

**AGENCY PROJECT PRIORITY:** 3 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council and Minnesota Department of Transportation request $54.853 million to provide local match for funding from USDOT for congestion pricing implementation, park and ride construction and intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

**Project Description**

The Minnesota Department of Transportation (Mn/DOT) and the Metropolitan Council have been jointly awarded $133.3 million in federal funds by the US Department of Transportation through the Urban Partnership Agreement (UPA) program. The project provides a comprehensive approach to congestion reduction that includes congestion pricing, transit enhancements, telecommuting/telework, and the use of advanced technologies.

In conjunction with the UPA application, Mn/DOT and Met Council have submitted federal grant applications under the Value Pricing Pilot Program (VPPP), the Intelligent Transportation System Operational Testing to Mitigate Congestion (ITS-OTMC) and Section 5309 Bus and Bus Related Capital Facilities grant programs to fund the UPA improvements.

The UPA funding must be matched with a minimum 20 percent local funding. This capital request is for the local funding required to match the federal UPA dollars, match federal (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) SAFETEA-LU dollars for two Cedar Avenue Bus Rapid Transit (BRT) project components in the UPA, and fund three UPA components that did not receive federal funding.

This total UPA state funding request is being submitted by both Mn/DOT and the Met Council. Of the $54.853 million in state funds, $33.778 million will be appropriated to Mn/DOT and $21.075 million to the Metropolitan Council.

*Note:* The accompanying Project Detail page for Met Council shows all costs and funding except for Mn/DOT's state request. The Project Detail page that accompanies Mn/DOT's Project Narrative shows only the Mn/DOT state request to avoid double-counting.

The complete components of the UPA project for both agencies are as follows:

**Mn/DOT - Congestion Pricing:** Convert I-35W High-Occupancy Vehicle (HOV) lane to a MnPASS High-Occupancy Toll (HOT) lane from Burnsville to approximately I-494 including a lane add between 106th Street and Highway (Hwy) 13, construct a HOT Lanes between I-494 and 46th Street with reconstruction of the Crosstown Project, construct a Priced Dynamic Shoulder Lane from 46th Street to downtown Minneapolis and implement arterial traffic management.

Total cost: $71.778 million
Federal funds: $47.4 million
Requested State funds: $24.378 million (Trunk Highway Bonds)

**Mn/DOT – Telecommuting/Outreach:** Implement the UPA telecommuting requirement by recruiting local employers as partners to increase the number of telecommuters. Also, develop and implement an Outreach Program involving state and local elected officials and community representatives to facilitate communication and project implementation.

| | |
|---|---|
| Total cost: | $9 million |
| Federal funds: | $0 |
| Requested State funds: | $9 million (General Fund) |

**Mn/DOT – Hwy 77 and Hwy 62 Transit Advantage:** Design and construct a bus-only transit advantage from northbound Hwy 77 to westbound Hwy 62.

Total cost: $2 million
Federal funds: $1.6 million
Requested State funds: $0.4 million (Trunk Highway Bonds)

**Met Council – Fleet:** Purchase 26 buses for enhanced transit service in the 35W South corridor (15 buses) and the 35W North corridor (11 buses). These buses will serve the new and expanded park-and-rides being constructed as part of the UPA.

Total cost: $13 million
Federal funds: $10.4 million
Requested State funds: $2.6 million (General Fund)

**Met Council – 35W Transit Stations/Park-and-Rides:** Acquire land, design and construct three new or expanded park-and-rides in 35W corridor.

Total cost: $32.7 million
Federal funds: $26.16 million
Requested State funds: $6.54 million
($6.14 million GO Bonds;
$0.4 million Trunk Highway Bonds)

**Met Council – Cedar Avenue BRT Transit Stations/Park-and-Rides:** Accelerate land acquisition, design and construction of transit station/park-and-ride facilities at 185th Street, 147th Street, 140th Street, Palomino Drive and Cedar Grove.

Total cost: $17.41 million
Federal funds: $13.25 million
($8.88 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State funds: $2.22 million (GO Bonds)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Met Council – Downtown Bus Lanes:** Expand single bus lanes to two lanes on Marquette and 2nd Avenues.

Total cost: $41.56 million
Federal funds: $33.248 million
Requested State funds: $8.312 million (GO Bonds)

**Met Council – Transit Technology:** Design and implement transit technology improvements including bus arrival, congestion conditions and parking availability information systems and a transit operator lane guidance system.

Total cost: $7.015 million
Federal funds: $5.612 million
Requested State funds: $1.403 million (General Fund)

**Summary:**

Mn/DOT components
Total Cost: $82.778 million
Federal funds: $49 million
Requested State Funds: $33.778 million
$24.778 million Trunk Highway Bonds;
$9 million General Fund)

Met Council components
Total Cost: $111.685 million
Federal funds: $88.67 million
($84.3 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State Funds: $21.075 million
($0.4 Trunk Highway Bonds;
$16.672 million GO;
$4.003 General Fund)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Impact on Agency Operating Budgets (Facilities Notes)**

Toll revenues generated by the congestion pricing will be used to fund Mn/DOT start-up and ongoing HOT-Lane operations as well as expanded transit service.

The unfunded portion of the expanded transit service is anticipated to come from regional transit operating funds and fares.

**Previous Appropriations for this Project**

None for UPA

Previous corridor appropriations:
Cedar Ave: $10 million GO bonds in 2005; $5 million in 2006

35W BRT: $3.3 million GO bonds in 2005; $14.8 million in trunk highway bonds (BAPTA) for transit element of crosstown project.

**Other Considerations**

Implementation of the UPA will accelerate the 35W and Cedar Avenue BRT components of the Met Council's regional 2030 Transportation Policy Plan.

Mn/DOT start up costs, estimated at $1 million, HOT-lane operating costs, and a portion of annual transit operating costs, estimated at $3 million, will be funded by toll revenues.

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**Governor's Recommendations**

The governor recommends for Met Council an appropriation of $4,003,000 from the general fund, $16,672,000 in general obligation bonding, and $400,000 in trunk highway bonding for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 11,505 | 0 | 0 | 11,505 |
| 2. Predesign Fees | 0 | 405 | 0 | 0 | 405 |
| 3. Design Fees | 0 | 15,046 | 1,975 | 0 | 17,021 |
| 4. Project Management | 0 | 10,936 | 6,103 | 0 | 17,039 |
| 5. Construction Costs | 0 | 105,942 | 40,687 | 0 | 146,629 |
| 6. One Percent for Art | 0 | 304 | 360 | 0 | 664 |
| 7. Relocation Expenses | 0 | 400 | 0 | 0 | 400 |
| 8. Occupancy | 0 | 800 | 0 | 0 | 800 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **145,338** | **49,125** | **0** | **194,463** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 670 | 16,672 | 0 | 0 | 17,342 |
| G.O. Bonds/Transp | 0 | 0 | 0 | 0 | 0 |
| General Fund Projects | 0 | 4,003 | 0 | 0 | 4,003 |
| Trunk Hwy Fund Bonding | 0 | 400 | 0 | 0 | 400 |
| **State Funds Subtotal** | 670 | 21,075 | 0 | 0 | 21,745 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 4,370 | 84,175 | 49,125 | 0 | 137,670 |
| Local Government Funds | 0 | 1,270 | 0 | 0 | 1,270 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,040** | **106,520** | **49,125** | **0** | **160,685** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 16,672 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Regional Park and Ride System Expansion

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 4 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $15 million to develop a number of new or expanded park-and-ride facilities throughout the Twin Cities metropolitan area.

## Project Description

This proposal is to develop a number of new or expanded park-and-ride facilities throughout the Twin Cities metropolitan area to meet the growing commuter demands for express bus transit.

Since 1999, the size and usage of the regional park-and-ride system has grown from approximately 6,700 spaces and 4,700 users in 1999 to approximately 19,500 spaces and 15,300 users in 2006. That is a 191 percent increase in capacity and a 226 percent increase in usage over the last seven years. The Regional Park-and-Ride Plan projects a system-wide need for nearly 25,000 spaces between 2015 and 2020, and nearly 35,000 spaces between 2025 and 2030 to serve forecasted transit commuter growth.

Since 1999, the number of park-and-rides decreased from nearly 150 to just over 100 in reaction to changing customer preferences. A shift away from smaller, neighborhood-oriented park-and-rides to larger, freeway-oriented park-and-rides began to occur in the early 1990s to provide customers with the auto-competitive travel time and frequent service. Today, the 11 largest facilities contain nearly 9,000 spaces while the 58 smallest facilities contain less than 3,000 spaces. The remaining 8,000 spaces are spread across 34 medium-sized facilities.

Accounting for both spaces to accommodate future transit commuter growth and spaces to replace capacity at existing, small park-and-rides, there is an estimated need for 8,000 new spaces by 2015 to 2020 and another 10,000 new parking spaces by 2025 to 2030.

Park-and-rides combined with frequent express service and bus only shoulders create an attractive alternative to driving alone, thereby slowing the rate of congestion on regional travel corridors, in the downtowns and on the University of Minnesota campus.

Several new or expanded park-and-ride projects are programmed for FY 2008-09. The scope of these projects vary widely from relatively simple surface expansions to more complicated structure expansions. Some of these projects will include land negotiations and acquisition. The project sites will provide additional, needed capacity to all parts of the metro area, including but not limited to specific sites in Edina (Hennepin County), Maplewood (Ramsey County), Blaine (Anoka County), Oakdale (Washington County), Chanhassen (Carver County). These programmed projects are expected to add between 2,000 and 3,000 new spaces to the regional system.

## Impact on Agency Operating Budgets (Facilities Notes)

Funding for additional buses and operating costs may need to be appropriated to support the additional park-and-ride capacity.

## Other Considerations

Some of these projects are Congestion Mitigation/Air Quality (CMAQ)-eligible.

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**Governor's Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 3,100 | 6,100 | 6,100 | 15,300 |
| 2. Predesign Fees | 0 | 400 | 800 | 800 | 2,000 |
| 3. Design Fees | 0 | 1,000 | 2,000 | 2,000 | 5,000 |
| 4. Project Management | 0 | 400 | 800 | 800 | 2,000 |
| 5. Construction Costs | 0 | 10,100 | 20,300 | 20,300 | 50,700 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **15,000** | **30,000** | **30,000** | **75,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 15,000 | 30,000 | 30,000 | 75,000 |
| **State Funds Subtotal** | 0 | 15,000 | 30,000 | 30,000 | 75,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **15,000** | **30,000** | **30,000** | **75,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 5 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $2 million to fund four or five in-depth transitway studies.

**Project Description**

This project will fund four or five in-depth studies of transitway corridors to determine their potential for light rail transit, commuter rail, or dedicated busway.

In early 2008, the Metropolitan Council will be completing the 2030 Transit Master Plan. This study will include a screening of approximately 25 regional corridors for their potential for light rail, commuter rail and dedicated busway. Based on this analysis, the council will be recommending a list of transitway corridors for further in-depth study. This request is to fund these in-depth studies to determine the feasibility of these corridors for major transit investments and to conduct alternative analyses of potential modes and alignments. Future year funding would be toward environmental studies, preliminary engineering, design, construction of facilities in the corridors (i.e. passenger facilities or park and rides) and potentially to match available federal funds.

**Impact on Agency Operating Budgets (Facilities Notes)**

No impact until light rail, commuter rail or dedicated busways are constructed.

**Other Considerations**

In the 2007 legislative session, there were approximately 10 individual requests for studies of transit corridors at a cost of $500,000 or more each. This request consolidates those individual requests into one request which will fund studies in the corridors identified as having the highest potential.

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**Governor's Recommendations**

The governor does not recommend funds for this request in the capital budget.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 2,000 | 8,000 | 10,000 | 20,000 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **8,000** | **10,000** | **20,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 2,000 | 8,000 | 10,000 | 20,000 |
| **State Funds Subtotal** | 0 | 2,000 | 8,000 | 10,000 | 20,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **8,000** | **10,000** | **20,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Metro Cities Inflow and Infiltration Reduction

**2008 STATE APPROPRIATION REQUEST:** $14,000,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $14 million to facilitate a municipal grant program for the mitigation of inflow and infiltration (I/I) into the metropolitan sanitary sewer disposal system.

**Project Description**

The Metropolitan Council, representing more than one-half of the state's population, operates the Metropolitan Disposal System under M.S. 473.515 and other statutes. Inflow and infiltration (I/I) of clear water (ground and storm waters) into the sanitary sewer may cause sewage spills and thus is an environmental threat to the state's waters. This request would facilitate fixes only on publicly-owned assets (i.e. city sewer pipes and ancillary sewer facilities). This proposal benefits both the metropolitan sewer system and metropolitan cities. The Association of Metropolitan Municipalities (aka "Metro Cities") supports this request.

The Council has initiated an overall I/I mitigation program primarily addressing the problem in local systems, rather than at the regional level. The program the Council initiated is a national model and has made our region a leader in addressing a problem that continues to plague other large metropolitan areas. This approach will slow the rate of sewer charge increases that would otherwise place a larger financial burden on some of the state's struggling industries and municipalities, and will help maintain a competitive advantage for our region. Also, an effective mitigation program will likely enhance the amount of clear water that beneficially infiltrates into the state's ground waters (instead of going through the sewers into the Mississippi).

The total mitigation program is expected to cost about $150 million, compared to $900+ million if the Council built metropolitan capacity to handle the I/I. A number of cities are experiencing a significant financial burden to implement the mitigation program. This appropriation would grant up to $14 million to metropolitan communities to rehabilitate local public sewer systems to eliminate excessive I/I. The cities would be required to match each grant dollar. Previously, the Council has used regional dollars to promote I/I fixes in the cities, and is currently spending regional funds to assure that excessive I/I does not occur in the regional system.

If the program is implemented, municipalities would:

- Identify eligible I/I project capital costs (sewer system rehabilitation and improvements)
- Secure city council resolutions committing financing for the 50% matching funds
- Apply to the Metropolitan Council for the grant
- Contract for the repairs to city pipes
- Account for the use of the proceeds

And the Metropolitan Council would:

- Draft generic grant agreements and city council resolutions
- Develop a grant list by municipality
- Disburse funds and verify expenditures

**Impact on Agency Operating Budgets (Facilities Notes)**

There is no financial impact to the Metropolitan Council. The technical and accounting review of the municipal I/I project expenditures already are ongoing by the Council, regardless of this grant program, since the Council requires such accountability of its customer cities as part of its I/I surcharge program.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 28,000 | 0 | 0 | 28,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **28,000** | **0** | **0** | **28,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 14,000 | 0 | 0 | 14,000 |
| **State Funds Subtotal** | 0 | 14,000 | 0 | 0 | 14,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 14,000 | 0 | 0 | 14,000 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **28,000** | **0** | **0** | **28,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 14,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Land Acquisition for Affordable New Development Loan Fund

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $10 million of cash to fund a land acquisition revolving loan fund for the purchase of land by local governments for the development of affordable housing.

**Project Description**

The Council will make no-interest loans to municipalities or their development agencies that participate in the Livable Communities Act Local Housing Incentives Account program for the purchase of property to be developed or redeveloped as affordable housing. It is anticipated the loan fund will require some amount of local investment to match the funding from the council.

The loans will be made to municipalities or their development agencies to accelerate the acquisition of property to be used for future affordable housing, or to avert the purchase of such property for a use that does not include affordable housing. The property for which the municipality is seeking the acquisition loan would ensure the council that the property is or will be appropriately guided and zoned for development as affordable housing, and that the development of such housing will help the town or city advance its Livable Communities Act affordable housing goals and help address its low- and moderate-income housing responsibilities under the Land Planning Act as described in its local comprehensive plan. Acquisition of the land funded by the loan would be required to take place no more than three to five years after the loan is made.

All municipalities participating in the Livable Communities Act Local Housing Incentives Account Program have unmet affordable housing goals through 2010. As they prepare their 2008 local comprehensive plan updates, municipalities will be including their plans to address their share of the region's anticipated 51,000 new affordable housing needs between 2011 and 2020. The ability to acquire and hold land for future affordable housing development is integral to achieving long-term housing objectives.

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**Governor's Recommendations**

The governor does not recommend funds for this request in the capital budget.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 10,000 | 0 | 0 | 10,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 10,000 | 0 | 0 | 10,000 |
| **State Funds Subtotal** | 0 | 10,000 | 0 | 0 | 10,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **0** | **0** | **10,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Renewable Fuel/Pollution Reduction Demonstration

**2008 STATE APPROPRIATION REQUEST:** $990,000

**AGENCY PROJECT PRIORITY:** 8 of 8

**PROJECT LOCATION:** Metropolitan Area

**Project At A Glance**

The Metropolitan Council requests $990,000 of cash for the design, construction, and installation of equipment for a demonstration project for renewable fuel production and pollutant reduction from algae growth on wastewater process effluent.

**Project Description**

"Over the past 30 years, funding for energy research and development has significantly declined in the United States (U.S.) However, any long-term strategy aimed at greater use of cleaner alternatives requires significant investments in research, development and testing of new technologies. Recognizing this, states can expand opportunities to fund energy R&D through universities and support private sector demonstration and pilot programs." Securing a Clean Energy Future, National Governor's Association pamphlet.

The Metropolitan Council and the University of Minnesota (U of M) recently entered into a collaborative effort to determine the economic feasibility of growing high oil content algae in treated wastewater and using the algal cell mass to produce biodiesel and bio-oils. The council has an interest in this concept because algae can: 1) remove significant phosphorus and nitrogen from wastewater treatment plant discharges; and 2) reduce the amount of carbon dioxide discharged to the atmosphere from combustion facilities. It is anticipated that state and federal environmental regulations will require the council to increase phosphorus and nitrogen removals and initiate control of greenhouse gases within the next 10 years. In addition to regulatory compliance issues, the process will produce a renewable fuel which will have a beneficial impact on the regional economy (displaces fuel purchased from outside region). Note that the concept may also provide the low cost alternative for additional nutrient removal at a number of smaller treatment plants throughout the state.

The demonstration effort will generate approximately one kilogram of algal cell mass per day and convert it to biodiesel and other energy products. Metropolitan Council Environmental Services (MCES) will be responsible for producing the algal cell mass and the U of M will process the material at their Center for Biorefinery Pilot Facility on the St. Paul campus.

MCES will design and construct small demonstration facilities (growth reactor and separation process) to produce the algae and evaluate separation technologies. Direct costs to design and construct the demonstration facilities are estimated to be approximately $215,000.

The U of M (Dr. Roger Ruan) will procure and install equipment to concentrate the algal cell mass, extract the oil from the algal cell mass, produce biodiesel from the extracted oil, and pyrolyze the remaining cell mass to produce other energy products. The total cost for the installed apparatus is approximately $500,000. Prior to procuring the demonstration scale equipment, similar equipment to process bench scale quantities of algal cell mass will be procured to evaluate effectiveness. The cost for the bench scale equipment is estimated to be approximately $75,000. Finally the U of M will procure equipment to characterize the products that are produced at an estimated cost of $200,000.

The U of M is currently using an internal grant and a small council grant to conduct laboratory scale algal growth and oil extraction studies. Without additional funds, however, the feasibility of the concept in a production environment cannot be demonstrated.

**Impact on Agency Operating Budgets (Facilities Notes)**

MCES will provide staff resources for the operation of the demonstration equipment located at the metro plant. These costs will be funded out of wastewater fee revenues. The U of M will provide the staff resources for the operation of the demonstration equipment located at the U of M.

**Other Considerations**

This funding request was endorsed by the Interagency Energy and Environment Group, headed by Edward Garvey, Deputy Commissioner of the Department of Commerce. The Pollution Control Agency, Department of Natural Resources, Department of Agriculture, Department of Employment and Economic Development and the Minnesota Housing Finance Agency also participate in the Group.

The University of Minnesota's Initiative for Renewable Energy and Environment (IREE) will continue to participate in this project and endorses this request.

**Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend funds for this request in the capital budget.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 80 | 0 | 0 | 0 | 80 |
| 3. Design Fees | 0 | 50 | 0 | 0 | 50 |
| 4. Project Management | 35 | 0 | 0 | 0 | 35 |
| 5. Construction Costs | 125 | 940 | 0 | 0 | 1,065 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **240** | **990** | **0** | **0** | **1,230** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 990 | 0 | 0 | 990 |
| **State Funds Subtotal** | 0 | 990 | 0 | 0 | 990 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 50 | 0 | 0 | 0 | 50 |
| Private Funds | 150 | 0 | 0 | 0 | 150 |
| Other | 40 | 0 | 0 | 0 | 40 |
| **TOTAL** | **240** | **990** | **0** | **0** | **1,230** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

- There are currently 13,293 military members of the Minnesota National Guard.
- The Department of Military Affairs manages 2.1 million square feet (SF) of facilities within 1,430 buildings on 54,496 acres at Camp Ripley and Arden Hills; 694,000 square feet (SF) within 46 logistical support buildings at nine locations; and 1.8 million SF in 62 National Guard Training and Community Centers (armories).
- The agency annually supports 2,500 National Guard men and women through its tuition reimbursement program.
- The department has overseen 64,721 National Guard "man-days" in response to state emergencies since 1998.

## Agency Purpose

The Minnesota Department of Military Affairs (MDMA), also known as the Minnesota National Guard, "is comprised of and includes the military forces of the state, the office of the adjutant general, all military reservations, military installations, armories, air bases, and facilities owned or controlled by the state for military purposes, and civilians employed by the state for the administration of the military department." (M.S.190.05)

- **Federal Mission:** As a federal entity, military members of the Minnesota National Guard serve as a reserve force for the United States Army and Air Force. They are subject to be called to federal active duty for extended periods of time by the President.
- **State Mission:** As a state entity, the Minnesota National Guard provides support to local law enforcement agencies during natural disasters and other emergencies at the direction of the governor.
- **Community Mission:** The Minnesota National Guard is also involved in community support projects throughout the state. These projects give our soldiers a chance to "give back to the community."

The vision of the MDMA is to provide leadership, resources, and support to the National Guard to assist in accomplishing these three missions.

## Core Functions

The MDMA provides the structure and resources to accomplish the four core programs that support the Minnesota National Guard:

- Maintenance of Training Facilities
- Enlistment Incentives
- Emergency Services
- General Support

## Operations

The department's customer base is the 13,293 members of the Minnesota Army and Air National Guard, the directors and managers responsible for the execution of the federal-state cooperative agreements, and the citizens of the state and nation during emergencies. The Minnesota National Guard has never been more engaged in world-wide missions. The National Guard is no longer a cold-war era, strategic reserve force, but rather it is an operational force being utilized daily in the war on terrorism. Since 9/11 and as of August 2006, the Minnesota National Guard has deployed 14,662 Army and Air Guard members.

The **Maintenance of Training Facilities Program** is the primary staff section responsible for maintaining the state's facilities used to train and house the members of the Minnesota National Guard and to protect the state's investment in facilities. Each Air National Guard Base also has a Civil Engineering function that is responsible for the maintenance of the federal facilities that are supported with state dollars.

**The Enlistment Program** is responsible for managing the department's enlistment incentives and tuition reimbursement programs. These programs provide incentives to the men and women who enlist and maintain their memberships in the Army and Air National Guard.

**Emergency Services** is managed by the Military Support directorate of the state staff. They provide the command and control services to the governor when the National Guard is activated in response to state emergencies.

**General Support** provides the general administrative, financial, accounting, budgeting, project management, and human resource support necessary for the operation of the department.

**Budget**

Of the department's total budget, 68 percent comes from the federal government through cooperative agreements for facilities maintenance, telecommunications, security, firefighting, and the STARBASE educational program serving inner city school students. The state general fund accounts for 30 percent, and approximately two percent comes from other sources (local government, facility sales, housing operations, etc.).

Additionally, the MDMA is also responsible for approximately $310 million per year from the federal government. These funds come directly from the federal government, do not pass through the state treasury, and are paid to individuals and vendors for federal-related activities.

The department's staff includes 273 employees. Only 31 of these employees are 100 percent state-funded. The remainder are predominantly federally funded -- some at 100 percent and most others at 75 percent or 80 percent.

**Contact**

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For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us/

**At A Glance: Agency Long-Range Strategic Goals**

Military Affairs has developed the following long-range capital goals:

- Through an asset preservation program, upgrade or replace building components and continue our program of repairing the exterior building envelopes at all of the armory buildings.
- Maintain the health and safety of the users of our facilities by seeking funding for: Americans with Disability Act (ADA) projects; facility fire and smoke alarms, heat detectors, and emergency lighting; and emergency response/emergency housing for citizens.
- Seek funding from various sources to provide facilities for newly acquired units, and to replace those facilities that can no longer be maintained to the standards of the department in a cost-effective way.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The state of Minnesota has a significant inventory of facilities used by the Minnesota Army National Guard. These include armories, logistical facilities, and various other training facilities located throughout the state. Although state owned, most of these facilities were constructed with some level of federal support and many of them receive federal support for operations. The current inventory consists of over 1,550 facilities with more than 4.4 million square feet of space. The agency's asset preservation program has been developed as an ongoing, long-range program covering a certain number of facilities each capital bonding period. The Department of Military Affairs has increased its request for asset preservation funds to mitigate the impact of the reduction in the CAPRA funds available to agencies of state government.

Armories – The Department of Military Affairs' mission requires a significant investment in training and administrative facilities. The most recognizable of these facilities is the armory. Also known as National Guard Training and Community Centers, armories serve as the home station for the almost 11,000 members of the Army National Guard. These facilities, located in 62 communities around the state, are also made available to local government, community organizations, and individuals for a wide variety of activities. The armories provide the department with a total of almost 1.6 million square feet of space.

Over the last several years the amount of federal funds available for replacement of our aging inventory of armory facilities has been much more limited. Previously, the federal government provided 75 percent of the construction costs for the basic armory. The remaining 25 percent was funded cooperatively by the state and the municipality within which the armory was located. The state share (approximately 12½ percent) was funded via a lease payment to the Minnesota State Armory Building Commission that sold bonds to finance the non-federal share of the construction costs. Now without additional funding for replacement of our aging facilities, the ability of the National Guard to train and house military units will continue to be seriously impacted and the ability to respond to local and regional emergencies will be hindered.

The lack of federal funding also impacts on the ability to acquire additional units for the Minnesota National Guard. The Department of Defense, through the National Guard Bureau, regularly adjusts the unit allowances between the states as some states are much more successful in providing manning for additional units. Because of the Minnesota's success in recruiting and retaining soldiers, the Minnesota Army National Guard is seeking additional force structure. These authorizations bring federal funds for full-time employees and traditional soldiers and their supporting equipment into the state. However, without permanent facilities for the units and their equipment, we will no longer remain competitive in acquiring additional force structure into Minnesota.

The federal government will generally not provide funds for routine maintenance and repair of current armory facilities. The state must pay all costs of operation and minor maintenance for armory facilities.

The department does not anticipate any reduction in the demand for state military support of emergencies and natural disasters. As evidenced by the fire, flood, and tornado support requested since 2003, the demand remains high. This military support is dependent upon the ability of the department to maintain clean, safe, and functional facilities to train and house the soldiers

called to state service by the governor and to house citizens and emergency responders during emergencies.

Logistical Facilities – The maintenance and repair support for Army National Guard training and logistical facilities (non-armory) remains fairly static. Many of the facilities located on the Camp Ripley reservation, although state-owned, are 100% federally supported. Other logistical support facilities (Field Maintenance Shops) are also state-owned and supported federally. The Army National Guard has 15 of these facilities located throughout the state that were, until recently, supported 75 percent federally and 25 percent state. The federal government has just changed the operational support and maintenance and repair support to 100 percent federal.

The Air National Guard will continue to be a major part of the overall Air Force mission support. As the size of the active Air Force continues to be reduced, the missions of the Air National Guard have increased proportionately. The Air Force continues to be confident that the Air National Guard can absorb some of the missions previously accomplished by the active component.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The department's facility inventory is rapidly approaching obsolescence. Fully 35 (56 percent) of the department's 62 armory facilities are over 40 years old. Twelve (19 percent) are over 70 years old. Many of these facilities were constructed when the demands for space were fairly straightforward – administrative, drill floor, classroom, and storage spaces were all very generic. However, as technology requirements have rapidly increased, so has the demand for upgraded electrical, communications, and computer related wiring and facilities. Additionally, as the missions of the tenant units have become more technology dependent, facilities must be constructed or re-configured to accommodate them.

Some of these facilities have outlived their useful lives. Structural, electrical, plumbing, roof, window, and heating plant repairs are becoming prohibitively expensive and more frequently required. The department has a maintenance backlog estimated at over $28 million. The operating budget continues to be inadequate to make an appreciable reduction in this maintenance backlog, although we have reduced the backlog over the last year utilizing the capital appropriations given to out department in prior years. Upgrading facilities to meet current code requirements becomes impractical as repairs become more extensive and expensive. For example, many of these facilities were constructed before indoor air quality was recognized as a work-place issue, and consequently they have poor air circulation and aging heating plants. Moreover, expansion to accommodate modern needs is often impractical in older facilities because they are now land-locked.

**Agency Process Used to Arrive at These Capital Requests**

The Facilities Management Office at Camp Ripley manages the agency's facility maintenance and repair program. That office is staffed with facility planners, architectural and design specialists, environmental specialists, physical plant management staff, building maintenance coordinators, and other support staff.

The asset preservation and facility improvement portions of the budget request are based on our ongoing facility inspections by our facilities management staff and input from the National Guard unit administrators. This facilities status data is referred to the Adjutant General's Facility Committee where other issues such as future stationing and force structure changes are factored into the list of requirements. In developing this plan, high priority is given to those projects necessary to comply with laws and codes, where major improvements are required to protect the state's investment in facilities, and where improvements are required to make the facilities more useable by tenant organizations.

The plan for new construction is based on ongoing evaluations of the facility inventory with respect to functional space requirements of the military organizations assigned to the state. Other factors include: the current structural state of the facility, costs of renovation and/or remodeling, the extent of repairs required which may also require compliance with current code, the ability of the current site to meet the increased demands for space, the opportunities for joint construction projects that meet the capital needs of the department and local communities, and the need to replace the current leased space with space specifically designed for military use.

Senior members of the Adjutant General's staff give broad guidance for the facilities management process through a Facilities Committee. The Facility Committee is structured into a tiered board system that provides the senior leadership a methodology to prioritize projects out over an extended timeline. Each service (Army and Air Guard) conducts a quarterly Tier II board that addresses their respective priorities. Each service board is chaired by the Assistant Adjutant General for the service. Both boards provide their highest projects prioritized by the fiscal year they are desired to the Tier I Board. The Tier I board provides recommendations to The Adjutant General, as the Chair, for decision and implementation as facility priorities for each Fiscal Year.

Members of our Design and Construction Operations Section staff estimate the construction costs that are then reviewed by our staff architect.

The Minnesota National Guard also uses the Army Communities of Excellence (ACOE) program plan to continuously review operations and facilities plans. Modeled after the Malcolm Baldrige Award program, ACOE allows the organization to take a critical look at all phases of planning and program execution.

**Major Capital Projects Authorized in 2002 through 2006**

| | | |
|---|---|---|
| 2002: | Asset Preservation statewide | $2.5 million |
| | ADA Improvements statewide | $357,000 |
| | Facility Life-Safety statewide | $1 million |
| | Capital Asset Preservation and Replacement Account (CAPRA) Roof and Boiler | $1.005 million |
| | CAPRA Emergency Lead Abatement | $150,000 |
| 2005 | Asset Preservation statewide | $4 million |
| 2006 | Asset Preservation statewide | $4 million |
| | Facility Life-Safety statewide | $1 million |
| | Lead abatement/indoor range conversion | $1.029 million |
| | ADA Compliance Improvements | $1.4 million |

# Military Affairs, Department of

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Asset Preservation | 1 | GO | $7,000 | $8,000 | $8,500 | $5,500 | $5,500 | $5,500 |
| Facility Life Safety | 2 | GO | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| ADA Alterations | 3 | GO | 1,500 | 900 | 900 | 1,500 | 900 | 900 |
| Camp Ripley Billeting | | GO | 0 | 5,400 | 0 | 0 | 0 | 0 |
| Project Total | | | $9,500 | $15,300 | $10,400 | $8,000 | $7,400 | $7,400 |
| General Obligation Bonding (GO) | | | $9,500 | $15,300 | $10,400 | $8,000 | $7,400 | $7,400 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**2008 STATE APPROPRIATION REQUEST:** $7,000,000

**AGENCY PROJECT PRIORITY:** 1 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- For reducing backlog of maintenance, repair, replacement, and for renovation of existing facilities.
- Depending on the specific project scope of work, federal funds will match 50 percent to state funds.

**Project Description**

This request addresses the deferred maintenance needs at armory and training buildings throughout the state. The department maintains approximately 1.8 million square feet in armory buildings along with approximately 2.6 million square feet of training and housing buildings at Camp Ripley. The department uses asset preservation funding to address some of the backlog of maintenance work order requests submitted by the users and building maintenance coordinators responsible for the upkeep of these buildings.

Since 1995, the Department of Military Affairs has continued to develop in-depth facilities audits with our facility managers to identify deferred maintenance needs. This process helped the department determine how large its portion of the "Capital Iceberg" had become. The current operating budget has, at best, been able to keep up with necessary priority repairs, leaving a growing backlog of projects.

Detailed facility audits have revealed a growing backlog of maintenance and renovation requests in excess of $28 million. Facility aging creates additional maintenance and repair problems. Currently, the average age of the department's armory facilities is in excess of 42 years. Phasing of asset preservation projects is (in priority order):

- Envelope Protection
- Safety/liability related projects
- Sanitary issues (e.g., toilet facilities)
- Functionality projects (e.g., rehabilitation of training rooms, lighting)
- Aesthetics/comfort projects if funding remains

Some examples of safety/liability issues that are included within the scope of this project are: repairs to curbs, sidewalks and building entrances; and updating electrical service and ventilating systems.

Some other examples of the projects anticipated within this request include the repair, replacement, or renovation of:

- Floors and floor coverings
- Toilet facilities (non ADA)
- Light fixtures and associated wiring
- Pumps and motors
- Ventilating and air conditioning systems
- Interior training rooms
- Shower/locker room facilities
- Other projects which extend the life of the facility

Asset Preservation Programming:

| 2008 | 2010 | 2012 |
|---|---|---|
| $7 million | $8 million | $8.5 million |

Priority projects include:

- Hutchinson, Fairmont, St. James, Morris, East St. Paul – Boiler;
- St. Cloud, Bemidji – Roof;
- Moorhead, Crookston - Batched
- Sauk Centre, Morris – Batched;
- Hutchinson, St James – Batched;
- St James, Fairmont – Batched

Specific projects will be defined once the source of and amount of appropriated dollars is known.

As stated in the agency's Strategic Plan, Military Affairs must focus its attention on maintaining and upgrading existing buildings. With federal grant funding for new buildings greatly reduced, it is imperative the department keep its building assets in good working order and repair to meet the needs of the buildings users.

The department's goal is to minimize or eliminate the agency's backlog of maintenance and repair projects on its Asset Preservation list, while at the same time methodically eliminating the existing "iceberg" of projects. Funding at the levels requested can be efficiently managed by the department personnel and parallels backlog reduction goals identified in the agency performance report.

**Impact on Agency Operating Budgets (Facilities Notes)**

Because these projects deal primarily with backlog, there will not be a direct impact on the operating budget. However, energy savings will occur with better insulation, motor efficiencies, etc. That will allow a reduction in utility costs, which in turn stretches the operating budget dollars.

**Previous Appropriations for this Project**

Bonding Bill year:

| | |
|---|---|
| 2006 | $4 million |
| 2005 | $4 million |
| 2002 | $2.5 million |

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5.5 million for this project. Also included are budget planning estimates of $5.5 million in 2010 and $5.5 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 10,500 | 7,000 | 8,000 | 8,500 | 34,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,500** | **7,000** | **8,000** | **8,500** | **34,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 10,500 | 7,000 | 8,000 | 8,500 | 34,000 |
| **State Funds Subtotal** | 10,500 | 7,000 | 8,000 | 8,500 | 34,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,500** | **7,000** | **8,000** | **8,500** | **34,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Life/Safety alterations to existing National Guard Training/Community Centers throughout the state.
- Will match approximately $3 million of federal funds to the $1 million of state funds (Shared 75 percent federal / 25 percent state)

**Project Description**

This request seeks funding to address required Life/Safety alterations to existing National Guard Training/Community Centers (Armories) throughout the state. Requested project funding would greatly enhance personnel safety.

These projects are considered significant, permanent and major improvements to our armory facilities. Many of the armories have been used for emergency shelters. Some facilities do not meet current building code standards and personnel are working in potentially dangerous/unsafe buildings, where there might be mold, no egress in case of fire, poor ventilation, asbestos, etc. Projects to be funded by this request will provide needed improvements in the facilities that will make their use much safer. Specific projects could include installing fire and/or smoke alarm systems, emergency egress lighting, ventilation system improvements, etc.

Life/safety upgrades and repairs are generally matched with three federal for each state dollar.

Projects are programmed as follows (programmed locations may vary within the three biennia):

| FY 2008-09 ($1,000,000) | FY 2010-2011 ($1,000,000) | FY 2011-12 ($1,000,000) |
|---|---|---|
| St. James | Willmar | Rochester |
| Crookston | St. Cloud | Winona |
| Hutchinson | Pipestone | Hastings |
| Sauk Centre | Detroit Lakes | Pine City |
| East St. Paul | Litchfield | Anoka |
| Morris | Fergus Falls | St. Peter |
| Fairmont | Roseville | |
| Moorhead | | |

**Previous Appropriations for this Project**

$1 million in 2006 bonding bill
$1 million in 2002 bonding bill

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,000** | **1,000** | **1,000** | **1,000** | **5,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| **State Funds Subtotal** | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,000** | **1,000** | **1,000** | **1,000** | **5,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# ADA Alterations

**2008 STATE APPROPRIATION REQUEST:** $1,500,000

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Americans with Disabilities Act (ADA) alterations to existing National Guard Training/Community Centers throughout the state.
- Will match $1.2 million of federal funds to this $1.5 million state request (Shared 50/50 for most projects).

**Project Description**

The Minnesota National Guard's mission is threefold: federal, state, and community. The purpose of this request is to address the required interior alterations to existing armory and training facilities throughout the state to meet the intent of the ADA. The department maintains approximately 1.8 million square feet in armory buildings along with approximately two million square feet of training and housing buildings at Camp Ripley.

This program makes significant, permanent and major improvements to our armory and training facilities. Conversion and improvement of space allows unrestricted entry/egress by disabled persons. Many of our facilities are used as emergency shelters and for community events. Unfortunately, many are not handicap accessible. Accessibility is becoming even more important to National Guard operations as the facilities are used for meetings and support events for families of deployed service members. Some current facilities may also not be accessible by returning, injured/disabled service members.

In the request for 2008-09, all the buildings would have building access, toilet room and doorway upgrades to meet the Minnesota Accessibility Code. In addition, the Madison facility would require an elevator be installed due to its downtown location, which lacks the onsite property necessary to build an access ramp. Federal match is not available for this purpose.

**Projects are programmed as indicated in the following table (programmed locations may vary within the three biennia):**

| FY 2008-09 ($1,500,000) | FY 2010-2011 ($900,000) | FY 2012-2013 ($900,000) |
|---|---|---|
| St. James | Willmar | Rochester |
| Crookston | St. Cloud | Winona |
| Hutchinson | Pipestone | Pine City |
| Sauk Centre | Detroit Lakes | Hastings |
| East St. Paul | Litchfield | Anoka |
| Morris | Fergus Falls | St. Peter |
| Fairmont | Roseville | |
| Moorhead | | |
| Madison | | |

**Previous Appropriations for this Project**

$1.4 million in 2006 bonding bill
$357,000 in 2002 bonding bill

**Project Contact Person**

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Phone: (320) 616-2614
Fax: (320) 632-7473
Email: tom.vesely@mn.ngb.army.mil

**Governor's Recommendations**

The governor recommends general obligation bonding of $1.5 million for this project. Also included are budget planning estimates of $900,000 in 2010 and $900,000 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 1,757 | 1,500 | 900 | 900 | 5,057 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,757** | **1,500** | **900** | **900** | **5,057** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1,757 | 1,500 | 900 | 900 | 5,057 |
| **State Funds Subtotal** | 1,757 | 1,500 | 900 | 900 | 5,057 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,757** | **1,500** | **900** | **900** | **5,057** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Military Affairs, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Asset Preservation | 1 | $7,000 | $8,000 | $8,500 | $23,500 | $5,500 | $5,500 | $5,500 |
| Facility Life Safety | 2 | 1,000 | 1,000 | 1,000 | 3,000 | 1,000 | 1,000 | 1,000 |
| ADA Alterations | 3 | 1,500 | 900 | 900 | 3,300 | 1,500 | 900 | 900 |
| Camp Ripley Billeting | | 0 | 5,400 | 0 | 5,400 | 0 | 0 | 0 |
| **Total Project Requests** | | $9,500 | $15,300 | $10,400 | $35,200 | $8,000 | $7,400 | $7,400 |

**Agency Profile At A Glance**

- There are currently 13,293 military members of the Minnesota National Guard.
- The Department of Military Affairs manages 2.1 million square feet (SF) of facilities within 1,430 buildings on 54,496 acres at Camp Ripley and Arden Hills; 694,000 square feet (SF) within 46 logistical support buildings at nine locations; and 1.8 million SF in 62 National Guard Training and Community Centers (armories).
- The agency annually supports 2,500 National Guard men and women through its tuition reimbursement program.
- The department has overseen 64,721 National Guard "man-days" in response to state emergencies since 1998.

**Agency Purpose**

The Minnesota Department of Military Affairs (MDMA), also known as the Minnesota National Guard, "is comprised of and includes the military forces of the state, the office of the adjutant general, all military reservations, military installations, armories, air bases, and facilities owned or controlled by the state for military purposes, and civilians employed by the state for the administration of the military department." (M.S.190.05)

- **Federal Mission:** As a federal entity, military members of the Minnesota National Guard serve as a reserve force for the United States Army and Air Force. They are subject to be called to federal active duty for extended periods of time by the President.
- **State Mission:** As a state entity, the Minnesota National Guard provides support to local law enforcement agencies during natural disasters and other emergencies at the direction of the governor.
- **Community Mission:** The Minnesota National Guard is also involved in community support projects throughout the state. These projects give our soldiers a chance to "give back to the community."

The vision of the MDMA is to provide leadership, resources, and support to the National Guard to assist in accomplishing these three missions.

**Core Functions**

The MDMA provides the structure and resources to accomplish the four core programs that support the Minnesota National Guard:

- Maintenance of Training Facilities
- Enlistment Incentives
- Emergency Services
- General Support

**Operations**

The department's customer base is the 13,293 members of the Minnesota Army and Air National Guard, the directors and managers responsible for the execution of the federal-state cooperative agreements, and the citizens of the state and nation during emergencies. The Minnesota National Guard has never been more engaged in world-wide missions. The National Guard is no longer a cold-war era, strategic reserve force, but rather it is an operational force being utilized daily in the war on terrorism. Since 9/11 and as of August 2006, the Minnesota National Guard has deployed 14,662 Army and Air Guard members.

The **Maintenance of Training Facilities Program** is the primary staff section responsible for maintaining the state's facilities used to train and house the members of the Minnesota National Guard and to protect the state's investment in facilities. Each Air National Guard Base also has a Civil Engineering function that is responsible for the maintenance of the federal facilities that are supported with state dollars.

**The Enlistment Program** is responsible for managing the department's enlistment incentives and tuition reimbursement programs. These programs provide incentives to the men and women who enlist and maintain their memberships in the Army and Air National Guard.

**Emergency Services** is managed by the Military Support directorate of the state staff. They provide the command and control services to the governor when the National Guard is activated in response to state emergencies.

**General Support** provides the general administrative, financial, accounting, budgeting, project management, and human resource support necessary for the operation of the department.

**Budget**

Of the department's total budget, 68 percent comes from the federal government through cooperative agreements for facilities maintenance, telecommunications, security, firefighting, and the STARBASE educational program serving inner city school students. The state general fund accounts for 30 percent, and approximately two percent comes from other sources (local government, facility sales, housing operations, etc.).

Additionally, the MDMA is also responsible for approximately $310 million per year from the federal government. These funds come directly from the federal government, do not pass through the state treasury, and are paid to individuals and vendors for federal-related activities.

The department's staff includes 273 employees. Only 31 of these employees are 100 percent state-funded. The remainder are predominantly federally funded -- some at 100 percent and most others at 75 percent or 80 percent.

**Contact**

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For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us/

**At A Glance: Agency Long-Range Strategic Goals**

Military Affairs has developed the following long-range capital goals:

- Through an asset preservation program, upgrade or replace building components and continue our program of repairing the exterior building envelopes at all of the armory buildings.
- Maintain the health and safety of the users of our facilities by seeking funding for: Americans with Disability Act (ADA) projects; facility fire and smoke alarms, heat detectors, and emergency lighting; and emergency response/emergency housing for citizens.
- Seek funding from various sources to provide facilities for newly acquired units, and to replace those facilities that can no longer be maintained to the standards of the department in a cost-effective way.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

The state of Minnesota has a significant inventory of facilities used by the Minnesota Army National Guard. These include armories, logistical facilities, and various other training facilities located throughout the state. Although state owned, most of these facilities were constructed with some level of federal support and many of them receive federal support for operations. The current inventory consists of over 1,550 facilities with more than 4.4 million square feet of space. The agency's asset preservation program has been developed as an ongoing, long-range program covering a certain number of facilities each capital bonding period. The Department of Military Affairs has increased its request for asset preservation funds to mitigate the impact of the reduction in the CAPRA funds available to agencies of state government.

Armories – The Department of Military Affairs' mission requires a significant investment in training and administrative facilities. The most recognizable of these facilities is the armory. Also known as National Guard Training and Community Centers, armories serve as the home station for the almost 11,000 members of the Army National Guard. These facilities, located in 62 communities around the state, are also made available to local government, community organizations, and individuals for a wide variety of activities. The armories provide the department with a total of almost 1.6 million square feet of space.

Over the last several years the amount of federal funds available for replacement of our aging inventory of armory facilities has been much more limited. Previously, the federal government provided 75 percent of the construction costs for the basic armory. The remaining 25 percent was funded cooperatively by the state and the municipality within which the armory was located. The state share (approximately 12½ percent) was funded via a lease payment to the Minnesota State Armory Building Commission that sold bonds to finance the non-federal share of the construction costs. Now without additional funding for replacement of our aging facilities, the ability of the National Guard to train and house military units will continue to be seriously impacted and the ability to respond to local and regional emergencies will be hindered.

The lack of federal funding also impacts on the ability to acquire additional units for the Minnesota National Guard. The Department of Defense, through the National Guard Bureau, regularly adjusts the unit allowances between the states as some states are much more successful in providing manning for additional units. Because of the Minnesota's success in recruiting and retaining soldiers, the Minnesota Army National Guard is seeking additional force structure. These authorizations bring federal funds for full-time employees and traditional soldiers and their supporting equipment into the state. However, without permanent facilities for the units and their equipment, we will no longer remain competitive in acquiring additional force structure into Minnesota.

The federal government will generally not provide funds for routine maintenance and repair of current armory facilities. The state must pay all costs of operation and minor maintenance for armory facilities.

The department does not anticipate any reduction in the demand for state military support of emergencies and natural disasters. As evidenced by the fire, flood, and tornado support requested since 2003, the demand remains high. This military support is dependent upon the ability of the department to maintain clean, safe, and functional facilities to train and house the soldiers

called to state service by the governor and to house citizens and emergency responders during emergencies.

Logistical Facilities – The maintenance and repair support for Army National Guard training and logistical facilities (non-armory) remains fairly static. Many of the facilities located on the Camp Ripley reservation, although state-owned, are 100% federally supported. Other logistical support facilities (Field Maintenance Shops) are also state-owned and supported federally. The Army National Guard has 15 of these facilities located throughout the state that were, until recently, supported 75 percent federally and 25 percent state. The federal government has just changed the operational support and maintenance and repair support to 100 percent federal.

The Air National Guard will continue to be a major part of the overall Air Force mission support. As the size of the active Air Force continues to be reduced, the missions of the Air National Guard have increased proportionately. The Air Force continues to be confident that the Air National Guard can absorb some of the missions previously accomplished by the active component.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The department's facility inventory is rapidly approaching obsolescence. Fully 35 (56 percent) of the department's 62 armory facilities are over 40 years old. Twelve (19 percent) are over 70 years old. Many of these facilities were constructed when the demands for space were fairly straightforward – administrative, drill floor, classroom, and storage spaces were all very generic. However, as technology requirements have rapidly increased, so has the demand for upgraded electrical, communications, and computer related wiring and facilities. Additionally, as the missions of the tenant units have become more technology dependent, facilities must be constructed or re-configured to accommodate them.

Some of these facilities have outlived their useful lives. Structural, electrical, plumbing, roof, window, and heating plant repairs are becoming prohibitively expensive and more frequently required. The department has a maintenance backlog estimated at over $28 million. The operating budget continues to be inadequate to make an appreciable reduction in this maintenance backlog, although we have reduced the backlog over the last year utilizing the capital appropriations given to out department in prior years. Upgrading facilities to meet current code requirements becomes impractical as repairs become more extensive and expensive. For example, many of these facilities were constructed before indoor air quality was recognized as a work-place issue, and consequently they have poor air circulation and aging heating plants. Moreover, expansion to accommodate modern needs is often impractical in older facilities because they are now land-locked.

**Agency Process Used to Arrive at These Capital Requests**

The Facilities Management Office at Camp Ripley manages the agency's facility maintenance and repair program. That office is staffed with facility planners, architectural and design specialists, environmental specialists, physical plant management staff, building maintenance coordinators, and other support staff.

The asset preservation and facility improvement portions of the budget request are based on our ongoing facility inspections by our facilities management staff and input from the National Guard unit administrators. This facilities status data is referred to the Adjutant General's Facility Committee where other issues such as future stationing and force structure changes are factored into the list of requirements. In developing this plan, high priority is given to those projects necessary to comply with laws and codes, where major improvements are required to protect the state's investment in facilities, and where improvements are required to make the facilities more useable by tenant organizations.

The plan for new construction is based on ongoing evaluations of the facility inventory with respect to functional space requirements of the military organizations assigned to the state. Other factors include: the current structural state of the facility, costs of renovation and/or remodeling, the extent of repairs required which may also require compliance with current code, the ability of the current site to meet the increased demands for space, the opportunities for joint construction projects that meet the capital needs of the department and local communities, and the need to replace the current leased space with space specifically designed for military use.

Senior members of the Adjutant General's staff give broad guidance for the facilities management process through a Facilities Committee. The Facility Committee is structured into a tiered board system that provides the senior leadership a methodology to prioritize projects out over an extended timeline. Each service (Army and Air Guard) conducts a quarterly Tier II board that addresses their respective priorities. Each service board is chaired by the Assistant Adjutant General for the service. Both boards provide their highest projects prioritized by the fiscal year they are desired to the Tier I Board. The Tier I board provides recommendations to The Adjutant General, as the Chair, for decision and implementation as facility priorities for each Fiscal Year.

Members of our Design and Construction Operations Section staff estimate the construction costs that are then reviewed by our staff architect.

The Minnesota National Guard also uses the Army Communities of Excellence (ACOE) program plan to continuously review operations and facilities plans. Modeled after the Malcolm Baldrige Award program, ACOE allows the organization to take a critical look at all phases of planning and program execution.

**Major Capital Projects Authorized in 2002 through 2006**

| | | |
|---|---|---|
| 2002: | Asset Preservation statewide | $2.5 million |
| | ADA Improvements statewide | $357,000 |
| | Facility Life-Safety statewide | $1 million |
| | Capital Asset Preservation and Replacement Account (CAPRA) Roof and Boiler | $1.005 million |
| | CAPRA Emergency Lead Abatement | $150,000 |
| 2005 | Asset Preservation statewide | $4 million |
| 2006 | Asset Preservation statewide | $4 million |
| | Facility Life-Safety statewide | $1 million |
| | Lead abatement/indoor range conversion | $1.029 million |
| | ADA Compliance Improvements | $1.4 million |

**2008 STATE APPROPRIATION REQUEST:** $7,000,000

**AGENCY PROJECT PRIORITY:** 1 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- For reducing backlog of maintenance, repair, replacement, and for renovation of existing facilities.
- Depending on the specific project scope of work, federal funds will match 50 percent to state funds.

**Project Description**

This request addresses the deferred maintenance needs at armory and training buildings throughout the state. The department maintains approximately 1.8 million square feet in armory buildings along with approximately 2.6 million square feet of training and housing buildings at Camp Ripley. The department uses asset preservation funding to address some of the backlog of maintenance work order requests submitted by the users and building maintenance coordinators responsible for the upkeep of these buildings.

Since 1995, the Department of Military Affairs has continued to develop in-depth facilities audits with our facility managers to identify deferred maintenance needs. This process helped the department determine how large its portion of the "Capital Iceberg" had become. The current operating budget has, at best, been able to keep up with necessary priority repairs, leaving a growing backlog of projects.

Detailed facility audits have revealed a growing backlog of maintenance and renovation requests in excess of $28 million. Facility aging creates additional maintenance and repair problems. Currently, the average age of the department's armory facilities is in excess of 42 years. Phasing of asset preservation projects is (in priority order):

- Envelope Protection
- Safety/liability related projects
- Sanitary issues (e.g., toilet facilities)
- Functionality projects (e.g., rehabilitation of training rooms, lighting)
- Aesthetics/comfort projects if funding remains

Some examples of safety/liability issues that are included within the scope of this project are: repairs to curbs, sidewalks and building entrances; and updating electrical service and ventilating systems.

Some other examples of the projects anticipated within this request include the repair, replacement, or renovation of:

- Floors and floor coverings
- Toilet facilities (non ADA)
- Light fixtures and associated wiring
- Pumps and motors
- Ventilating and air conditioning systems
- Interior training rooms
- Shower/locker room facilities
- Other projects which extend the life of the facility

Asset Preservation Programming:

| 2008 | 2010 | 2012 |
|---|---|---|
| $7 million | $8 million | $8.5 million |

Priority projects include:

- Hutchinson, Fairmont, St. James, Morris, East St. Paul – Boiler;
- St. Cloud, Bemidji – Roof;
- Moorhead, Crookston - Batched
- Sauk Centre, Morris – Batched;
- Hutchinson, St James – Batched;
- St James, Fairmont – Batched

Specific projects will be defined once the source of and amount of appropriated dollars is known.

As stated in the agency's Strategic Plan, Military Affairs must focus its attention on maintaining and upgrading existing buildings. With federal grant funding for new buildings greatly reduced, it is imperative the department keep its building assets in good working order and repair to meet the needs of the buildings users.

The department's goal is to minimize or eliminate the agency's backlog of maintenance and repair projects on its Asset Preservation list, while at the same time methodically eliminating the existing "iceberg" of projects. Funding at the levels requested can be efficiently managed by the department personnel and parallels backlog reduction goals identified in the agency performance report.

**Impact on Agency Operating Budgets (Facilities Notes)**

Because these projects deal primarily with backlog, there will not be a direct impact on the operating budget. However, energy savings will occur with better insulation, motor efficiencies, etc. That will allow a reduction in utility costs, which in turn stretches the operating budget dollars.

**Previous Appropriations for this Project**

Bonding Bill year:

| | |
|---|---|
| 2006 | $4 million |
| 2005 | $4 million |
| 2002 | $2.5 million |

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5.5 million for this project. Also included are budget planning estimates of $5.5 million in 2010 and $5.5 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 10,500 | 7,000 | 8,000 | 8,500 | 34,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,500** | **7,000** | **8,000** | **8,500** | **34,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 10,500 | 7,000 | 8,000 | 8,500 | 34,000 |
| **State Funds Subtotal** | 10,500 | 7,000 | 8,000 | 8,500 | 34,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,500** | **7,000** | **8,000** | **8,500** | **34,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Life/Safety alterations to existing National Guard Training/Community Centers throughout the state.
- Will match approximately $3 million of federal funds to the $1 million of state funds (Shared 75 percent federal / 25 percent state)

**Project Description**

This request seeks funding to address required Life/Safety alterations to existing National Guard Training/Community Centers (Armories) throughout the state. Requested project funding would greatly enhance personnel safety.

These projects are considered significant, permanent and major improvements to our armory facilities. Many of the armories have been used for emergency shelters. Some facilities do not meet current building code standards and personnel are working in potentially dangerous/unsafe buildings, where there might be mold, no egress in case of fire, poor ventilation, asbestos, etc. Projects to be funded by this request will provide needed improvements in the facilities that will make their use much safer. Specific projects could include installing fire and/or smoke alarm systems, emergency egress lighting, ventilation system improvements, etc.

Life/safety upgrades and repairs are generally matched with three federal for each state dollar.

Projects are programmed as follows (programmed locations may vary within the three biennia):

| FY 2008-09 ($1,000,000) | FY 2010-2011 ($1,000,000) | FY 2011-12 ($1,000,000) |
|---|---|---|
| St. James | Willmar | Rochester |
| Crookston | St. Cloud | Winona |
| Hutchinson | Pipestone | Hastings |
| Sauk Centre | Detroit Lakes | Pine City |
| East St. Paul | Litchfield | Anoka |
| Morris | Fergus Falls | St. Peter |
| Fairmont | Roseville | |
| Moorhead | | |

**Previous Appropriations for this Project**

$1 million in 2006 bonding bill
$1 million in 2002 bonding bill

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,000** | **1,000** | **1,000** | **1,000** | **5,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| **State Funds Subtotal** | 2,000 | 1,000 | 1,000 | 1,000 | 5,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,000** | **1,000** | **1,000** | **1,000** | **5,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# ADA Alterations

**2008 STATE APPROPRIATION REQUEST:** $1,500,000

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Americans with Disabilities Act (ADA) alterations to existing National Guard Training/Community Centers throughout the state.
- Will match $1.2 million of federal funds to this $1.5 million state request (Shared 50/50 for most projects).

**Project Description**

The Minnesota National Guard's mission is threefold: federal, state, and community. The purpose of this request is to address the required interior alterations to existing armory and training facilities throughout the state to meet the intent of the ADA. The department maintains approximately 1.8 million square feet in armory buildings along with approximately two million square feet of training and housing buildings at Camp Ripley.

This program makes significant, permanent and major improvements to our armory and training facilities. Conversion and improvement of space allows unrestricted entry/egress by disabled persons. Many of our facilities are used as emergency shelters and for community events. Unfortunately, many are not handicap accessible. Accessibility is becoming even more important to National Guard operations as the facilities are used for meetings and support events for families of deployed service members. Some current facilities may also not be accessible by returning, injured/disabled service members.

In the request for 2008-09, all the buildings would have building access, toilet room and doorway upgrades to meet the Minnesota Accessibility Code. In addition, the Madison facility would require an elevator be installed due to its downtown location, which lacks the onsite property necessary to build an access ramp. Federal match is not available for this purpose.

**Projects are programmed as indicated in the following table (programmed locations may vary within the three biennia):**

| FY 2008-09 ($1,500,000) | FY 2010-2011 ($900,000) | FY 2012-2013 ($900,000) |
|---|---|---|
| St. James | Willmar | Rochester |
| Crookston | St. Cloud | Winona |
| Hutchinson | Pipestone | Pine City |
| Sauk Centre | Detroit Lakes | Hastings |
| East St. Paul | Litchfield | Anoka |
| Morris | Fergus Falls | St. Peter |
| Fairmont | Roseville | |
| Moorhead | | |
| Madison | | |

**Previous Appropriations for this Project**

$1.4 million in 2006 bonding bill
$357,000 in 2002 bonding bill

**Project Contact Person**

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Email: tom.vesely@mn.ngb.army.mil

**Governor's Recommendations**

The governor recommends general obligation bonding of $1.5 million for this project. Also included are budget planning estimates of $900,000 in 2010 and $900,000 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 1,757 | 1,500 | 900 | 900 | 5,057 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,757** | **1,500** | **900** | **900** | **5,057** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1,757 | 1,500 | 900 | 900 | 5,057 |
| **State Funds Subtotal** | 1,757 | 1,500 | 900 | 900 | 5,057 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,757** | **1,500** | **900** | **900** | **5,057** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

**Two–year operating budget:**

- $50.323 million in state general funds (FY 2008 – 09 appropriated)
- $29.346 million in non-state funds including earned revenue, gifts, grants, etc. (FY 2006 – 07 estimated)

**The Society serves, each year:**

- Nearly 700,000 visitors served at historic sites and museums
- Nearly 225,000 visitors served at History Center museum
- Nearly 240,000 school children on organized programs and sites and History Center
- Over 6.5 million "visitor sessions" on the Society's web site, www.mnhs.org

**This work is carried out by**

- 180.3 full-time employees (FTE)
- 191.0 part-time and seasonal employees (FTE)

The Society preserves over one million items in collections, including three-dimensional objects, artifacts, books, maps, photos, government records, and archaeological artifacts for the benefit of Minnesotans of today and of the future.

## Agency Purpose

The Minnesota Historical Society (Society) was created by the Territorial Legislature in 1849 as one of the first educational and cultural institutions in Minnesota.

Today, the Society serves a statewide audience through programs and services at the History Center in the Capitol Complex in St. Paul and through a statewide network of historic sites and museums.

The **Mission** of the Society *is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past, and find purpose for the future.*

The ***Mission*** is carried out by:

- Providing opportunities for people of all ages to learn about the history of Minnesota.
- Collecting and caring for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond.
- Encouraging and doing research in Minnesota history.

The Society's ***Vision*** is: To serve as an educational institution providing a variety of historical programs and services. Through these activities we help people gain meaning for their lives. The Society is a creative and dynamic institution, documenting life in Minnesota and offering programs that are at once educational, engaging, and entertaining.

The Society is governed by an Executive Council of 30 members who are responsible for establishing major policies and monitoring the quality of its programs and services.

**Core Functions**

The Society serves the citizens of Minnesota through a variety of programs and services. Major operations are as follows:

**Historical Programs and Education Division**, Departments include:
- Historic Preservation, Field Services, and Grants
- Archaeology
- History Center Museum and Education
- Enterprise Technology and Business Development

**Historic Sites and Museums Division**
- 32 historic sites statewide
- Mill City Museum

**Library, Publications and Collections Division**, Departments include:
- Collections
- Reference
- State Archives
- Collections Management
- MHS Press

**External Relations Division**, Departments include:
- Marketing and Communications
- Government Relations
- Development

**Human Resources and Volunteer Services**
**Finance and Administration**

**Budget**

The Society is supported by state appropriations of approximately $24.5 million each year, for ongoing operation of the History Center (including building services and debt service, for which approximately $5.5 million each year is transferred to the Department of Administration), the Historic Sites Network and other activities (including State Archives), the History Center Museum, the History Center Library, the State Historic Preservation Office, and numerous other functions.

In addition, the Society is supported by non-state funds, including earned revenue, gifts, and grants.

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**Websites**
Minnesota Historical Society Homepage: www.mnhs.org

The Society Web links:
History Center information:
http://www.mnhs.org/places/historycenter/index.html

Library**:** Including catalogs, special databases, and genealogy information:
http://www.mnhs.org/library/index.html

Minnesota Place Names: http://mnplaces.mnhs.org/index.cfm

Upcoming Events: http://www.mnhs.org/events/index.html

Membership Information: http://www.mnhs.org/about/members/index.html

**Minnesota's Historic Sites Network**
For further information about MHS Historic Sites:
http://www.mnhs.org/places/sites/index.html

**At A Glance: Agency Long-Range Strategic Goals**

Long-Range Strategic Goals in Relation to Capital Requests:

In the Minnesota Historical Society's most recent Strategic Planning Process, seven overriding goals were identified:

- Increase opportunities for people of all ages to learn about the history of Minnesota.
- Collect and care for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond.
- Encourage and carry out research in Minnesota history.
- Achieve greater inclusiveness in all aspects of the institution by reflecting the pluralism of Minnesotans.
- Maintain and strengthen the Society's long-term relationship with the state of Minnesota to ensure its ability to meet its obligation to the people of the state.
- Maintain and strengthen its long-term financial stability.
- Utilize the Web and emerging technologies, critical tools in delivering and expanding the reach of its collections, programs, and services.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Agency Mission Statement and Governance:**

- The Minnesota Historical Society (the Society) is the oldest educational/cultural institution in the state, having been chartered by the first legislature of the Minnesota Territory in 1849.
- The mission of the Society is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past and find purpose for the future.
- This mission is carried out by providing opportunities for people of all ages to learn about the history of Minnesota; collecting and caring for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond; and encouraging and doing research in Minnesota history.
- The Society is governed by an executive council of 30 members responsible for establishing major policies and monitoring the quality of its programs and services.
- The council also performs duties mandated by the legislature under M.S. Chapter 138 and various session laws, as well as federal statutory mandates.

**Trends and Issues Impacting the MHS Capital Budget**

- Asset Preservation. Historic resources are like natural resources in that if lost they cannot be replaced. Absent a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The Society's 32 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.
- Historic sites are recognized by statute as important public resources worth preserving. The "Minnesota Historic Sites Act" (M.S 138.661-138.669), first passed by the legislature in 1965, sets up the state historic sites network as a state responsibility, and confers upon the Society the control and responsibility for preserving, developing, interpreting, and maintaining the sites for public use and benefit.
- Public Demand and Attendance. The state historic sites network is in its fifth decade of heavy use by patrons. Since the early 1980s, as well as more recently, when the Society's budget was reduced as a result of a downturn in state resources, the upkeep and repair of the 125 structures at the 32 state historic sites have suffered. Recent operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 annual visitors for over a decade) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Renewed marketing efforts have helped with overall historic sites attendance. However, this increased use will also increase wear and tear on sites facilities.

**Historic Sites Attendance**

| Fiscal Year | | Fiscal Year | |
|---|---|---|---|
| 1990 | 673,950 | 2000 | 662,705 |
| 1991 | 670,628 | 2001 | 702,579 |
| 1992 | 574,535 | 2002 | 630,352 |
| 1993 | 577,000 | 2003 | 608,842 |
| 1994 | 545,929 | 2004 | 529,320 |
| 1995 | 566,997 | 2005 | 596,897 |
| 1996 | 672,030 | 2006 | 570,561 |
| 1997 | 691,856 | 2007 | 609,652 |
| 1998 | 695,759 | 2008 (est.) | 628,000 |
| 1999 | 741,276 | 2009 (est.) | 663,000 |

- *The Changing Nature of Education*. Education is no longer seen solely as a classroom-based function. Now education will be less defined by formal structure; learning will be recognized as a life-long activity that will take place in many non-traditional settings. The state's historic sites and the Minnesota History Center are places where citizens will learn about our common history. New information technologies enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with a connection to the Internet to access the vast resources contained within the Society.

- *Heritage Tourism and Economic Impact*. Visiting historic sites is one of the primary reasons that tourists travel in Minnesota and across the nation. A recent survey by the Travel Industry Association of American found that 49 percent of U.S. adult travelers included a cultural, arts, or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey.

In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism. The Minnesota Office of Tourism estimates that tourism is a $10 billion industry in Minnesota. Heritage tourism plays a significant part in this important element of our state's economy. Minnesota's Historic Sites Network draws 40% of its visitors from out-of-state.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The Society estimates the total scope of its deferred maintenance/asset preservation/capital improvement need for the next six years to be approximately $14.5 million, including restoration of facilities and updating and replacement of obsolete and worn out exhibits.

*Historic Site Facilities*
Since the enactment in 1965 of the state's historic sites program, the Society has pursued a planned, progressive approach to acquiring, developing, interpreting, and preserving historic sites. The Society owns or administers a network of 32 sites, comprising 125 significant historical structures and contemporary buildings, totaling 793,000 square feet of interior space.

The very nature of 125 varied facilities, many of which are over 100 years old, makes it impossible to provide a single assessment of "physical condition, suitability and functionality" of the historic sites network, which includes many of the state's oldest and most fragile structures.

The historic relevance and importance of the state's historic sites coupled with their educational value cannot be disputed but century old buildings are in need of varying but substantive levels of stabilization, restoration and preservation. Every component of the historic sites network is part of the capital iceberg. In constant need of cosmetic/surface attention (paint, windows, carpeting), many components of their infrastructure (roofs, foundations, support members, access and egress routes, utilities) are in need of immediate attention. Without that attention, these historic resources will deteriorate beyond repair.

Preserving historic facilities that contain unique and expensive architectural features or time-specific construction techniques (Hill House copper gutters, log structures, capitol furnishings and artworks) require capital funds that are greater than the need of contemporary building, even as visitor centers built in the 1970s and 1980s are now in need of new rofs and improved or replaced HVAC systems.

*Exhibits and Artifacts*
In addition to the buildings and landscapes of the historic sites themselves, exhibits form the core of the educational program at historic sites. The steady stream of patrons who visit the historic sites takes toll on structures, exhibits, audio-visual equipment and artifacts. Exhibits require periodic restoration and refurbishing to keep them presentable for public use. If they are not regularly refurbished, they become dirty, damaged, and unsightly. New technologies and contemporary design concepts have made older exhibits outdated and unappealing

*Markers and Monuments*
The overall condition of the 170 state markers and 29 monuments is fair. Markers require maintenance and upkeep including preservation, coating of bronze markers, casting of new markers, and foundation stabilization. Most urgently in need of ongoing maintenance and repair are the 29 state monuments; several of these large stone structures require tuck-pointing, replacement of granite blocks, and foundation stabilization. Sixty-five markers are at highway and interstate rest areas. Hundreds of thousands of people use these rest areas, and pause to read these markers. In this way, travelers from other states and countries, as well as citizens of Minnesota, learn about the state's rich historic heritage. Funding for monuments and markers is included in the asset preservation request.

*Minnesota History Center*
The 1992 opening of the History Center, with 427,000 square feet on nine acres of land in the Capitol Complex provided Minnesotans with an appropriate facility to showcase, preserve, and use the state's historic resources. Since opening, nearly three million individuals have visited the History Center.

The History Center provides state of the art museum exhibits, demonstrations, workshops, lectures, and seminars designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for 110,000 school children each year are further enriched by hands-on activities in specially designed classrooms.

In the library, visitors enjoy access to the state's archives and to the manuscript, newspaper, audio-visual, map, art, and artifact collections. Environmentally controlled storage facilities enable staff to care for and preserve the collection of nearly two million artifacts (including 1.5 million archaeological artifacts and 260,000 historical artifacts). New information technologies will allow the Society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 10,000 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction within the expansion space will be included in a future capital budget.

**Agency Process Used to Arrive at These Capital Requests**

The process the Society's management team used to develop these requests began with the identification of all appropriate needs by staff, including Historic Sites Division restoration and construction staff. A series of meetings was held with staff to further develop and refine this information including cost information. These needs were then put in priority order by the Society's management team and reviewed and approved by the Society's Executive Council.

**Major Recent Capital Projects**

Forest History Center—permanent exhibit replacement--$1.442 million
LeDuc House—exterior and interior stabilization--$1 million

Also during the past six years, the Society has completed a number of significant projects:

- Completed a new visitor center, site improvements, and new exhibits for the North West Company Fur Post in spring 2003. Funding for this project was provided through Legislative Commission on Minnesota Resources funds ($250,000), state bond proceeds $2 million, and TEA-21 funds $1.5 million.

- Completed a new visitor center addition and site improvements for the Charles A. Lindbergh Historic Site in summer 2002. Funding for this project provided through state bond proceeds $255,000, and TEA-21 funds $745,000

- Various asset preservation projects at historic sites - 2000-2006. Funding $7.95 million.

- Completed a new visitor center addition at Split Rock Lighthouse Historic Site in June 2003. Funding for this project provided through state bond proceeds $750,000, and TEA-21 funds $500,000

- Mill City Museum, Minneapolis. The museum opened in September 2003. Funding for this project was provided through the state of Minnesota ($7 million); federal funds ($2.875 million); city of Minneapolis, ($1.5 million), Hennepin County ($1 million), and non-public funding through individuals, corporations and foundations ($14.725 million, as of 9/03).

- Hill House Roof and Soffit Restoration. Completed in fall 2006: $100,000 state bond proceeds 1998 (for design), $1.6 million state bond proceeds 2005, $250,000 NPS Save America's Treasures Grant (required matching funds to the grant provided by the 2005 funds).

- Sibley and Faribault House Exterior Restoration. Completed in spring 2007: $300,000 state bond proceeds 2002.

- Fort Snelling Historic Fort Buildings Roof Replacement and Porch Reconstruction. Completed in summer 2007: $1.3 million Asset Preservation state bond proceeds 2005, and state bond proceeds 2002 design $90,000.

- Ramsey House Exterior Restoration. Completed in spring 2005: $620,000 Asset Preservation 2000.

- Hill House Hillside Restoration. Completed in fall 2004: $550,000 Asset Preservation 2000.

# Minnesota Historical Society

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Historic Fort Snelling Visitor Center & Site Revitalization | 1 | GO | $24,799 | $0 | $0 | $0 | $0 | $0 |
| Historic Sites Asset Preservation | 2 | GO | 7,349 | 4,068 | 3,102 | 5,000 | 5,000 | 5,000 |
| County and Local Historic Preservation Grants | 3 | GO | 2,000 | 2,000 | 2,000 | 0 | 0 | 0 |
| Kelley Farm Revitalization | 4 | GO | 1,500 | 10,500 | 0 | 0 | 0 | 0 |
| Heritage Trails | 5 | GO | 894 | 0 | 0 | 0 | 0 | 0 |
| History Center Enhancements | | GO | 0 | 2,000 | 6,000 | 0 | 0 | 0 |
| Project Total | | | $36,542 | $18,568 | $11,102 | $5,000 | $5,000 | $5,000 |
| General Obligation Bonding (GO) | | | $36,542 | $18,568 | $11,102 | $5,000 | $5,000 | $5,000 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Historic Fort Snelling Visitor Center & Site Revitalization

**2008 STATE APPROPRIATION REQUEST:** $24,799,000

**AGENCY PROJECT PRIORITY:** 1 of 5

**PROJECT LOCATION:** Hennepin Co., Fort Snelling Unorganized Township

**Project At A Glance**

The Minnesota Historical Society (MHS) seeks funds to continue the revitalization of Minnesota's most significant historic site on the state's Sesquicentennial anniversary. The funds will continue the revitalization of the site by creating a modern visitor center and preserving National Historic Landmark structures.

## Project Description

Millions of people have visited Historic Fort Snelling in the 40 years that Minnesota Historical Society (MHS) has operated the site. These visitors followed in the footsteps of millions before them; American Indians, French trappers, Yankee entrepreneurs, missionaries, slaves, immigrants, and green recruits for a dozen wars--on a path that stretches back at least 5,000 years. Their stories have shaped the state of Minnesota and continue to influence our lives today. Building on their foundation, we need to prepare this most significant site for the 21st century.

The MHS is requesting funds to construct a modern visitor center at Historic Fort Snelling, to realign pedestrian and vehicle routes, to improve buildings within the walls of the Historic Fort to better serve visitors to the site, and to preserve historic structures in order to put them to good use. The new Visitor Center will be the portal to the historic site, providing visitor services, ticketing, and orientation. It will replace the existing underground visitor center, which has experienced significant structural and water-penetration problems in recent years.

## Project History

Historic Fort Snelling is Minnesota's first National Historic Landmark, the highest designation given to historic places by the federal government, recognizing the site's role in the nation's development. Fort Snelling was the governmental administration center for this region from 1819 until statehood in 1858, and an active military post until 1946. The original fort site was restored and opened to the public in 1965. A visitor center was completed in 1983.

The original restoration and site program at Historic Fort Snelling is now more than 40 years old. While the site continues to serve 85,000 visitors each year, it is not reaching its full potential due to limited facilities, decades-old exhibits, and a program narrowly focused on the early 19th century.

Just as important, the site is not taking advantage of its greatest assets-its extraordinary position overlooking the Mississippi River, its location in the center of the state's population, and its prominent place in the hearts of Minnesotans.

There is a broad consensus for action. Buildings and grounds that show signs of heavy use need to be replaced. Historic structures that are empty and decaying need restoration if they are to have a productive use. Attendance has not kept pace with the remarkable growth in the Twin Cities area. Historic Fort Snelling needs to regain its status as a major attraction to meet the educational and recreational needs of people today and in the future.

In 2002, the MHS proposed to temporarily close Fort Snelling in order to focus energies on site development. The immense public outcry over this proposed action had a dramatic effect. If there was any doubt before about the special place the site holds in the hearts of Minnesotans, it was put to rest. The legislature responded in kind, with appropriations in 2002, 2005, and 2006, totaling $2.1 million in capital funds and $2 million in asset preservation funds to initiate the site's rebirth. Those funds have been used to fund design and restoration of the Round Tower, the Half-Moon Battery, porches on three barracks buildings, new roofs on six structures, and design for a new visitor center, and historic building preservation and stabilization.

**Project Overview**

Historic Fort Snelling currently offers visitors a single type of experience, with only rudimentary site amenities. Guided by a new plan, the site will be transformed into a multi-faceted experience with a wide variety of things to do, see, and learn.

- Over the past 40 years, historical reenactments by costumed interpreters have been the centerpiece of the visitor experience at Historic Snelling. That kind of personal engagement will continue to hold center stage and will be expanded to tell unknown Minnesota stories with national impact. For example, there is the untold story of Dred Scott's life at the fort, which led to his claim for freedom and the momentous 1857 Supreme Court decision that sustained slavery.
- As compelling as reenactments can be, 21st-century visitors demand a more varied experience, and a higher level of participation. At the same time, the society has thousands of images and artifacts from Fort Snelling that currently cannot be easily put on display. New technologies can provide many opportunities for the public to see them. Using both math and science skills, for example, students could locate the original vantage point for an 1870 photograph and call up the digital image on a hand-held device while standing on that very spot.
- A revitalized Historic Fort Snelling will help educators and students to meet state-mandated educational standards, particularly Social Studies standards. An enhanced program would fulfill 14 of the state's mandated standards for elementary students and nine for secondary students.
- The society employs numerous traditional-craft experts in fields such as blacksmithing, hearth baking, and basket making. Historic Fort Snelling can be national leader for sustaining these skills and passing them on to the next generation. Public interest in participation in intensive learning opportunities is growing.
- The society will add other in-depth experiences, following the example of the very successful Memorial Day Weekend program. A recent World War II encampment program for home-school families was very well attended and will be expanded. We are planning to recreate the first State Fair that was held within the walls of the fort in the 1860s.

To make this vision succeed, significant investment is needed in the site. The welcoming, new visitor center will highlight views of the Mississippi River, and provide the modern amenities visitors expect. New admission counters and restrooms will end the lines now seen when school buses arrive or summer programs start. A new orientation gallery will give visitors an overview of the centuries of human life on this extraordinary site, preparing them to make the most of their visit. An expanded gift shop will give them a chance to buy a book or a memento of their experience.

New circulation and parking configurations will set visitors on the path to the visitors center, taking full advantage of the river view while screening highway noise. School groups will have greater access and bus traffic will be more efficiently organized. Bike and pedestrian trails will connect the site to Minnehaha Park and Fort Snelling State Park. New classrooms, staff work rooms, accessible restrooms, and refurbished food service areas inside the walls of the fort will accommodate more visitors, students, and families. This project will also put historic structures to better use, and ensure the survival of important buildings.

**Impact on Agency Operating Budgets (Facilities Notes)**

Inevitably, the planned program and visitor enhancements will require additional dollars in the site's operating budget. Revenue from admissions, store sales, food service and facility rental will cover some of the increased costs, but not all. In particular, increased costs for utilities, staffing, and maintenance will out-pace new revenues. Additional state support will be a necessary part of the operating budget.

**Previous Appropriations for this Project**

2002 – The Historical Society received $100,000 for restroom expansion.

**Other Considerations**

At its peak in the late 1970s, the Fort served over 150,000 visitors annually. The site still serves about 85,000 visitors per year. A prime motivation for this redevelopment is to attain the higher potential of this site, one more fitting to its significance and prime location. With a combination of dedicated marketing and year-round programs, this site will be able to significantly increase annual attendance. Our ultimate goal is to meet or exceed historic attendance levels.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 148 | 0 | 0 | 0 | 148 |
| 3. Design Fees | 1,526 | 489 | 0 | 0 | 2,015 |
| 4. Project Management | 326 | 637 | 0 | 0 | 963 |
| 5. Construction Costs | 0 | 19,177 | 0 | 0 | 19,177 |
| 6. One Percent for Art | 0 | 58 | 0 | 0 | 58 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 100 | 2,001 | 0 | 0 | 2,101 |
| 9. Inflation | 0 | 2,437 | 0 | 0 | 2,437 |
| **TOTAL** | **2,100** | **24,799** | **0** | **0** | **26,899** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,100 | 24,799 | 0 | 0 | 26,899 |
| **State Funds Subtotal** | 2,100 | 24,799 | 0 | 0 | 26,899 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,100** | **24,799** | **0** | **0** | **26,899** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 580 | 580 | 1,160 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 220 | 220 | 440 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 800 | 800 | 1,600 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 800 | 800 | 1,600 |
| Change in F.T.E. Personnel | 0.0 | 4.5 | 0.0 | 4.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 24,799 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $7,349,000

**AGENCY PROJECT PRIORITY:** 2 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Minnesota Historical Society (MHS) is seeking $7.349 million for the preservation and restoration of historic structures, landscapes and building systems in the state's Historic Sites Network and for monuments located statewide. This request is for work that is critical to the preservation and maintenance of these important state resources.

**Project Description**

Over the past three decades more than 15 million students, families, and tourists have visited the 130 landmark buildings, trails and museums of the Historic Sites Network. Minnesota Historical Society (MHS) is making this request among its highest priorities in order to keep these extraordinary properties open to the public. Many of these buildings were built with materials intended for private family homes; they are now exposed to visitation on the scale of public buildings with greater loads and accelerated wear. While keeping pace with the traffic and continuous aging of the historic structures is our chief concern, we also must keep up with changes in life/safety systems, environmental concerns, and infrastructure upgrades. The asset preservation needs for such a vast Network of fragile historic structures cannot be met by the society's operating budget with its modest repair and replacement funding.

In recognition of the integral part that these buildings and landscapes play in public education, the people of Minnesota have invested significantly in the Historic Sites Network. Maintaining these resources is expensive. As non-renewable social and cultural resources, historic buildings require a high standard of care. Special training and skills are required to assess, design and implement repairs and maintenance. Integrating new life/safety and mechanical systems into these historic structures requires specially qualified architects, engineers and contractors. The cost of first-quality materials rises every year. The investment is well rewarded by the public appreciation for preserving the state's precious heritage.

The Historic Sites Network also serves as a showcase for the principles and techniques of historic preservation, setting a standard for the state. These structures are learning resources used by students of Minnesota history, by students and practitioners of architecture, and by the traditional building trades. Minnesota continues to be a leader in the field of preservation.

The society's Historic Sites Division is responsible for all 130 of the structures in the Historic Sites Network. Every year they typically manage five or six large projects over $1 million and dozens of small projects scattered across the state. Society staff prioritizes work projects based upon long-range planning, building analysis, and structural conditions. Working in consultation with preservation architects and specialty engineers, cost estimates are prepared for appropriation requests.

**Inventory of Asset Preservation Needs for 2008**

| | | |
|---|---|---|
| Hill House | Hill House Exterior and Historic Gates and Fencing Preservation | $1,610,000 |
| Jeffers Petroglyphs | Petroglyphs Conservation | $224,000 |
| Fort Snelling | Historic Fort Restoration | $1,600,000 |
| Split Rock Lighthouse | Historic Building Exterior Preservation | $1,200,000 |
| Mille Lacs | Sanitary/Sewer System upgrades and connections and Ayer House Rehabilitation | $363,000 |
| Statewide | Design for Future Asset Preservation Projects | $488,000 |
| Statewide | Heating, Ventilation and Air Conditioning (HVAC) Replacement | $607,000 |
| Hill House | Walnut Street Retaining Wall Preservation | $230,000 |
| North West Co. Fur Post | Fur Post Palisade Replacement | $122,000 |
| Ramsey House | Carriage Barn Rehabilitation | $365,000 |

| | | |
|---|---|---|
| Statewide | Monuments & Markers Repair | $150,000 |
| Statewide | Management Agreement Sites Building Stabilization | $390,000 |
| **Total** | | **$7,349,000** |

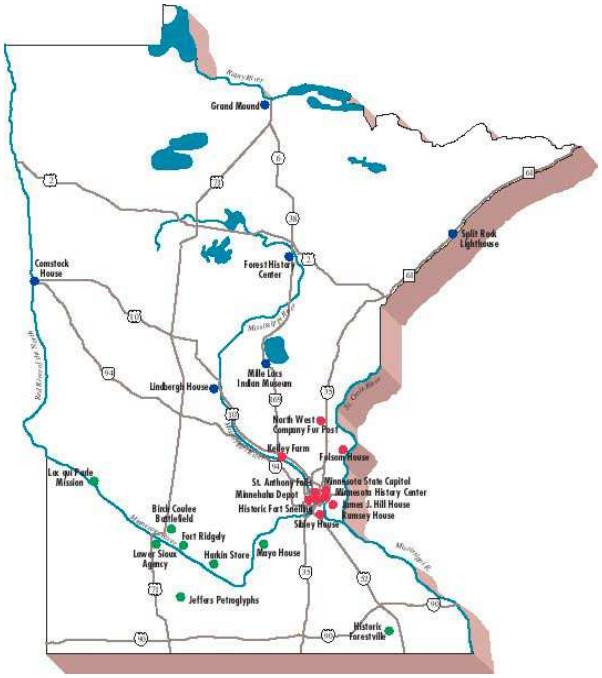
**Inventory of Asset Preservation Needs for 2010**

| | | |
|---|---|---|
| Split Rock Lighthouse | Exhibit Replacement in Visitor Center and Fog Signal Building | $1,300,000 |
| Hill House | Interior Restoration of House and Gatehouse | $1,233,000 |
| Statewide | Roof Replacement | $280,000 |
| Statewide | Design for future asset preservation projects | $336,000 |
| Ramsey House | Interior Restoration | $414,000 |
| Forest History Center | Logging Camp Rehabilitation | $205,000 |
| Mill City Museum | Masonry Stabilization | $300,000 |
| **Total** | | **$4,068,000** |

**Inventory of Asset Preservation Needs for 2012**

| | | |
|---|---|---|
| Lindbergh House | Boyhood Home Interior, WPA Structure and Landscape Restoration | $636,000 |
| Jeffers Petroglyphs | Visitor Center Renovation | $272,000 |
| Statewide | Maintenance Buildings | $227,000 |
| Statewide | Design for future asset preservation projects | $300,000 |
| Statewide | Roof Replacement | $309,000 |
| Statewide | Masonry Preservation | $363,000 |
| Historic Forestville | Interior Restoration of Meighen House | $382,000 |
| Ramsey House | Landscape and Site Feature Restoration | $363,000 |
| Statewide | Sustainable Design Improvements | $250,000 |
| **Total** | | **$3,102,000** |

Each of the projects named above are part of the state's Historic Sites Network, as defined in M.S.138.661, and have strong local and regional support from the areas in which they are located. Local citizens, businesses, and support group members have assisted these sites with volunteer hours, in-kind contributions, and grass-roots leadership. Local legislators have also shown leadership that has kept these sites open to the public and kept them in good operating condition. Minnesotans are rightfully proud of the sites.




The historic buildings, artifacts, and landscapes within the Historic Sites Network are of national and state significance. They fulfill the mission given by the Territorial Legislature to the Society to collect and preserve evidence of human culture in the state, and to teach Minnesota history in all its academic, technological, and social diversity. Failure to maintain these cultural treasures will result in irreversible loss of material and intellectual culture.

**Previous Appropriations for this Project**

Appropriations have been made for the 130 structures in the Historic Sites Network in every capital budget bill since 1990. In 2006 this effort received $3 million, in 2005 it received $4 million, in 2002 it received $1.442 million, and in 2000 it received $1.55 million.

**Other Considerations**

These asset preservation requests will allow the society to maintain the state's Historic Sites Network of structures and landscapes. In addition to the necessary work on historic structures, many of the visitor centers erected 20 to 30 years ago are now in need of renewal or are reaching the end of their useful life. Increasingly, this list will include appropriation requests to replace worn out infrastructure, such as HVAC or septic systems, or to conduct assessments for future projects now visible on the horizon.

The capital budget is the primary source of funding for all of the preservation needs of these irreplaceable state resources.

The society's current repair and replacement budgets are inadequate to meet asset preservation needs within the state's Historic Sites Network. A total of $14.519 million is requested through the year 2012 (see table). This figure could increase as additional problems are discovered, the buildings increase in age, the required skills and materials become more and more difficult to find.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5 million for this project. Also included are budget planning estimates of $5 million in 2010 and $5 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 441 | 244 | 186 | 871 |
| 5. Construction Costs | 9,442 | 6,908 | 3,824 | 2,916 | 23,090 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **9,442** | **7,349** | **4,068** | **3,102** | **23,961** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 9,442 | 7,349 | 4,068 | 3,102 | 23,961 |
| **State Funds Subtotal** | 9,442 | 7,349 | 4,068 | 3,102 | 23,961 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **9,442** | **7,349** | **4,068** | **3,102** | **23,961** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,349 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# County and Local Historic Preservation Grants

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This project provides funding, on a competitive matching basis, for county and local historic preservation projects. In addition, this project will allow local communities to preserve their most significant historical resources to mark the state's sesquicentennial commemoration in 2008.

## Project Description

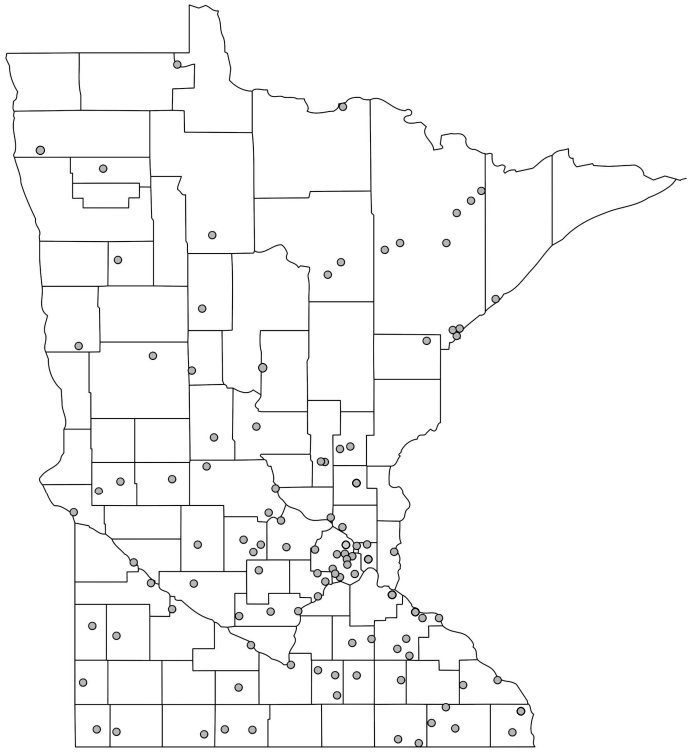
Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. This program is one of the most successful of its type with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Since recipients of county and local preservation grants are required to fully match state funds, this project provides the best possible return on the state's investment. Funds appropriated between 1994 and 2006 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

This project has the effect of reducing the state's overall share of investment in preserving historic resources while fulfilling the state's statutory commitment to preserving elements of the state's inventory of historic resources (according to M.S. 138.665). Some states, for example, attempt to preserve 125+ historic sites at the state level. In Minnesota, we have limited the state's historic sites network to 32 sites, allowing the Minnesota Historical Society (MHS) to concentrate on its mission of interpreting historic sites of statewide significance. Minnesota's grant-in-aid program, initiated in 1969, encourages local organizations to take on such preservation projects rather than depend on the state to fund both their capital and operating costs.

Since 1969 more than 1,000 capital and operating grants have been awarded to qualified historical organizations in all 87 counties resulting in the preservation of the evidence of Minnesota's past. In recent rounds of grants, the Society's capital bond-funded grant program has assisted in preserving and making accessible such projects as the Pine Island City Hall, the New Ulm Post Office, the Washington County Courthouse, the Koochiching County Courthouse, the Hubbard House in Mankato, the Glensheen Mansion in Duluth, the Universal Laboratories Building in Dassel, Hibbing High School Auditorium, the Paramount Theater in St. Cloud, and the Thief River Falls Depot.

As Minnesota approaches the sesquicentennial of its statehood in 2008, it is important for communities across the state to be prepared to celebrate the state's heritage through each community's most treasured historic resources.

**County and Local Historic Preservation Grant Locations 1994-2006**



From the financial perspective, 1994, 1996, 1998, 2000, 2003, 2005, and 2006 appropriations totaling $5.025 million, will leverage at least an equal amount in local match funding, as well as countless hours of volunteer effort. Additionally, this project helps to fulfill two goals identified in the society's long-range strategic plan: serving larger audiences, and increasing its services outside the metropolitan area.

Other accomplishments include:

- Grants for historic preservation have stimulated local economies. Local matches used to implement projects have more than doubled the $5 million in state funds. Tourists coming to visit these historic resources bring new dollars to Minnesota communities.
- Professional standards and expertise were increased among staff and volunteers at county and local historical organizations receiving grants because of the technical assistance that accompanies them.
- Many projects made possible by these grants enabled communities, most commonly through county and local governments and historical organizations, to reach out beyond their traditional constituencies and attract new audiences, including significant new volunteer activities.

In summary, this grants program has enabled many organizations throughout the state to preserve significant historic places and other priceless evidence of the past at very modest cost to the state.

**Impact on Agency Operating Budgets (Facilities Notes)**

The funding of this program will not impact operating budgets.

**Previous Appropriations for this Project**

Appropriations for this grant program were made in 1994, 1996, 1998, 2000, 2003, 2005, and 2006. In 2006 this effort received $900 thousand, in 2005 it received $1 million, and in 2003 it received $300 thousand.

**Other Considerations**

Grants to preserve the evidence of Minnesota's past have been and will be used to make a wide variety of historic resources available to the public. Examples include preservation of the Edna G. Tugboat in Two Harbors, and Alberta Teacherage in Stevens County. Over the 10-year history of the bond-funded grant program, the society has received over $9 million in requests for $5.025 million available. This clearly demonstrates the statewide needs for historic preservation funding as well as the ability and willingness of local groups to leverage state dollars.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 4,600 | 4,000 | 4,000 | 4,000 | 16,600 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,600** | **4,000** | **4,000** | **4,000** | **16,600** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,300 | 2,000 | 2,000 | 2,000 | 8,300 |
| **State Funds Subtotal** | 2,300 | 2,000 | 2,000 | 2,000 | 8,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 2,300 | 2,000 | 2,000 | 2,000 | 8,300 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,600** | **4,000** | **4,000** | **4,000** | **16,600** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

**STATUTORY AND OTHER REQUIREMENTS**

Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.

| | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Kelley Farm Revitalization

**2008 STATE APPROPRIATION REQUEST:** $1,500,000

**AGENCY PROJECT PRIORITY:** 4 of 5

**PROJECT LOCATION:** Sherburne County, City of Elk River

**Project At A Glance**

This request will provide pre-design and design funding for the revitalization of the visitor center and support facilities of the Oliver H. Kelley Farm Historic Site.

## Project Description

**Project History**:
In 1849 Oliver H. Kelley homesteaded a farm on the east bank of the Mississippi River. Kelley was successful, and began to dabble in land development and politics. While on a land speculation trip, Kelley devised the idea to create a nationwide agricultural organization to financially and socially assist farmers. The organization would promote the most modern farming and marketing techniques available in order to achieve this goal.

Kelley's organization, the Patrons of Husbandry (also known as The Grange) was founded in 1867. Later, they acquired the Kelley Farm property and managed it until 1961when it was donated to the Minnesota Historical Society. The site became a National Historic Landmark in 1964. The Society operated the site on a limited basis until 1981, when a Visitor Center was built and the agricultural Living History program was developed.

**Project Overview**:
The long-range plan includes helping Minnesotans understand the importance of agriculture in the state. Today, only two percent of Minnesotans actually farm, but agriculture represents 20 percent of the state's economy. It is vital to tell the story of how our society, economy, and environment have impacted agriculture and will continue to do so in the future.

During the fall of 2006, the Minnesota Historical Society (MHS) launched a Comprehensive Interpretive Planning (CIP) process, which assisted in researching new ideas and methods to share the story of Minnesota's agriculture in the past, present, and future. Now completed, the CIP sought input from a wide range of external stakeholders; including experts from tourism, education, local farm organizations and agricultural industries, the Minnesota Department of Agriculture, legislators, and local and regional communities. These experts participated in a number of forums to help direct the new educational plans for the Kelley Farm. This public planning process, successfully used by the MHS to revitalize the Forest History Center, will guide the current and future revitalization and public educational program for the Kelley Farm over the next ten years and beyond. The Kelley Farm will closely examine the compelling story of Minnesota's farm and agriculture history as it has impacted the present and future of our economy, culture and environment; using that extensive research and information to present Minnesota's unique story to the people of Minnesota.

## Impact on Agency Operating Budgets (Facilities Notes)

Inevitably, the magnitude of this project will require additional operational dollars. Ongoing investments in historical programming and intensive marketing will be required to deliver new and creative services to help Minnesotans understand the historic aspects of agriculture, and learn how they and their children fit into the story of farming and agriculture in the state today. As a result of the Kelley Farm revitalization, the MHS believes there will be additional earned income through admissions and museum store sales. For example, to date FY 2007 attendance at Kelley Farm is up 35 percent over that of FY 2006 - illustrating a strong desire by visitors to learn about the history of agriculture and farming in our state. Further, as part of the CIP process and engagement with external stakeholders, ongoing enhancement support will be sought from private sources.

## Other Considerations

The prime motivation for the revitalization is to tell the complete and ever-changing story of Minnesota agriculture past, present, and future to a larger audience. Today the Oliver H. Kelley Farm serves about 24,000 visitors a year, of which 40 percent are school children from across the state. But this level of visitation exceeds the capacity of the current Visitors Center and its

support facilities. With the requested funding, the society will design a facility that can accommodate 50,000 visitors and tell the full story of Minnesota agriculture.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 75 | 0 | 0 | 75 |
| 3. Design Fees | 0 | 1,181 | 0 | 0 | 1,181 |
| 4. Project Management | 0 | 60 | 0 | 0 | 60 |
| 5. Construction Costs | 0 | 0 | 10,500 | 0 | 10,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 184 | 0 | 0 | 184 |
| **TOTAL** | **0** | **1,500** | **10,500** | **0** | **12,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,500 | 10,500 | 0 | 12,000 |
| **State Funds Subtotal** | 0 | 1,500 | 10,500 | 0 | 12,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,500** | **10,500** | **0** | **12,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $894,000

**AGENCY PROJECT PRIORITY:** 5 of 5

**PROJECT LOCATION:** Yellow Medicine and Nicollet Counties

**Project At A Glance**

This request is to develop educational interpretive trail systems at the Fort Ridgely and Upper Sioux Agency historic sites, in order to enhance visitor experiences at historic sites throughout the state.

**Project Description**

The project requested for 2008 will constitute Phase 2 of the Fort Ridgely trail project, as well as provide funding for a trail at the Upper Sioux Agency historic site. (Phase 1 research, trail planning, and interpretive marker design and fabrication for the Fort Ridgely Trail was completed with a 2003 Legislative Commission on Minnesota Resources (LCMR) appropriation. This request will complete the project by constructing a 1.25-mile trail at Fort Ridgely state historic site, which is located seven miles south of Fairfax, Minnesota in Ft. Ridgely State Park.)

The Minnesota Historical Society (MHS) operates a network of state historic sites that help visitors experience "history where it happened." These sites help to convey a wide variety of historical themes, ranging from history of the lumber industry to life in a turn-of-the-century village. While many of these sites interpret a particular part of Minnesota history through exhibits at a visitor center or historic house, often where history happened was outside - near a natural feature or at an archaeological site.

Since 1995, the MHS has been developing trails at historic sites to expand opportunities for visitor use, appreciation, and enjoyment of the state's cultural resources. The purpose of this request is to expand the Heritage Trail system to two historic sites: Fort Ridgely, and the Upper Sioux Agency.

Trails at Fort Ridgely will immerse visitors into the life of a frontier fort during the mid-nineteenth century, and describe the role that the Fort played in the U.S.-Dakota Conflict of 1862. Through narrative, photographs, and artist sketches, visitors will discover the stories of people who lived and worked at this place, which was established in 1852 as a means to keep the peace while new settlers flooded over lands formerly controlled by Dakota Indians. Fort Ridgely became a training ground for Civil War volunteers and withstood several attacks during the U.S.-Dakota Conflict of 1862.

Twice during the six-weeks of the 1862 Conflict, Dakota Indians attacked the fort. The Dakota felt that the fort was the key to controlling the Minnesota River valley during the war. The tenacity of the fort defenders, along with the artillery pieces stationed there, prevented the Dakota from overtaking the fort during those attacks. Dakota losses at Fort Ridgely contributed to a quick conclusion to the conflict.

The fort complex originally consisted of 15 buildings on 40 acres of land. Today, six original foundations have been excavated and stabilized, and visitors can see the reconstructed and restored commissary building and one of the powder magazines. Phase 1 of the trail project replaced the old interpretive markers with new markers that interpret a broader, more complete history of the site as a typical mid-19$^{th}$ century military outpost, as well as tell visitors of the role that the fort played in the U.S.-Dakota Conflict of 1862.

Phase 2 funding will provide for all of the associated costs to construct an eight-foot wide Americans with Disabilities Act (ADA) compliant trail that will start at the parking lot, guide visitors to the reconstructed commissary, and around the original main fort complex. It will then extend into areas of the fort managed by the state park in order to more fully explain the events of the battles of 1862.

The request for the development of a trail at the Upper Sioux Agency includes architecture/engineering, research, planning, archaeological investigations, design and construction drawings, construction oversight and construction of an approximately 3/4 mile long, eight foot wide, ADA compatible trail. Interpretation will include research/writing, design and fabrication, and the installation of interpretive markers and kiosks. Approximately 15 markers and two kiosks will be included. These will

interpret the history of the site, location and design of buildings, as well as the importance of the site to the events of the U.S.-Dakota Conflict of 1862. Only one original building on the complex remains, but the location of many other original buildings is known. The trail would tie the existing building to the rest of the site, provide a better understanding of what the original agency looked like, and interpret the history of the site to help people better understand the importance of the site.

**Impact on Agency Operating Budgets (Facilities Notes)**

The project will add a small amount for maintenance to the operating budget.

**Previous Appropriations for this Project**

In 2003 the LCMR appropriated $90 thousand for design and to upgrade trails at the Forest History Center.

**Other Considerations**

This request reflects the society's effort to interpret Minnesota's history at the maximum level within available resources. The Heritage Trail system will have only minimal operating cost increases. The development of Heritage Trails will fulfill the public's desire to enjoy outdoor recreation, while simultaneously serving an educational function.

Since 1995, the MHS has managed four appropriations totaling $884,000 to develop or enhance trails at seven historic sites. These trails have significantly expanded public access to historic properties.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 133 | 0 | 0 | 133 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 150 | 684 | 0 | 0 | 834 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 77 | 0 | 0 | 77 |
| **TOTAL** | **150** | **894** | **0** | **0** | **1,044** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 894 | 0 | 0 | 894 |
| Environmental Trust | 150 | 0 | 0 | 0 | 150 |
| **State Funds Subtotal** | 150 | 894 | 0 | 0 | 1,044 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **150** | **894** | **0** | **0** | **1,044** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 894 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minnesota Historical Society

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Historic Fort Snelling Visitor Center & Site Revitalization | 1 | $24,799 | $0 | $0 | $24,799 | $0 | $0 | $0 |
| Historic Sites Asset Preservation | 2 | 7,349 | 4,068 | 3,102 | 14,519 | 5,000 | 5,000 | 5,000 |
| County and Local Historic Preservation Grants | 3 | 2,000 | 2,000 | 2,000 | 6,000 | 0 | 0 | 0 |
| Kelley Farm Revitalization | 4 | 1,500 | 10,500 | 0 | 12,000 | 0 | 0 | 0 |
| Heritage Trails | 5 | 894 | 0 | 0 | 894 | 0 | 0 | 0 |
| History Center Enhancements | | 0 | 2,000 | 6,000 | 8,000 | 0 | 0 | 0 |
| **Total Project Requests** | | $36,542 | $18,568 | $11,102 | $66,212 | $5,000 | $5,000 | $5,000 |

**Agency Profile At A Glance**

**Two–year operating budget:**

- $50.323 million in state general funds (FY 2008 – 09 appropriated)
- $29.346 million in non-state funds including earned revenue, gifts, grants, etc. (FY 2006 – 07 estimated)

**The Society serves, each year:**

- Nearly 700,000 visitors served at historic sites and museums
- Nearly 225,000 visitors served at History Center museum
- Nearly 240,000 school children on organized programs and sites and History Center
- Over 6.5 million "visitor sessions" on the Society's web site, www.mnhs.org

**This work is carried out by**

- 180.3 full-time employees (FTE)
- 191.0 part-time and seasonal employees (FTE)

The Society preserves over one million items in collections, including three-dimensional objects, artifacts, books, maps, photos, government records, and archaeological artifacts for the benefit of Minnesotans of today and of the future.

**Agency Purpose**

The Minnesota Historical Society (Society) was created by the Territorial Legislature in 1849 as one of the first educational and cultural institutions in Minnesota.

Today, the Society serves a statewide audience through programs and services at the History Center in the Capitol Complex in St. Paul and through a statewide network of historic sites and museums.

The **Mission** of the Society *is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past, and find purpose for the future.*

The ***Mission*** is carried out by:

- Providing opportunities for people of all ages to learn about the history of Minnesota.
- Collecting and caring for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond.
- Encouraging and doing research in Minnesota history.

The Society's ***Vision*** is: To serve as an educational institution providing a variety of historical programs and services. Through these activities we help people gain meaning for their lives. The Society is a creative and dynamic institution, documenting life in Minnesota and offering programs that are at once educational, engaging, and entertaining.

The Society is governed by an Executive Council of 30 members who are responsible for establishing major policies and monitoring the quality of its programs and services.

**Core Functions**

The Society serves the citizens of Minnesota through a variety of programs and services. Major operations are as follows:

**Historical Programs and Education Division**, Departments include:
- Historic Preservation, Field Services, and Grants
- Archaeology
- History Center Museum and Education
- Enterprise Technology and Business Development

**Historic Sites and Museums Division**
- 32 historic sites statewide
- Mill City Museum

**Library, Publications and Collections Division**, Departments include:
- Collections
- Reference
- State Archives
- Collections Management
- MHS Press

**External Relations Division**, Departments include:
- Marketing and Communications
- Government Relations
- Development

**Human Resources and Volunteer Services**
**Finance and Administration**

**Budget**

The Society is supported by state appropriations of approximately $24.5 million each year, for ongoing operation of the History Center (including building services and debt service, for which approximately $5.5 million each year is transferred to the Department of Administration), the Historic Sites Network and other activities (including State Archives), the History Center Museum, the History Center Library, the State Historic Preservation Office, and numerous other functions.

In addition, the Society is supported by non-state funds, including earned revenue, gifts, and grants.

**Contact**

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**Websites**
Minnesota Historical Society Homepage: www.mnhs.org

The Society Web links:
History Center information:
http://www.mnhs.org/places/historycenter/index.html

Library**:** Including catalogs, special databases, and genealogy information:
http://www.mnhs.org/library/index.html

Minnesota Place Names: http://mnplaces.mnhs.org/index.cfm

Upcoming Events: http://www.mnhs.org/events/index.html

Membership Information: http://www.mnhs.org/about/members/index.html

**Minnesota's Historic Sites Network**
For further information about MHS Historic Sites:
http://www.mnhs.org/places/sites/index.html

**At A Glance: Agency Long-Range Strategic Goals**

Long-Range Strategic Goals in Relation to Capital Requests:

In the Minnesota Historical Society's most recent Strategic Planning Process, seven overriding goals were identified:

- Increase opportunities for people of all ages to learn about the history of Minnesota.
- Collect and care for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond.
- Encourage and carry out research in Minnesota history.
- Achieve greater inclusiveness in all aspects of the institution by reflecting the pluralism of Minnesotans.
- Maintain and strengthen the Society's long-term relationship with the state of Minnesota to ensure its ability to meet its obligation to the people of the state.
- Maintain and strengthen its long-term financial stability.
- Utilize the Web and emerging technologies, critical tools in delivering and expanding the reach of its collections, programs, and services.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Agency Mission Statement and Governance:**

- The Minnesota Historical Society (the Society) is the oldest educational/cultural institution in the state, having been chartered by the first legislature of the Minnesota Territory in 1849.
- The mission of the Society is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past and find purpose for the future.
- This mission is carried out by providing opportunities for people of all ages to learn about the history of Minnesota; collecting and caring for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond; and encouraging and doing research in Minnesota history.
- The Society is governed by an executive council of 30 members responsible for establishing major policies and monitoring the quality of its programs and services.
- The council also performs duties mandated by the legislature under M.S. Chapter 138 and various session laws, as well as federal statutory mandates.

**Trends and Issues Impacting the MHS Capital Budget**

- Asset Preservation. Historic resources are like natural resources in that if lost they cannot be replaced. Absent a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The Society's 32 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.
- Historic sites are recognized by statute as important public resources worth preserving. The "Minnesota Historic Sites Act" (M.S 138.661-138.669), first passed by the legislature in 1965, sets up the state historic sites network as a state responsibility, and confers upon the Society the control and responsibility for preserving, developing, interpreting, and maintaining the sites for public use and benefit.
- Public Demand and Attendance. The state historic sites network is in its fifth decade of heavy use by patrons. Since the early 1980s, as well as more recently, when the Society's budget was reduced as a result of a downturn in state resources, the upkeep and repair of the 125 structures at the 32 state historic sites have suffered. Recent operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 annual visitors for over a decade) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Renewed marketing efforts have helped with overall historic sites attendance. However, this increased use will also increase wear and tear on sites facilities.

**Historic Sites Attendance**

| Fiscal Year | | Fiscal Year | |
|---|---|---|---|
| 1990 | 673,950 | 2000 | 662,705 |
| 1991 | 670,628 | 2001 | 702,579 |
| 1992 | 574,535 | 2002 | 630,352 |
| 1993 | 577,000 | 2003 | 608,842 |
| 1994 | 545,929 | 2004 | 529,320 |
| 1995 | 566,997 | 2005 | 596,897 |
| 1996 | 672,030 | 2006 | 570,561 |
| 1997 | 691,856 | 2007 | 609,652 |
| 1998 | 695,759 | 2008 (est.) | 628,000 |
| 1999 | 741,276 | 2009 (est.) | 663,000 |

- *The Changing Nature of Education*. Education is no longer seen solely as a classroom-based function. Now education will be less defined by formal structure; learning will be recognized as a life-long activity that will take place in many non-traditional settings. The state's historic sites and the Minnesota History Center are places where citizens will learn about our common history. New information technologies enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with a connection to the Internet to access the vast resources contained within the Society.

- *Heritage Tourism and Economic Impact*. Visiting historic sites is one of the primary reasons that tourists travel in Minnesota and across the nation. A recent survey by the Travel Industry Association of American found that 49 percent of U.S. adult travelers included a cultural, arts, or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey.

In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism. The Minnesota Office of Tourism estimates that tourism is a $10 billion industry in Minnesota. Heritage tourism plays a significant part in this important element of our state's economy. Minnesota's Historic Sites Network draws 40% of its visitors from out-of-state.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

The Society estimates the total scope of its deferred maintenance/asset preservation/capital improvement need for the next six years to be approximately $14.5 million, including restoration of facilities and updating and replacement of obsolete and worn out exhibits.

*Historic Site Facilities*
Since the enactment in 1965 of the state's historic sites program, the Society has pursued a planned, progressive approach to acquiring, developing, interpreting, and preserving historic sites. The Society owns or administers a network of 32 sites, comprising 125 significant historical structures and contemporary buildings, totaling 793,000 square feet of interior space.

The very nature of 125 varied facilities, many of which are over 100 years old, makes it impossible to provide a single assessment of "physical condition, suitability and functionality" of the historic sites network, which includes many of the state's oldest and most fragile structures.

The historic relevance and importance of the state's historic sites coupled with their educational value cannot be disputed but century old buildings are in need of varying but substantive levels of stabilization, restoration and preservation. Every component of the historic sites network is part of the capital iceberg. In constant need of cosmetic/surface attention (paint, windows, carpeting), many components of their infrastructure (roofs, foundations, support members, access and egress routes, utilities) are in need of immediate attention. Without that attention, these historic resources will deteriorate beyond repair.

Preserving historic facilities that contain unique and expensive architectural features or time-specific construction techniques (Hill House copper gutters, log structures, capitol furnishings and artworks) require capital funds that are greater than the need of contemporary building, even as visitor centers built in the 1970s and 1980s are now in need of new rofs and improved or replaced HVAC systems.

*Exhibits and Artifacts*
In addition to the buildings and landscapes of the historic sites themselves, exhibits form the core of the educational program at historic sites. The steady stream of patrons who visit the historic sites takes toll on structures, exhibits, audio-visual equipment and artifacts. Exhibits require periodic restoration and refurbishing to keep them presentable for public use. If they are not regularly refurbished, they become dirty, damaged, and unsightly. New technologies and contemporary design concepts have made older exhibits outdated and unappealing

*Markers and Monuments*
The overall condition of the 170 state markers and 29 monuments is fair. Markers require maintenance and upkeep including preservation, coating of bronze markers, casting of new markers, and foundation stabilization. Most urgently in need of ongoing maintenance and repair are the 29 state monuments; several of these large stone structures require tuck-pointing, replacement of granite blocks, and foundation stabilization. Sixty-five markers are at highway and interstate rest areas. Hundreds of thousands of people use these rest areas, and pause to read these markers. In this way, travelers from other states and countries, as well as citizens of Minnesota, learn about the state's rich historic heritage. Funding for monuments and markers is included in the asset preservation request.

*Minnesota History Center*
The 1992 opening of the History Center, with 427,000 square feet on nine acres of land in the Capitol Complex provided Minnesotans with an appropriate facility to showcase, preserve, and use the state's historic resources. Since opening, nearly three million individuals have visited the History Center.

The History Center provides state of the art museum exhibits, demonstrations, workshops, lectures, and seminars designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for 110,000 school children each year are further enriched by hands-on activities in specially designed classrooms.

In the library, visitors enjoy access to the state's archives and to the manuscript, newspaper, audio-visual, map, art, and artifact collections. Environmentally controlled storage facilities enable staff to care for and preserve the collection of nearly two million artifacts (including 1.5 million archaeological artifacts and 260,000 historical artifacts). New information technologies will allow the Society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 10,000 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction within the expansion space will be included in a future capital budget.

**Agency Process Used to Arrive at These Capital Requests**

The process the Society's management team used to develop these requests began with the identification of all appropriate needs by staff, including Historic Sites Division restoration and construction staff. A series of meetings was held with staff to further develop and refine this information including cost information. These needs were then put in priority order by the Society's management team and reviewed and approved by the Society's Executive Council.

**Major Recent Capital Projects**

Forest History Center—permanent exhibit replacement--$1.442 million
LeDuc House—exterior and interior stabilization--$1 million

Also during the past six years, the Society has completed a number of significant projects:

- Completed a new visitor center, site improvements, and new exhibits for the North West Company Fur Post in spring 2003. Funding for this project was provided through Legislative Commission on Minnesota Resources funds ($250,000), state bond proceeds $2 million, and TEA-21 funds $1.5 million.

- Completed a new visitor center addition and site improvements for the Charles A. Lindbergh Historic Site in summer 2002. Funding for this project provided through state bond proceeds $255,000, and TEA-21 funds $745,000

- Various asset preservation projects at historic sites - 2000-2006. Funding $7.95 million.

- Completed a new visitor center addition at Split Rock Lighthouse Historic Site in June 2003. Funding for this project provided through state bond proceeds $750,000, and TEA-21 funds $500,000

- Mill City Museum, Minneapolis. The museum opened in September 2003. Funding for this project was provided through the state of Minnesota ($7 million); federal funds ($2.875 million); city of Minneapolis, ($1.5 million), Hennepin County ($1 million), and non-public funding through individuals, corporations and foundations ($14.725 million, as of 9/03).

- Hill House Roof and Soffit Restoration. Completed in fall 2006: $100,000 state bond proceeds 1998 (for design), $1.6 million state bond proceeds 2005, $250,000 NPS Save America's Treasures Grant (required matching funds to the grant provided by the 2005 funds).

- Sibley and Faribault House Exterior Restoration. Completed in spring 2007: $300,000 state bond proceeds 2002.

- Fort Snelling Historic Fort Buildings Roof Replacement and Porch Reconstruction. Completed in summer 2007: $1.3 million Asset Preservation state bond proceeds 2005, and state bond proceeds 2002 design $90,000.

- Ramsey House Exterior Restoration. Completed in spring 2005: $620,000 Asset Preservation 2000.

- Hill House Hillside Restoration. Completed in fall 2004: $550,000 Asset Preservation 2000.

**2008 STATE APPROPRIATION REQUEST:** $24,799,000

**AGENCY PROJECT PRIORITY:** 1 of 5

**PROJECT LOCATION:** Hennepin Co., Fort Snelling Unorganized Township

**Project At A Glance**

The Minnesota Historical Society (MHS) seeks funds to continue the revitalization of Minnesota's most significant historic site on the state's Sesquicentennial anniversary. The funds will continue the revitalization of the site by creating a modern visitor center and preserving National Historic Landmark structures.

**Project Description**

Millions of people have visited Historic Fort Snelling in the 40 years that Minnesota Historical Society (MHS) has operated the site. These visitors followed in the footsteps of millions before them; American Indians, French trappers, Yankee entrepreneurs, missionaries, slaves, immigrants, and green recruits for a dozen wars--on a path that stretches back at least 5,000 years. Their stories have shaped the state of Minnesota and continue to influence our lives today. Building on their foundation, we need to prepare this most significant site for the 21st century.

The MHS is requesting funds to construct a modern visitor center at Historic Fort Snelling, to realign pedestrian and vehicle routes, to improve buildings within the walls of the Historic Fort to better serve visitors to the site, and to preserve historic structures in order to put them to good use. The new Visitor Center will be the portal to the historic site, providing visitor services, ticketing, and orientation. It will replace the existing underground visitor center, which has experienced significant structural and water-penetration problems in recent years.

**Project History**

Historic Fort Snelling is Minnesota's first National Historic Landmark, the highest designation given to historic places by the federal government, recognizing the site's role in the nation's development. Fort Snelling was the governmental administration center for this region from 1819 until statehood in 1858, and an active military post until 1946. The original fort site was restored and opened to the public in 1965. A visitor center was completed in 1983.

The original restoration and site program at Historic Fort Snelling is now more than 40 years old. While the site continues to serve 85,000 visitors each year, it is not reaching its full potential due to limited facilities, decades-old exhibits, and a program narrowly focused on the early 19th century.

Just as important, the site is not taking advantage of its greatest assets-its extraordinary position overlooking the Mississippi River, its location in the center of the state's population, and its prominent place in the hearts of Minnesotans.

There is a broad consensus for action. Buildings and grounds that show signs of heavy use need to be replaced. Historic structures that are empty and decaying need restoration if they are to have a productive use. Attendance has not kept pace with the remarkable growth in the Twin Cities area. Historic Fort Snelling needs to regain its status as a major attraction to meet the educational and recreational needs of people today and in the future.

In 2002, the MHS proposed to temporarily close Fort Snelling in order to focus energies on site development. The immense public outcry over this proposed action had a dramatic effect. If there was any doubt before about the special place the site holds in the hearts of Minnesotans, it was put to rest. The legislature responded in kind, with appropriations in 2002, 2005, and 2006, totaling $2.1 million in capital funds and $2 million in asset preservation funds to initiate the site's rebirth. Those funds have been used to fund design and restoration of the Round Tower, the Half-Moon Battery, porches on three barracks buildings, new roofs on six structures, and design for a new visitor center, and historic building preservation and stabilization.

**Project Overview**

Historic Fort Snelling currently offers visitors a single type of experience, with only rudimentary site amenities. Guided by a new plan, the site will be transformed into a multi-faceted experience with a wide variety of things to do, see, and learn.

- Over the past 40 years, historical reenactments by costumed interpreters have been the centerpiece of the visitor experience at Historic Snelling. That kind of personal engagement will continue to hold center stage and will be expanded to tell unknown Minnesota stories with national impact. For example, there is the untold story of Dred Scott's life at the fort, which led to his claim for freedom and the momentous 1857 Supreme Court decision that sustained slavery.
- As compelling as reenactments can be, 21st-century visitors demand a more varied experience, and a higher level of participation. At the same time, the society has thousands of images and artifacts from Fort Snelling that currently cannot be easily put on display. New technologies can provide many opportunities for the public to see them. Using both math and science skills, for example, students could locate the original vantage point for an 1870 photograph and call up the digital image on a hand-held device while standing on that very spot.
- A revitalized Historic Fort Snelling will help educators and students to meet state-mandated educational standards, particularly Social Studies standards. An enhanced program would fulfill 14 of the state's mandated standards for elementary students and nine for secondary students.
- The society employs numerous traditional-craft experts in fields such as blacksmithing, hearth baking, and basket making. Historic Fort Snelling can be national leader for sustaining these skills and passing them on to the next generation. Public interest in participation in intensive learning opportunities is growing.
- The society will add other in-depth experiences, following the example of the very successful Memorial Day Weekend program. A recent World War II encampment program for home-school families was very well attended and will be expanded. We are planning to recreate the first State Fair that was held within the walls of the fort in the 1860s.

To make this vision succeed, significant investment is needed in the site. The welcoming, new visitor center will highlight views of the Mississippi River, and provide the modern amenities visitors expect. New admission counters and restrooms will end the lines now seen when school buses arrive or summer programs start. A new orientation gallery will give visitors an overview of the centuries of human life on this extraordinary site, preparing them to make the most of their visit. An expanded gift shop will give them a chance to buy a book or a memento of their experience.

New circulation and parking configurations will set visitors on the path to the visitors center, taking full advantage of the river view while screening highway noise. School groups will have greater access and bus traffic will be more efficiently organized. Bike and pedestrian trails will connect the site to Minnehaha Park and Fort Snelling State Park. New classrooms, staff work rooms, accessible restrooms, and refurbished food service areas inside the walls of the fort will accommodate more visitors, students, and families. This project will also put historic structures to better use, and ensure the survival of important buildings.

**Impact on Agency Operating Budgets (Facilities Notes)**

Inevitably, the planned program and visitor enhancements will require additional dollars in the site's operating budget. Revenue from admissions, store sales, food service and facility rental will cover some of the increased costs, but not all. In particular, increased costs for utilities, staffing, and maintenance will out-pace new revenues. Additional state support will be a necessary part of the operating budget.

**Previous Appropriations for this Project**

2002 – The Historical Society received $100,000 for restroom expansion.

**Other Considerations**

At its peak in the late 1970s, the Fort served over 150,000 visitors annually. The site still serves about 85,000 visitors per year. A prime motivation for this redevelopment is to attain the higher potential of this site, one more fitting to its significance and prime location. With a combination of dedicated marketing and year-round programs, this site will be able to significantly increase annual attendance. Our ultimate goal is to meet or exceed historic attendance levels.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 148 | 0 | 0 | 0 | 148 |
| 3. Design Fees | 1,526 | 489 | 0 | 0 | 2,015 |
| 4. Project Management | 326 | 637 | 0 | 0 | 963 |
| 5. Construction Costs | 0 | 19,177 | 0 | 0 | 19,177 |
| 6. One Percent for Art | 0 | 58 | 0 | 0 | 58 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 100 | 2,001 | 0 | 0 | 2,101 |
| 9. Inflation | 0 | 2,437 | 0 | 0 | 2,437 |
| **TOTAL** | **2,100** | **24,799** | **0** | **0** | **26,899** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,100 | 24,799 | 0 | 0 | 26,899 |
| **State Funds Subtotal** | 2,100 | 24,799 | 0 | 0 | 26,899 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,100** | **24,799** | **0** | **0** | **26,899** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 580 | 580 | 1,160 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 220 | 220 | 440 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 800 | 800 | 1,600 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 800 | 800 | 1,600 |
| Change in F.T.E. Personnel | 0.0 | 4.5 | 0.0 | 4.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 24,799 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $7,349,000

**AGENCY PROJECT PRIORITY:** 2 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

The Minnesota Historical Society (MHS) is seeking $7.349 million for the preservation and restoration of historic structures, landscapes and building systems in the state's Historic Sites Network and for monuments located statewide. This request is for work that is critical to the preservation and maintenance of these important state resources.

**Project Description**

Over the past three decades more than 15 million students, families, and tourists have visited the 130 landmark buildings, trails and museums of the Historic Sites Network. Minnesota Historical Society (MHS) is making this request among its highest priorities in order to keep these extraordinary properties open to the public. Many of these buildings were built with materials intended for private family homes; they are now exposed to visitation on the scale of public buildings with greater loads and accelerated wear. While keeping pace with the traffic and continuous aging of the historic structures is our chief concern, we also must keep up with changes in life/safety systems, environmental concerns, and infrastructure upgrades. The asset preservation needs for such a vast Network of fragile historic structures cannot be met by the society's operating budget with its modest repair and replacement funding.

In recognition of the integral part that these buildings and landscapes play in public education, the people of Minnesota have invested significantly in the Historic Sites Network. Maintaining these resources is expensive. As non-renewable social and cultural resources, historic buildings require a high standard of care. Special training and skills are required to assess, design and implement repairs and maintenance. Integrating new life/safety and mechanical systems into these historic structures requires specially qualified architects, engineers and contractors. The cost of first-quality materials rises every year. The investment is well rewarded by the public appreciation for preserving the state's precious heritage.

The Historic Sites Network also serves as a showcase for the principles and techniques of historic preservation, setting a standard for the state. These structures are learning resources used by students of Minnesota history, by students and practitioners of architecture, and by the traditional building trades. Minnesota continues to be a leader in the field of preservation.

The society's Historic Sites Division is responsible for all 130 of the structures in the Historic Sites Network. Every year they typically manage five or six large projects over $1 million and dozens of small projects scattered across the state. Society staff prioritizes work projects based upon long-range planning, building analysis, and structural conditions. Working in consultation with preservation architects and specialty engineers, cost estimates are prepared for appropriation requests.

**Inventory of Asset Preservation Needs for 2008**

| | | |
|---|---|---|
| Hill House | Hill House Exterior and Historic Gates and Fencing Preservation | $1,610,000 |
| Jeffers Petroglyphs | Petroglyphs Conservation | $224,000 |
| Fort Snelling | Historic Fort Restoration | $1,600,000 |
| Split Rock Lighthouse | Historic Building Exterior Preservation | $1,200,000 |
| Mille Lacs | Sanitary/Sewer System upgrades and connections and Ayer House Rehabilitation | $363,000 |
| Statewide | Design for Future Asset Preservation Projects | $488,000 |
| Statewide | Heating, Ventilation and Air Conditioning (HVAC) Replacement | $607,000 |
| Hill House | Walnut Street Retaining Wall Preservation | $230,000 |
| North West Co. Fur Post | Fur Post Palisade Replacement | $122,000 |
| Ramsey House | Carriage Barn Rehabilitation | $365,000 |

| | | |
|---|---|---|
| Statewide | Monuments & Markers Repair | $150,000 |
| Statewide | Management Agreement Sites Building Stabilization | $390,000 |
| **Total** | | **$7,349,000** |

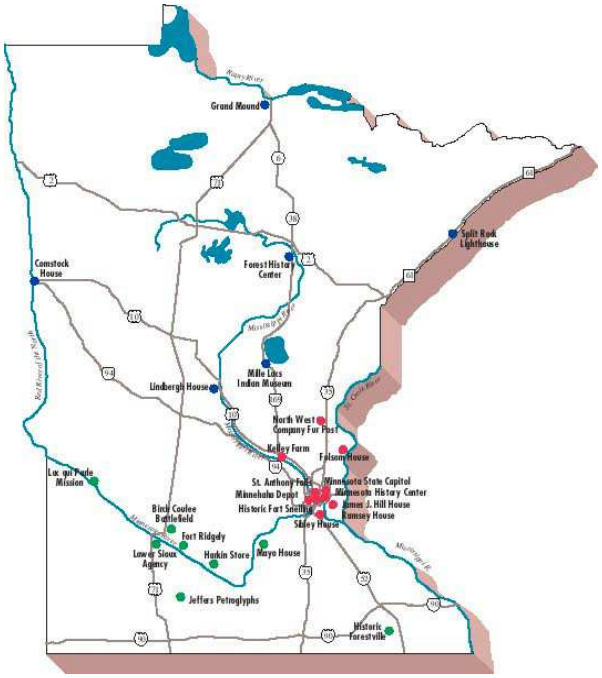
**Inventory of Asset Preservation Needs for 2010**

| | | |
|---|---|---|
| Split Rock Lighthouse | Exhibit Replacement in Visitor Center and Fog Signal Building | $1,300,000 |
| Hill House | Interior Restoration of House and Gatehouse | $1,233,000 |
| Statewide | Roof Replacement | $280,000 |
| Statewide | Design for future asset preservation projects | $336,000 |
| Ramsey House | Interior Restoration | $414,000 |
| Forest History Center | Logging Camp Rehabilitation | $205,000 |
| Mill City Museum | Masonry Stabilization | $300,000 |
| **Total** | | **$4,068,000** |

**Inventory of Asset Preservation Needs for 2012**

| | | |
|---|---|---|
| Lindbergh House | Boyhood Home Interior, WPA Structure and Landscape Restoration | $636,000 |
| Jeffers Petroglyphs | Visitor Center Renovation | $272,000 |
| Statewide | Maintenance Buildings | $227,000 |
| Statewide | Design for future asset preservation projects | $300,000 |
| Statewide | Roof Replacement | $309,000 |
| Statewide | Masonry Preservation | $363,000 |
| Historic Forestville | Interior Restoration of Meighen House | $382,000 |
| Ramsey House | Landscape and Site Feature Restoration | $363,000 |
| Statewide | Sustainable Design Improvements | $250,000 |
| **Total** | | **$3,102,000** |

Each of the projects named above are part of the state's Historic Sites Network, as defined in M.S.138.661, and have strong local and regional support from the areas in which they are located. Local citizens, businesses, and support group members have assisted these sites with volunteer hours, in-kind contributions, and grass-roots leadership. Local legislators have also shown leadership that has kept these sites open to the public and kept them in good operating condition. Minnesotans are rightfully proud of the sites.




The historic buildings, artifacts, and landscapes within the Historic Sites Network are of national and state significance. They fulfill the mission given by the Territorial Legislature to the Society to collect and preserve evidence of human culture in the state, and to teach Minnesota history in all its academic, technological, and social diversity. Failure to maintain these cultural treasures will result in irreversible loss of material and intellectual culture.

**Previous Appropriations for this Project**

Appropriations have been made for the 130 structures in the Historic Sites Network in every capital budget bill since 1990. In 2006 this effort received $3 million, in 2005 it received $4 million, in 2002 it received $1.442 million, and in 2000 it received $1.55 million.

**Other Considerations**

These asset preservation requests will allow the society to maintain the state's Historic Sites Network of structures and landscapes. In addition to the necessary work on historic structures, many of the visitor centers erected 20 to 30 years ago are now in need of renewal or are reaching the end of their useful life. Increasingly, this list will include appropriation requests to replace worn out infrastructure, such as HVAC or septic systems, or to conduct assessments for future projects now visible on the horizon.

The capital budget is the primary source of funding for all of the preservation needs of these irreplaceable state resources.

The society's current repair and replacement budgets are inadequate to meet asset preservation needs within the state's Historic Sites Network. A total of $14.519 million is requested through the year 2012 (see table). This figure could increase as additional problems are discovered, the buildings increase in age, the required skills and materials become more and more difficult to find.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5 million for this project. Also included are budget planning estimates of $5 million in 2010 and $5 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 441 | 244 | 186 | 871 |
| 5. Construction Costs | 9,442 | 6,908 | 3,824 | 2,916 | 23,090 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **9,442** | **7,349** | **4,068** | **3,102** | **23,961** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 9,442 | 7,349 | 4,068 | 3,102 | 23,961 |
| **State Funds Subtotal** | 9,442 | 7,349 | 4,068 | 3,102 | 23,961 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **9,442** | **7,349** | **4,068** | **3,102** | **23,961** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,349 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 5

**PROJECT LOCATION:** Statewide

**Project At A Glance**

This project provides funding, on a competitive matching basis, for county and local historic preservation projects. In addition, this project will allow local communities to preserve their most significant historical resources to mark the state's sesquicentennial commemoration in 2008.

**Project Description**

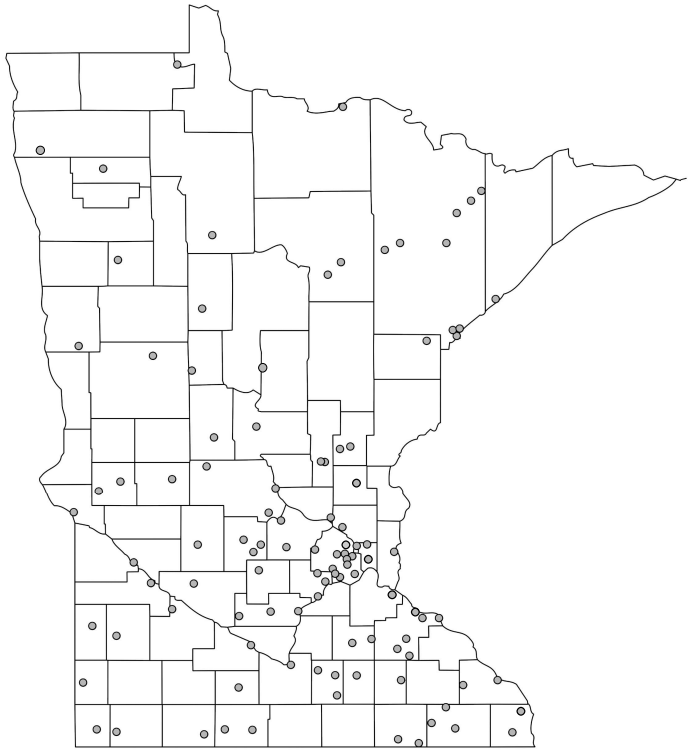
Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. This program is one of the most successful of its type with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Since recipients of county and local preservation grants are required to fully match state funds, this project provides the best possible return on the state's investment. Funds appropriated between 1994 and 2006 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

This project has the effect of reducing the state's overall share of investment in preserving historic resources while fulfilling the state's statutory commitment to preserving elements of the state's inventory of historic resources (according to M.S. 138.665). Some states, for example, attempt to preserve 125+ historic sites at the state level. In Minnesota, we have limited the state's historic sites network to 32 sites, allowing the Minnesota Historical Society (MHS) to concentrate on its mission of interpreting historic sites of statewide significance. Minnesota's grant-in-aid program, initiated in 1969, encourages local organizations to take on such preservation projects rather than depend on the state to fund both their capital and operating costs.

Since 1969 more than 1,000 capital and operating grants have been awarded to qualified historical organizations in all 87 counties resulting in the preservation of the evidence of Minnesota's past. In recent rounds of grants, the Society's capital bond-funded grant program has assisted in preserving and making accessible such projects as the Pine Island City Hall, the New Ulm Post Office, the Washington County Courthouse, the Koochiching County Courthouse, the Hubbard House in Mankato, the Glensheen Mansion in Duluth, the Universal Laboratories Building in Dassel, Hibbing High School Auditorium, the Paramount Theater in St. Cloud, and the Thief River Falls Depot.

As Minnesota approaches the sesquicentennial of its statehood in 2008, it is important for communities across the state to be prepared to celebrate the state's heritage through each community's most treasured historic resources.

**County and Local Historic Preservation Grant Locations 1994-2006**



From the financial perspective, 1994, 1996, 1998, 2000, 2003, 2005, and 2006 appropriations totaling $5.025 million, will leverage at least an equal amount in local match funding, as well as countless hours of volunteer effort. Additionally, this project helps to fulfill two goals identified in the society's long-range strategic plan: serving larger audiences, and increasing its services outside the metropolitan area.

Other accomplishments include:

- Grants for historic preservation have stimulated local economies. Local matches used to implement projects have more than doubled the $5 million in state funds. Tourists coming to visit these historic resources bring new dollars to Minnesota communities.
- Professional standards and expertise were increased among staff and volunteers at county and local historical organizations receiving grants because of the technical assistance that accompanies them.
- Many projects made possible by these grants enabled communities, most commonly through county and local governments and historical organizations, to reach out beyond their traditional constituencies and attract new audiences, including significant new volunteer activities.

In summary, this grants program has enabled many organizations throughout the state to preserve significant historic places and other priceless evidence of the past at very modest cost to the state.

**Impact on Agency Operating Budgets (Facilities Notes)**

The funding of this program will not impact operating budgets.

**Previous Appropriations for this Project**

Appropriations for this grant program were made in 1994, 1996, 1998, 2000, 2003, 2005, and 2006. In 2006 this effort received $900 thousand, in 2005 it received $1 million, and in 2003 it received $300 thousand.

**Other Considerations**

Grants to preserve the evidence of Minnesota's past have been and will be used to make a wide variety of historic resources available to the public. Examples include preservation of the Edna G. Tugboat in Two Harbors, and Alberta Teacherage in Stevens County. Over the 10-year history of the bond-funded grant program, the society has received over $9 million in requests for $5.025 million available. This clearly demonstrates the statewide needs for historic preservation funding as well as the ability and willingness of local groups to leverage state dollars.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 4,600 | 4,000 | 4,000 | 4,000 | 16,600 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,600** | **4,000** | **4,000** | **4,000** | **16,600** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,300 | 2,000 | 2,000 | 2,000 | 8,300 |
| **State Funds Subtotal** | 2,300 | 2,000 | 2,000 | 2,000 | 8,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 2,300 | 2,000 | 2,000 | 2,000 | 8,300 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,600** | **4,000** | **4,000** | **4,000** | **16,600** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,500,000

**AGENCY PROJECT PRIORITY:** 4 of 5

**PROJECT LOCATION:** Sherburne County, City of Elk River

**Project At A Glance**

This request will provide pre-design and design funding for the revitalization of the visitor center and support facilities of the Oliver H. Kelley Farm Historic Site.

**Project Description**

**Project History**:
In 1849 Oliver H. Kelley homesteaded a farm on the east bank of the Mississippi River. Kelley was successful, and began to dabble in land development and politics. While on a land speculation trip, Kelley devised the idea to create a nationwide agricultural organization to financially and socially assist farmers. The organization would promote the most modern farming and marketing techniques available in order to achieve this goal.

Kelley's organization, the Patrons of Husbandry (also known as The Grange) was founded in 1867. Later, they acquired the Kelley Farm property and managed it until 1961when it was donated to the Minnesota Historical Society. The site became a National Historic Landmark in 1964. The Society operated the site on a limited basis until 1981, when a Visitor Center was built and the agricultural Living History program was developed.

**Project Overview**:
The long-range plan includes helping Minnesotans understand the importance of agriculture in the state. Today, only two percent of Minnesotans actually farm, but agriculture represents 20 percent of the state's economy. It is vital to tell the story of how our society, economy, and environment have impacted agriculture and will continue to do so in the future.

During the fall of 2006, the Minnesota Historical Society (MHS) launched a Comprehensive Interpretive Planning (CIP) process, which assisted in researching new ideas and methods to share the story of Minnesota's agriculture in the past, present, and future. Now completed, the CIP sought input from a wide range of external stakeholders; including experts from tourism, education, local farm organizations and agricultural industries, the Minnesota Department of Agriculture, legislators, and local and regional communities. These experts participated in a number of forums to help direct the new educational plans for the Kelley Farm. This public planning process, successfully used by the MHS to revitalize the Forest History Center, will guide the current and future revitalization and public educational program for the Kelley Farm over the next ten years and beyond. The Kelley Farm will closely examine the compelling story of Minnesota's farm and agriculture history as it has impacted the present and future of our economy, culture and environment; using that extensive research and information to present Minnesota's unique story to the people of Minnesota.

**Impact on Agency Operating Budgets (Facilities Notes)**

Inevitably, the magnitude of this project will require additional operational dollars. Ongoing investments in historical programming and intensive marketing will be required to deliver new and creative services to help Minnesotans understand the historic aspects of agriculture, and learn how they and their children fit into the story of farming and agriculture in the state today. As a result of the Kelley Farm revitalization, the MHS believes there will be additional earned income through admissions and museum store sales. For example, to date FY 2007 attendance at Kelley Farm is up 35 percent over that of FY 2006 - illustrating a strong desire by visitors to learn about the history of agriculture and farming in our state. Further, as part of the CIP process and engagement with external stakeholders, ongoing enhancement support will be sought from private sources.

**Other Considerations**

The prime motivation for the revitalization is to tell the complete and ever-changing story of Minnesota agriculture past, present, and future to a larger audience. Today the Oliver H. Kelley Farm serves about 24,000 visitors a year, of which 40 percent are school children from across the state. But this level of visitation exceeds the capacity of the current Visitors Center and its

support facilities. With the requested funding, the society will design a facility that can accommodate 50,000 visitors and tell the full story of Minnesota agriculture.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 75 | 0 | 0 | 75 |
| 3. Design Fees | 0 | 1,181 | 0 | 0 | 1,181 |
| 4. Project Management | 0 | 60 | 0 | 0 | 60 |
| 5. Construction Costs | 0 | 0 | 10,500 | 0 | 10,500 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 184 | 0 | 0 | 184 |
| **TOTAL** | **0** | **1,500** | **10,500** | **0** | **12,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,500 | 10,500 | 0 | 12,000 |
| **State Funds Subtotal** | 0 | 1,500 | 10,500 | 0 | 12,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,500** | **10,500** | **0** | **12,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,500 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $894,000

**AGENCY PROJECT PRIORITY:** 5 of 5

**PROJECT LOCATION:** Yellow Medicine and Nicollet Counties

**Project At A Glance**

This request is to develop educational interpretive trail systems at the Fort Ridgely and Upper Sioux Agency historic sites, in order to enhance visitor experiences at historic sites throughout the state.

**Project Description**

The project requested for 2008 will constitute Phase 2 of the Fort Ridgely trail project, as well as provide funding for a trail at the Upper Sioux Agency historic site. (Phase 1 research, trail planning, and interpretive marker design and fabrication for the Fort Ridgely Trail was completed with a 2003 Legislative Commission on Minnesota Resources (LCMR) appropriation. This request will complete the project by constructing a 1.25-mile trail at Fort Ridgely state historic site, which is located seven miles south of Fairfax, Minnesota in Ft. Ridgely State Park.)

The Minnesota Historical Society (MHS) operates a network of state historic sites that help visitors experience "history where it happened." These sites help to convey a wide variety of historical themes, ranging from history of the lumber industry to life in a turn-of-the-century village. While many of these sites interpret a particular part of Minnesota history through exhibits at a visitor center or historic house, often where history happened was outside - near a natural feature or at an archaeological site.

Since 1995, the MHS has been developing trails at historic sites to expand opportunities for visitor use, appreciation, and enjoyment of the state's cultural resources. The purpose of this request is to expand the Heritage Trail system to two historic sites: Fort Ridgely, and the Upper Sioux Agency.

Trails at Fort Ridgely will immerse visitors into the life of a frontier fort during the mid-nineteenth century, and describe the role that the Fort played in the U.S.-Dakota Conflict of 1862. Through narrative, photographs, and artist sketches, visitors will discover the stories of people who lived and worked at this place, which was established in 1852 as a means to keep the peace while new settlers flooded over lands formerly controlled by Dakota Indians. Fort Ridgely became a training ground for Civil War volunteers and withstood several attacks during the U.S.-Dakota Conflict of 1862.

Twice during the six-weeks of the 1862 Conflict, Dakota Indians attacked the fort. The Dakota felt that the fort was the key to controlling the Minnesota River valley during the war. The tenacity of the fort defenders, along with the artillery pieces stationed there, prevented the Dakota from overtaking the fort during those attacks. Dakota losses at Fort Ridgely contributed to a quick conclusion to the conflict.

The fort complex originally consisted of 15 buildings on 40 acres of land. Today, six original foundations have been excavated and stabilized, and visitors can see the reconstructed and restored commissary building and one of the powder magazines. Phase 1 of the trail project replaced the old interpretive markers with new markers that interpret a broader, more complete history of the site as a typical mid-19$^{th}$ century military outpost, as well as tell visitors of the role that the fort played in the U.S.-Dakota Conflict of 1862.

Phase 2 funding will provide for all of the associated costs to construct an eight-foot wide Americans with Disabilities Act (ADA) compliant trail that will start at the parking lot, guide visitors to the reconstructed commissary, and around the original main fort complex. It will then extend into areas of the fort managed by the state park in order to more fully explain the events of the battles of 1862.

The request for the development of a trail at the Upper Sioux Agency includes architecture/engineering, research, planning, archaeological investigations, design and construction drawings, construction oversight and construction of an approximately 3/4 mile long, eight foot wide, ADA compatible trail. Interpretation will include research/writing, design and fabrication, and the installation of interpretive markers and kiosks. Approximately 15 markers and two kiosks will be included. These will

interpret the history of the site, location and design of buildings, as well as the importance of the site to the events of the U.S.-Dakota Conflict of 1862. Only one original building on the complex remains, but the location of many other original buildings is known. The trail would tie the existing building to the rest of the site, provide a better understanding of what the original agency looked like, and interpret the history of the site to help people better understand the importance of the site.

**Impact on Agency Operating Budgets (Facilities Notes)**

The project will add a small amount for maintenance to the operating budget.

**Previous Appropriations for this Project**

In 2003 the LCMR appropriated $90 thousand for design and to upgrade trails at the Forest History Center.

**Other Considerations**

This request reflects the society's effort to interpret Minnesota's history at the maximum level within available resources. The Heritage Trail system will have only minimal operating cost increases. The development of Heritage Trails will fulfill the public's desire to enjoy outdoor recreation, while simultaneously serving an educational function.

Since 1995, the MHS has managed four appropriations totaling $884,000 to develop or enhance trails at seven historic sites. These trails have significantly expanded public access to historic properties.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 133 | 0 | 0 | 133 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 150 | 684 | 0 | 0 | 834 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 77 | 0 | 0 | 77 |
| **TOTAL** | **150** | **894** | **0** | **0** | **1,044** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 894 | 0 | 0 | 894 |
| Environmental Trust | 150 | 0 | 0 | 0 | 150 |
| **State Funds Subtotal** | 150 | 894 | 0 | 0 | 1,044 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **150** | **894** | **0** | **0** | **1,044** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 894 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

FY 2008-09 Budget (000s)

| | |
|---|---|
| ♦ Operating budget | $1,222,808 |
| ♦ Capital expenditure | 1,346,651 |
| ♦ Grants | 1,553,096 |
| ♦ Total | $4,122,555 |

Mn/DOT's primary source of financing is the Trunk Highway Fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources include federal funds and state airport funds. Less than one percent of the operating budget is from the General Fund.

**Agency Purpose**

The Minnesota Department of Transportation (Mn/DOT) was created by the state legislature in 1976. Its role is to develop and implement transportation policies, plans, and programs that enhance the quality of life for Minnesota citizens.

Meeting Minnesota's transportation needs, now and in the future, is one of the top policy goals of the Pawlenty-Molnau administration. Mn/DOT's work will be guided by the administration's governing principles of commitment to mission, focus on customers, simplify government, manage for results, and improvement by innovation.

Mn/DOT's vision affirms what citizens want for Minnesota: a coordinated transportation network that meets the needs of Minnesota citizens and businesses for safe, timely, and predictable travel.

Mn/DOT's mission is to improve access to markets, jobs, goods and services, and improve mobility by focusing on priority transportation improvements and investments that help Minnesotans travel safer, smarter, and more efficiently.

**Mn/DOT's strategic directions are to:**

- safeguard what exists;
- make the transportation network operate better; and
- make Mn/DOT work better.

**Mn/DOT's investment objectives are:**

- Building More – addressing congestion, supporting cost-effective investments, and pursuing long-range funding.
- Building Faster – accelerate construction and shorten construction time for highway and bridge projects, and accelerate funding for transit advantages.
- Moving Better – focus on cost-effective investments that improve safety, reduce congestion, and improve mobility.

**Core Functions**

***State Roads*** – includes the construction, operation, and maintenance of the state's approximately 12,000-mile trunk highway system.

***Local Roads*** – includes the local financial resources for county and municipal roads generated by the constitutional funding sources.

***Multimodal Systems*** – includes supporting the use and development of cost-effective transportation modes – transit, air, railroads, and waterways – owned and operated by local governments and private operators. This includes financial investments, technical assistance, and operational reviews.

***General Support*** – includes general department-wide administrative functions (accounting, personnel, information resources), the commissioner's office, and the policy functions of the department. It also includes the construction and centrally directed maintenance of all the department's buildings.

**Operations**

***Highways***
Mn/DOT constructs, operates, and maintains the state trunk highway system that includes nearly 12,000 miles of roads and more than 4,700 bridges. This

system carries about 61 percent of all travel for the entire 130,000-mile system of state and local roads.

***Freight***
Mn/DOT promotes the safe and efficient movement of freight by railroads, waterways, and motor carriers by managing investment programs, administering construction projects, ensuring compliance with statutes, and developing freight policies.

***Aeronautics***
Mn/DOT promotes general and commercial aviation throughout the state, and provides services including aircraft registration, airport development, aviation system planning, aviation education, and government aircraft services.

***Transit***
Mn/DOT provides statewide leadership in the development and implementation of transit systems, including management of state and federal funds for greater Minnesota public transit, planning activities associated with bicycle and pedestrian systems, planning and construction of commuter rail, and the construction of the Hiawatha Light Rail Transit (LRT) line.

**Budget**

Mn/DOT's investment objectives focus on building more, building faster, and moving better. Mn/DOT has used budget reallocation and innovative financing techniques totaling $825 million to advance critical road and bridge expansion, transit improvement, and safety projects by more than a total of 65 years. The 2003 Pawlenty-Molnau transportation package authorizes Mn/DOT to issue $400 million in highway bonds by accessing $425 million in advance federal funds for 2004-07. Long-term financing options can be considered to continue to make transportation improvements. Mn/DOT has prepared an activity-based budget for FY 2008-09 that reflects the actual products and services the agency delivers to customers, and incorporates a comprehensive business planning process to support investment decisions and performance measurement.

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

- Safeguard what exists – operate, maintain, and preserve Minnesota's existing transportation systems and infrastructure.
- Make the transportation network operate better through balanced cost-effective statewide strategies.
- Make Minnesota Department of Transportation (Mn/DOT) work better by continuously improving service and efficiency in order to give citizens the best value for their tax dollars.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Distinct operating units have initiated the requests for projects in this budget document. The sections of this summary are explained separately by those operating units:

- The Facilities Program addresses all Minnesota Department of Transportation (Mn/DOT) owned buildings. Generally, building projects included in the capital budget cost $1 million or more. If projects are less than $1 million, they are included in the biennial operating budget.
- State Aid for Local Transportation (State Aid) addresses the need for general obligation bonds to replace deficient local bridges and to complete local road and bridge projects with statewide or regional significance.
- Office of Freight and Commercial Vehicle Operations addresses rail service improvement projects and port improvement needs, which are funded from general obligation bonds.
- Office of Transit is responsible for providing grants for operating and capital assistance to greater Minnesota public transit systems. Capital assistance for transit facilities is funded from general obligation bonds.
- Office of Traffic, Safety and Operations addresses the request for a state match for the federal Urban Partnership Agreement (UPA) program grant.

**Facilities Program**

Facilities need to be routinely maintained, repaired, constructed, and/or upgraded to provide support for the Mn/DOT. Space is required for administration, vehicle storage and repairs, ancillary equipment, installed facility-supporting equipment, and office space. All facilities must be at correct locations for operations so Mn/DOT employees can efficiently and promptly respond to the highway users' needs. These facilities are constructed to respond to program requirements, new equipment demands or may be regulatory or building code driven.

Mn/DOT has continually upgraded its fleet and technological capabilities to be more efficient in constructing and maintaining the transportation infrastructure, while providing for the safety of the public and the Mn/DOT work force. This policy has impacted the ability to store, maintain, and maneuver the equipment at many truck stations and district headquarters. As an example, trucks have gone from a single axle, 33-foot length, to a double axle vehicle, requiring 44 feet to park. Other equipment, attachments and technical enhancements also require larger storage capabilities and maneuvering space. Increased use of sophisticated hydraulic systems and computer technology require warm storage for the maximum efficient use and life cycle.

Retaining this large and diverse fleet greatly affects the space and air quality conditions of existing facilities:

- Existing buildings require additional space to accommodate larger vehicles and support spaces; and
- Diesel engines emit fumes that are difficult to diffuse and require extensive mechanical retrofit.

While Mn/DOT was shifting to larger equipment, building codes and environmental regulations and Occupational Safety and Health Administration (OSHA) procedures also grew more complicated. Additional facilities systems such as fire sprinklers, Americans with Disabilities Act (ADA) requirements, along with asbestos removal requirements, have expanded facility size and complexity. Some of these regulations have required a shift from field maintenance positions to design and compliance professional positions, which require additional administrative and support spaces.

**State Aid**
In 1976, the legislature began a program of state bond funds to replace deficient bridges on the local roads system. It was recognized at that time that the number of aging bridges and the need for replacement was so great that the local agencies needed state assistance in addressing the needs. The number of bridges becoming deficient in Minnesota is increasing as bridges built after World War II get older. Additionally, the increase in truck weights and the size of farm machinery directly affect the structural and functional condition of bridges.

In 2002, the legislature created a program to assist local agencies with the construction of road and bridge projects that are on the local system, and that have statewide or regional significance or are associated with trunk highway corridor improvements. A study completed for the legislature in January of 2002 identified several types of local transportation projects that are of importance to the state, but are beyond the means of local agencies to fund, and cannot reasonably be funded by existing state or federal programs.

Local agency transportation projects will compete on a statewide basis. Eligibility for funding will consider the significance and benefit of the project as well as the local agency's ability to provide partial funding.

**Freight and Commercial Vehicle Operations**
The Minnesota Rail Service Improvement (MRSI) Program was created in 1976. The MRSI Program has received General Fund appropriations totaling $9.6 million and general obligation bond appropriations totaling $27.0 million over the life of the program. These funds were granted or loaned to rail users and rail carriers to rehabilitate deteriorating rail lines, to improve rail-shipping opportunities, and to preserve and maintain abandoned rail corridors for future transportation use.

With the numerous changes in the railroad industry, particularly in the larger railroads, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-off and abandoned rail lines. This has increased the demand for the MRSI Program. Rural communities in Minnesota depend on reliable rail service. With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities, and loading/unloading facilities to utilize rail as a transportation alternative. Minnesota short lines and regional railroads must continue to provide reliable and competitive choices for shippers by rehabilitating and improving their rights-of-way and other rail facilities.

In 1991, M.S. chapter 457A established the Port Development Assistance Program, a program similar to the MRSI Program. Its purpose is to provide grants in partnership with local units of government and port authorities for port and terminal improvements that would improve shipping on Minnesota's commercial waterway system. Eligible projects include improvements, repairs, and construction of terminal buildings and equipment, railroad and roadway access, dock walls, piers, storage areas, and dredging harbor sediment. Passenger boat facilities and commercial fishing terminal facilities are also eligible as well as freight terminals. Project locations must be on navigable portions of the Mississippi, the Minnesota, and the St. Croix rivers or on the North Shore of Lake Superior. Since 1996, $17.5 million has been appropriated for the Port Development Assistance Program.

**Transit**
There is an increasing need and demand in greater Minnesota for transportation alternatives. Providing the State funding match for transit facilities will assist providers in getting the longest possible life from their vehicles. This aligns with Mn/DOT's objective to preserve the transportation infrastructure and corresponds to the measure that seeks to improve the overall condition of the greater Minnesota public transit fleet.

Mn/DOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

**Traffic, Safety and Operations**
Mn/DOT and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership (UPA) program. Under this program, government units at all levels propose a comprehensive approach to urban congestion in their metropolitan area. Minnesota has been selected for a grant totaling $133 million for all jurisdictions in the partnership.

**Long-range strategic plans by program**

**Facilities Program**
Long-range goals of Mn/DOT regarding facilities are to safeguard what exists and make Mn/DOT work better. To meet those goals, the Facilities Program will:

**Provide facilities that meet the following goals and criteria:**

- **Facilities that are functionally and energy efficient:**
  - ⇒ Facilities should foster productivity by allowing employees to safely produce a maximum amount of output with a minimum amount of effort;
- **Facilities that are flexible:**
  - ⇒ Buildings should enable change to the interior organization, to reorganize work systems and processes with a minimum of cost and disruption; and
  - ⇒ support the ability to expand the facility footprint, or provide site enhancements with a minimum disruption of existing functions;
- **Facilities that perform to standards:**
  - ⇒ Facilities should provide safe, adequately sized heated storage space for snow and ice removal equipment; and
  - ⇒ provide adequate training and meeting facilities, lunchrooms, and rest rooms for maintenance workers;
- **Facilities that require minimum maintenance;**
- **Facilities that are pleasing to the eye and complement the surrounding environment:**
  - ⇒ Buildings should use creative design elements to economically provide a distinctive and pleasing appearance; and
- **Facilities that are sustainable:**
  - ⇒ Facilities should provide an office environment for employees using the most efficient and safe technology and ergonomics.

**State Aid**
One of Mn/DOT's goals is to make the transportation network operate better by maintaining the mobility of the traveling public. Bridges are critical links in the transportation network and replacing those which are deficient will help Mn/DOT to meet the goal of providing mobility for people and goods.

Mn/DOT State Aid Division's long range budget plan is to maintain a continuous adequate level of funding for a local bridge replacement program so that the number of deficient bridges can be reduced and maintained at an acceptable number, even as the number of bridges becoming deficient each year is increasing.

In addition to local bridges, there is a need for state assistance with certain local agency road and bridge projects that cannot be reasonably funded through existing programs. Mn/DOT State Aid's long-range goal is for a program using such funds as the legislature may allocate to construct these regionally beneficial projects.

**Freight and Commercial Vehicle Operations**
Mn/DOT's strategic plan reflects a commitment to operate, maintain, and preserve Minnesota's transportation systems and infrastructure. The Federal transportation authorization act (SAFETEA-LU) language reinforces that direction by emphasizing the need for states to be more intermodal in their approach to addressing transportation solutions. Railroads and waterways are integral parts of Minnesota's transportation network.

Two of Mn/DOT's strategic directions are:

- safeguard what exists, and
- make the transportation network operate better.

Continued investment in the MRSI Program and the Port Development Program are critical elements of the transportation investment strategy to accomplish these important Mn/DOT directions.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Facilities Program**
Mn/DOT has 1,050 facilities with approximately 5.5 million square feet at over 300 locations. These facilities include headquarters buildings, truck stations, cold storage, salt storage, rest areas, weight stations, and radio/communications sites. Increases in equipment sizes, environmental regulations, building code changes and the lack of adequate administrative space are the primary justifications for recent facility projects. Of the 143 truck stations currently in the Mn/DOT inventory, 39 are considered

functionally inadequate. “Functionally inadequate” means truck bays are too small, mechanical equipment inadequate, or buildings have other problems which prevent them from fully carrying out their intended function.

**State Aid**
As of October 2006, 1,831 of 14,695 bridges on the local road system were either structurally deficient or functionally obsolete. A structurally deficient bridge indicates poor condition of the structural elements of the bridge. A functionally obsolete bridge has such poor geometry, usually a narrow width, that it poses a safety hazard to the motorist.

Although the state provides state aid for local roads and bridges, there are projects on the local system that are of importance to the state or region that cannot be reasonably funded through the existing state aid system. Reasons why include the agency does not receive state aid include: that the project is unique and too large for the formula to consider, or the need for the project comes from an external cause such as economic development or rapid growth.

These roads and bridges are critical links in the state’s transportation system and must be serviceable to move people and goods where needed.

**Freight and Commercial Vehicle Operations**
Minnesota’s rail and waterway systems are vital elements of the state transportation infrastructure and provide essential services for the competitive movement of bulk products in and out of Minnesota. Preservation and improvement of rail and waterway systems is crucial to the state’s economy.

Some of Minnesota’s shortlines and regional railroads need improvements and rehabilitation to continue providing reliable and competitive choices for shippers. Without assistance from the MRSI Program many of these railroads will be abandoned and shippers forced to either truck all their freight, relocate along a Class 1 railroad, go out of business, or leave the state.

Current needs for expensive rail replacement projects to accommodate heavier rail cars are an enormous burden on Minnesota’s shortline and regional railroads. These railroads need access to low – or no-interest loans to rehabilitate their track and continue their economic viability. The MRSI Program was established to meet these needs.

The physical infrastructure of Minnesota’s Mississippi River and Lake Superior ports need rebuilding and updating to keep Minnesota competitive with other waterway states. Some of the projects that need rebuilding are too large for the local port authorities to finance on their own. The Waterway Transportation System is a low cost, environmentally friendly freight mode that will keep Minnesota producers competitive in world markets (i.e. agriculture and taconite industries). The waterways will help reduce roadway congestion especially as our population and freight needs grow.

Aging, extensive use, and fluctuating lake and river levels increase the deterioration of dock walls, piers, and mooring cells. Without a funding program, our ports will continue to deteriorate to a point where it will be more costly later and possibly too late to respond to shippers’ needs.

**Transit**
Some Greater Minnesota transit systems are forced to lease space configured for other uses, while others have no option but to park buses out of doors, even in the winter months. Availability of appropriate space for vehicles and maintenance capability is important to preserve critical community services.

Past transit facility projects have included rehabilitated and newly constructed buildings in Crookston, Roseau, Fairmont, and Carlton County. In addition, facility projects are in various stages of construction in Hibbing, Marshall, Thief River Falls, Willmar, Clay County, Goodhue County, and Stearns County.

Funding for facilities has made a significant difference in the ability of transit systems to manage their fleets and provide quality service to Minnesota citizens.

**Traffic, Safety, and Operations**
Mn/DOT has previously applied state and federal money to innovative congestion mitigation measures both on and off the highway system. These programs include Value Pricing and the federal Congestion Management/Air Quality program. The UPA program integrates these and other funding

sources and requires a joint proposal by multiple jurisdictions with transportation responsibilities within the Twin Cities metropolitan area.

**Agency Process Used to Arrive at These Capital Requests**

**Facilities Program**
Every two years, Mn/DOT performs a Facility Assessment of all Mn/DOT facilities. These assessments review nine functional areas, use a weighted scoring system and provide a comprehensive look at the facility condition, suitability and functionality. Mn/DOT recently adapted this assessment to provide the Facility Condition Audit information required annually by the legislature. The Facilities Program now performs facilities assessments on chemical storage structures and is working with the Mn/DOT Office of Technical Support to develop a baseline assessment of all rest areas, which will include Americans with Disabilities (ADA) Act requirements.

Annually, Mn/DOT uses the Facility Assessment and District meetings while in the building budget process, to determine, with building users and division staff, the deficiencies and needs for immediate and future building space and renewals. The assessment is then consolidated and prioritized by score. The top 10-15 projects are reviewed by the Facilities Program professional staff for consistency and need. Priorities are developed, presented to the Districts for review, and then provided to the commissioner's staff for concurrence and approval. This process results in a comprehensive eight to ten year construction plan.

This process also develops annual required maintenance and repair projects. Presently, the plan lists over 300 maintenance and repair projects scheduled for completion this year. Also listed are over 60 smaller ongoing projects over the next four biennia that are currently not funded, with an estimated cost of over $32 million. The plan also identifies 14 major projects, with an estimated cost of over $50 million.

Mn/DOT has issued a Request for Proposals (RFP) and is currently reviewing proposals received for a pilot project to use wind energy in selected truck stations in southwest Minnesota. An additional RFP to investigate the feasibility of using ground source heat at Mn/DOT facilities is being developed.

**State Aid**
A 2000 legislative study to assess the demand for local bridge replacement funds concluded that the continuation of a substantial and regular replacement program is needed to address the large bridge reconstruction "wave" created by the increased number and larger deck size of bridges built in the post World War II era that are beginning to reach the end of their useful life. Capital requests are based upon a solicitation for candidate projects from cities and counties.

A 2002 legislative study identified causes for the need for an alternative funding source for local roads and estimated that need to be $50-100 million per biennium. The Local Road Improvement Fund was established for this purpose by the 2002 legislature.

**Freight and Commercial Vehicle Operations**
The MRSI Program is based on analysis of rail user and rail carrier applications. Those projects that are deemed economically viable and meet the Mn/DOT criteria established in the rules are funded on a priority basis as funds permit.

The Port Development Assistance Program for Minnesota is based on needs supplied by port authorities on the Mississippi River and Lake Superior and on Mn/DOT site inspections.

**Transit**
Annually, Mn/DOT requests that Greater Minnesota public transit systems submit ten-year capital plans. Projects from the ten-year capital plans are prioritized based on need and overall economic benefit. Mn/DOT's Office of Transit has identified a list of transit facility needs for 2008 and beyond.

**Traffic, Maintenance, and Operations**
This is Mn/DOT's initial application for UPA funds, although not the initial use of many of the federal funding components which make up this grant. Mn/DOT and the Metropolitan Council partnered in identifying needs and funding sources for this initiative.

**Major Capital Projects Authorized in 2005 and 2006**

**Facilities Program**
No major Mn/DOT support facilities projects were authorized by the legislature in 2005 or 2006. The 2005 legislature did authorize a $4 million base budget increase for small (under $1 million) buildings in the agency operating budget.

**State Aid**
In 2005 the legislature appropriated $40 million to replace or rehabilitate deficient local bridges. $55 million was appropriated in 2006 for local bridges. $10 million in 2005 and $15.3 million in 2006 were appropriated for the Local Road Improvement Fund.

**Freight and Commercial Vehicle Operations**
In 2005, the MRSI Program received $2.5 million. Several appropriations were designated to the MRSI Program in 2006: McLeod County Regional Rail Authority, $700,000; NE Initiative, $1.3 million; and $1 million for the Minnesota Valley Regional Rail Authority, as well as $2 million for other MRSI projects.

The Port Development Assistance program was funded at $2 million in 2005 and $3 million in 2006.

**Transit**
The legislature appropriated $1 million in bond funds for transit facilities for this program in 2003 and an additional $2 million in 2006.

**Traffic, Maintenance, and Operations**
This is Mn/DOT's first request under this program.

**Agency Contact Person, Title and Phone**

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# Transportation, Department of

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Local Bridge Replacement Program | 1 | GO | $70,000 | $70,000 | $70,000 | $225,000 | $0 | $0 |
| Urban Partnership Agreement (UPA) | 2 | OTH | 9,000 | 0 | 0 | 9,000 | 0 | 0 |
| | | THB | 24,778 | 0 | 0 | 24,778 | 0 | 0 |
| Local Road Improvement Fund Grants | 3 | GO | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Mankato Headquarters Building | 4 | THB | 23,983 | 0 | 0 | 23,983 | 0 | 0 |
| Carver County Partnership-Chaska TS | 5 | THB | 8,649 | 0 | 0 | 8,649 | 0 | 0 |
| Greater MN Transit Facilities | 6 | GO | 4,000 | 4,000 | 4,000 | 0 | 0 | 0 |
| Rail Service Improvement | 7 | GO | 3,000 | 3,000 | 3,000 | 0 | 0 | 0 |
| Port Development Assistance | 8 | GO | 3,000 | 3,000 | 3,000 | 0 | 0 | 0 |
| Design Fees-Rochester and Maple Grove | 9 | THB | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 |
| Maple Grove/Osseo Truck Station | | THB | 0 | 13,000 | 0 | 0 | 0 | 0 |
| Rochester TS Construction | | THB | 0 | 13,000 | 0 | 0 | 0 | 0 |
| Arden Hills Training Center Addition | | THB | 0 | 5,627 | 0 | 0 | 0 | 0 |
| Plymouth Truck Station | | THB | 0 | 0 | 5,000 | 0 | 0 | 0 |
| Eden Prairie Truck Station | | THB | 0 | 0 | 4,500 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $178,410 | $143,627 | $121,500 | $323,410 | $30,000 | $30,000 |
| General Obligation Bonding (GO) | $110,000 | $110,000 | $110,000 | $255,000 | $30,000 | $30,000 |
| General (OTH) | $9,000 | $0 | $0 | $9,000 | $0 | $0 |
| Trunk Hwy Fund Bonding (THB) | $59,410 | $33,627 | $11,500 | $59,410 | $0 | $0 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**2008 STATE APPROPRIATION REQUEST:** $70,000,000

**AGENCY PROJECT PRIORITY:** 1 of 9

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Replace 400 deficient local bridges during the 2008 construction season, maintaining our transportation infrastructure.
- Bridge projects requested in 87 counties and cities across the state. Will be supplemented with $90 million of federal bridge replacement funds, state-aid funds, and local funds.

**Project Description**

This request for $70 million in state funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

One of Minnesota Department of Transportation (Mn/DOT'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.

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 meets 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.

The bridge replacement program concentrates on bridges at least 60 years old. On the local systems, there are 1,896 bridges built prior to 1946. Over the next ten years, another 661 bridges will reach that age, with another 1,445 and 1,946 in each of the following ten years after that.

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**

In the 2006 bonding bill, $55 million was appropriated for this program and is projected to result in the replacement, rehabilitation, or removal of about 199 bridges. The 2005 bonding bill appropriated $40 million for this program.

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 October 2006, there were 1,831 deficient county, city, and township bridges in Minnesota.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $225 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 767,730 | 110,000 | 135,000 | 135,000 | 1,147,730 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **767,730** | **110,000** | **135,000** | **135,000** | **1,147,730** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O. Bonds/Transp | 296,406 | 70,000 | 70,000 | 70,000 | 506,406 |
| **State Funds Subtotal** | 296,406 | 70,000 | 70,000 | 70,000 | 506,406 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 260,709 | 19,000 | 30,000 | 30,000 | 339,709 |
| Local Government Funds | 210,615 | 21,000 | 35,000 | 35,000 | 301,615 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **767,730** | **110,000** | **135,000** | **135,000** | **1,147,730** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 70,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Urban Partnership Agreement (UPA)

**2008 STATE APPROPRIATION REQUEST:** $33,778,000

**AGENCY PROJECT PRIORITY:** 2 of 9

**PROJECT LOCATION:** Metro Area

**Project At A Glance**

The Metropolitan Council and Minnesota Department of Transportation request $54.853 million to provide local match for funding from USDOT for congestion pricing implementation, park & ride construction and intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

**Project Description**

The Minnesota Department of Transportation (Mn/DOT) and the Metropolitan Council have been jointly awarded $133.3 million in federal funds by the U.S. Department of Transportation through the Urban Partnership Agreement (UPA) program. The project provides a comprehensive approach to congestion reduction that includes congestion pricing, transit enhancements, telecommuting/telework, and the use of advanced technologies.

In conjunction with the UPA application, Mn/DOT and Met Council have submitted federal grant applications under the Value Pricing Pilot Program (VPPP), the Intelligent Transportation System Operational Testing to Mitigate Congestion (ITS-OTMC) and Section 5309 Bus and Bus Related Capital Facilities grant programs to fund the UPA improvements.

The UPA funding must be matched with a minimum 20 percent local funding. This capital request is for the local funding required to match the federal UPA dollars, match federal (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) SAFETEA-LU dollars for two Cedar Avenue Bus Rapid Transit (BRT) project components in the UPA, and fund three UPA components that did not receive federal funding.

This total UPA state funding request is being submitted by both Mn/DOT and the Met Council. Of the $54.853 million in state funds, $33.778 million will be appropriated to Mn/DOT and $21.075 million to the Metropolitan Council.

*Note:* The Project Detail page that accompanies the Met Council's Project Narrative shows all costs and funding except for Mn/DOT's state request. Mn/DOT's accompanying Project Detail page shows only the Mn/DOT state request to avoid double-counting.

The complete components of the UPA project for both agencies are as follows:

**Mn/DOT - Congestion Pricing:** Convert I-35W High-Occupancy Vehicle (HOV) lane to a MnPASS High-Occupancy Toll (HOT) lane from Burnsville to approximately I-494 including a lane add between 106th Street and Highway (Hwy) 13, construct a HOT Lanes between I-494 and 46th Street with reconstruction of the Crosstown Project, construct a Priced Dynamic Shoulder Lane from 46th Street to downtown Minneapolis and implement arterial traffic management.

Total cost: $71.778 million
Federal funds: $47.4 million
Requested State funds: $24.378 million (trunk highway bonds)

**Mn/DOT – Telecommuting/Outreach:** Implement the UPA telecommuting requirement by recruiting local employers as partners to increase the number of telecommuters. Also, develop and implement an Outreach Program involving state and local elected officials and community representatives to facilitate communication and project implementation.

| | |
|---|---|
| Total cost: | $9 million |
| Federal funds: | $0 |
| Requested State funds: | $9 million (general fund) |

**Mn/DOT – Hwy 77 and Hwy 62 Transit Advantage:** Design and construct a bus-only transit advantage from northbound Hwy 77 to westbound Hwy 62.

Total cost: $2 million
Federal funds: $1.6 million
Requested State funds: $0.4 million (trunk highway bonds)

**Met Council – Fleet:** Purchase 26 buses for enhanced transit service in the 35W South corridor (15 buses) and the 35W North corridor (11 buses). These buses will serve the new and expanded park-and-rides being constructed as part of the UPA.

Total cost: $13 million
Federal funds: $10.4 million
Requested State funds: $2.6 million (general fund)

**Met Council – 35W Transit Stations/Park-and-Rides:** Acquire land, design and construct three new or expanded park-and-rides in 35W corridor.

Total cost: $32.7 million
Federal funds: $26.16 million
Requested State funds: $6.54 million
($6.14 million GO bonds;
$0.4 million trunk highway bonds)

**Met Council – Cedar Avenue BRT Transit Stations/Park-and-Rides:** Accelerate land acquisition, design and construction of transit station/park-and-ride facilities at 185th Street, 147th Street, 140th Street, Palomino Drive and Cedar Grove.

Total cost: $17.41 million
Federal funds: $13.25 million
($8.88 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State funds: $2.22 million (GO bonds)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Met Council – Downtown Bus Lanes:** Expand single bus lanes to two lanes on Marquette and 2nd Avenues.

Total cost: $41.56 million
Federal funds: $33.248 million
Requested State funds: $8.312 million (GO bonds)

**Met Council – Transit Technology:** Design and implement transit technology improvements including bus arrival, congestion conditions and parking availability information systems and a transit operator lane guidance system.

Total cost: $7.015 million
Federal funds: $5.612 million
Requested State funds: $1.403 million (general fund)

**Summary:**

Mn/DOT components
Total Cost: $82.778 million
Federal funds: $49 million
Requested State Funds: $33.778 million
$24.778 million trunk highway bonds;
$9 million general fund)

Met Council components
Total Cost: $111.685 million
Federal funds: $88.67 million
($84.3 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State Funds: $21.075 million
($0.4 trunk highway bonds;
$16.672 million GO;
$4.003 general fund)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Impact on Agency Operating Budgets (Facilities Notes)**

Toll revenues generated by the congestion pricing will be used to fund Mn/DOT start-up and ongoing HOT-Lane operations as well as expanded transit service.

The unfunded portion of the expanded transit service is anticipated to come from regional transit operating funds and fares.

**Previous Appropriations for this Project**

None for UPA

Previous corridor appropriations:
Cedar Ave: $10 million GO bonds in 2005; $5 million in 2006

35W BRT: $3.3 million GO bonds in 2005; $14.8 million in trunk highway bonds (BAPTA) for transit element of crosstown project.

**Other Considerations**

Implementation of the UPA will accelerate the 35W and Cedar Avenue BRT components of the Met Council's regional 2030 Transportation Policy Plan.

Mn/DOT start up costs, estimated at $1 million, HOT-lane operating costs, and a portion of annual transit operating costs, estimated at $3 million, will be funded by toll revenues.

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**Governor's Recommendations**

The governor recommends for Mn/DOT an appropriation of $9 million from the general fund, and trunk highway bonding of $24.778 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General | 0 | 9,000 | 0 | 0 | 9,000 |
| Trunk Hwy Fund Bonding | 0 | 24,778 | 0 | 0 | 24,778 |
| **State Funds Subtotal** | 0 | 33,778 | 0 | 0 | 33,778 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **33,778** | **0** | **0** | **33,778** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Local Road Improvement Fund Grants

**2008 STATE APPROPRIATION REQUEST:** $30,000,000

**AGENCY PROJECT PRIORITY:** 3 of 9

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Provide $15 million to assist counties with Rural Road Safety Projects to reduce traffic crashes, deaths, injuries, and property damage that cannot be funded through existing revenue sources.
- 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 that cannot be funded through existing revenue sources.

**Project Description**

This request for $30 million in state funds is to provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects of local roads with statewide or regional significance and projects on county state aid highways designed to improve safety by reducing traffic crashes, deaths, injuries, and property damage. These are local projects that cannot be reasonably funded through other sources.

Two of Minnesota Department of Transportation (Mn/DOT's) strategic directions are: investing in and improving the system of interregional corridors that connect the state's regional trade centers; and addressing congestion by improving bottlenecks on the trunk highway system in the Twin Cities metro area or greater Minnesota. 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 the any solution for reducing congestion on trunk highways.

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

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. 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.

This request is for $30 million for grants split between the Local Road Improvement Accounts for Routes of Regional Significance and Rural Road Safety.

**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**

In the 2002 bonding bill, $20 million was placed in the Trunk Highway Corridor Projects Account for loans. Nearly $16 million of that loan authority is left.

The 2006 bonding bill provided $16 million that was placed in the Local Road Improvement Program, divided equally between the Routes of Regional Significance and Rural Road Safety accounts. The $16 million partially funded 62 of 140 projects that were requested by local governments for the 2007 construction season.

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**Governor's Recommendation**

The governor recommends general obligation bonding of $30 million for this project. Also included are budget planning estimates of $30 million in 2010 and $30 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 30,000 | 30,000 | 30,000 | 90,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **30,000** | **30,000** | **30,000** | **90,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O. Bonds/Transp | 0 | 30,000 | 30,000 | 30,000 | 90,000 |
| **State Funds Subtotal** | 0 | 30,000 | 30,000 | 30,000 | 90,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **30,000** | **30,000** | **30,000** | **90,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 30,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mankato Headquarters Building

**2008 STATE APPROPRIATION REQUEST:** $23,983,000

**AGENCY PROJECT PRIORITY:** 4 of 9

**PROJECT LOCATION:** Mankato

**Project At A Glance**

- New building for Mankato District Headquarters including offices, shops, vehicle support and storage spaces
- Accommodates highway and bridge construction and maintenance services
- Provides space for Minnesota Department of Transportation (Mn/DOT) partners, the State Patrol and Division of Vehicle Services

## Project Description

The project will consist of construction of a 163,000 square foot building with offices, materials testing laboratory, vehicle storage and maintenance shops, and specialty shops for bridge maintenance, radio, electrical services, signs and building maintenance. An inventory center will support all district functions. Cold storage buildings and a chemical storage facility will also be located at this site. This facility will also include shared, centralized conference rooms and reception area.

This project has been planned since predesign studies were completed in the mid-1980s as a key to providing transportation planning, design and construction for south and southwestern Minnesota, (District 7). For several reasons, emphasis has shifted from a major remodeling and rehabilitation project to new construction.

The original headquarters was constructed in 1963 and has become inadequate for current requirements. Increasing traveler needs, as well as to support the agency's long-range strategic goals such as upgrading regional corridors, require that Mn/DOT provide a capable and adequately sized facility.

- Preliminary remodeling and rehabilitation studies for the existing facilities show a very non-conforming, crowded site. Equipment storage, maintenance and personnel spaces, and ancillary storage facilities are required for support and maintenance of the District mission.

- Larger, more efficient and safer snowplows and highway equipment has required facility infrastructure to grow, adapt and become more technology oriented. In order to accommodate Mn/DOT requirements, personnel have been placed in all available nooks remotely located from others performing similar work, taking advantage of every possible space. This site cannot absorb another facility addition or other structures without having major impacts on outside vehicle, materials, heating, ventilating and air conditioning, (HVAC), and equipment storage. Placing additional funding in an inadequate facility will not satisfy present requirements.

Constructing a new facility on a larger site will allow Mn/DOT to gain efficiencies of scale and management cohesion. Mn/DOT will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. The department would take advantage of new construction methods, build to current codes, allow for future expansion, and update current technologies in construction, communication, energy management, and the health and welfare of our employees.

## Impact on Agency Operating Budgets (Facilities Notes)

Utility costs will increase moderately in the new building. One additional custodian and one additional general repair worker would be added to the current staff.

## Previous Appropriations for this Project

The site was purchased in 2000 for the sum of $404,000. Design fees of $517,000 have been expended. Design is currently at 98 percent, ready for bidding.

**Other Considerations**

The city of Mankato is highly interested in acquiring this site in order to vacate their current facility, allowing for public works expansion and development. Because of this, Mn/DOT has acquired the new site with a previous land appropriation, at a location that is mutually acceptable to Mn/DOT, Public Safety and the city of Mankato. The city of Mankato has contributed over $836,000 of site improvements, including utilities, curb and gutter, bituminous roads and site drainage work, in support of this project.

Mn/DOT will provide better customer service through enhanced equipment availability and by prolonging the life-cycle use of taxpayer supported equipment. Mn/DOT will also partner with other state agencies in building and supporting like functions for taxpayer use by eliminating the crowded conditions of those seeking services, by providing a healthy and safe environment. This facility will support not only the Mn/DOT mission, but also those missions of our partners: the State Patrol and Drivers License Examination functions of the Department of Public Safety. This site will also include a new Transportation Operations Communications Center (TOCC), that will allow coordinated dispatching and incident management throughout the ten counties in south and southwestern Minnesota. The TOCC will serve Mn/DOT, the State Patrol and Department of Natural Resources Conservation Officers.

By deferring this project, Mn/DOT would lose the opportunity to sell the existing site to the city of Mankato for its highest potential use. Mn/DOT, the State Patrol and the Drivers License Examination Station would have to continue to work in crowded, inadequate conditions.

**Project Contact Person**

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**Governor's Recommendation**

The governor recommends trunk highway bonding of $23.983 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 404 | 0 | 0 | 0 | 404 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 841 | 0 | 0 | 0 | 841 |
| 4. Project Management | 0 | 250 | 75 | 0 | 325 |
| 5. Construction Costs | 0 | 12,812 | 8,400 | 0 | 21,212 |
| 6. One Percent for Art | 0 | 13 | 15 | 0 | 28 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 1,229 | 1,189 | 0 | 2,418 |
| **TOTAL** | **1,245** | **14,304** | **9,679** | **0** | **25,228** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 0 | 23,983 | 0 | 0 | 23,983 |
| **State Funds Subtotal** | 0 | 23,983 | 0 | 0 | 23,983 |
| Agency Operating Budget Funds | 1,245 | 0 | 0 | 0 | 1,245 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,245** | **23,983** | **0** | **0** | **25,228** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 141 | 170 | 311 |
| Building Repair and Replacement Expenses | 0 | 106 | 128 | 234 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 247 | 298 | 545 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 247 | 298 | 545 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 1.0 | 1.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Carver County Partnership-Chaska TS

**2008 STATE APPROPRIATION REQUEST:** $8,649,000

**AGENCY PROJECT PRIORITY:** 5 of 9

**PROJECT LOCATION:** Carver County Road 147 and new Hwy 212

**Project At A Glance**

- A new Chaska/Carver County Truck Station
- Carver county will partner with Minnesota Department of Transportation (Mn/DOT) in the construction and operation of this truck station
- This approximate 49,000 square feet truck station facility will contain offices, shops, vehicle support, inventory space, storage spaces, and mechanics work bays. The site will also house salt storage, cold storage, and yard storage facilities
- This facility will accommodate the southwest metro area, primarily along the new Highway 212 corridor
- Located in the city of Chaska

## Project Description

The project will construct, on an approximately 22.3 acre site, an approximately 49,000 square feet truck station building with offices, shops, and vehicle storage, and support areas. Cold storage and salt storage facilities will be included on the site. Part of the site is forested and will remain so.

Originally planned for construction in 2012-2014, this project has become a very high priority since the Highway 212 construction will be completed in 2008. The current undersized facility is located across the Minnesota River and many miles from the proposed location of Highway 212. Constructing a new facility on the correct side of the Minnesota River makes snowplow and highway operations more efficient, economic and timely.

Constructing on a larger site, in partnership with Carver County, will allow Mn/DOT to gain efficiencies of scale and management cohesion. Mn/DOT will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. Mn/DOT would take advantage of new construction methods, build to current codes, allow for future expansion, and update current technologies in construction, communication, energy management, and the health and welfare of Mn/DOT employees.

## Impact on Agency Operating Budgets (Facilities Notes)

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

## Previous Appropriations for this Project

There have been no previous appropriations for this project.

## Other Considerations

It is anticipated that Highway 212 will be in operation by 2008. In order to design, construct, and be ready and available for use prior to the opening of the highway, the design and construction of this project need to begin as soon as possible.

The increasing traveler needs, as well as the need to support the agencies' long-range strategic goals such as upgrading regional corridors, require that Mn/DOT provide a quality facility.

Carver County will be a Mn/DOT partner in this project and will occupy approximately 11 percent of the facility and will also share in the costs to construct and operate.

Mn/DOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle use of taxpayer supported equipment.

Mn/DOT will also partner with Carver County in building and supporting like functions by providing an efficient and economical facility, and a healthy and safe workplace for employees.

Once completed, a number of efficiencies can be accomplished. The Mn/DOT long-range plan is to move the current Jordan Truck Station occupants to the existing Shakopee Truck Station, which will have moved into the new Chaska/Carver County Truck Station. Jordan will then be disposed of according to statute.

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**Governor's Recommendation**

The governor recommends trunk highway bonding of $8.649 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 505 | 26 | 0 | 531 |
| 4. Project Management | 0 | 355 | 112 | 0 | 467 |
| 5. Construction Costs | 0 | 4,200 | 2,330 | 0 | 6,530 |
| 6. One Percent for Art | 0 | 0 | 37 | 0 | 37 |
| 7. Relocation Expenses | 0 | 0 | 40 | 0 | 40 |
| 8. Occupancy | 0 | 0 | 137 | 0 | 137 |
| 9. Inflation | 0 | 524 | 383 | 0 | 907 |
| **TOTAL** | **0** | **5,584** | **3,065** | **0** | **8,649** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 0 | 8,649 | 0 | 0 | 8,649 |
| **State Funds Subtotal** | 0 | 8,649 | 0 | 0 | 8,649 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,649** | **0** | **0** | **8,649** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 150 | 160 | 310 |
| Building Repair and Replacement Expenses | 0 | 80 | 85 | 165 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 230 | 245 | 475 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 230 | 245 | 475 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Greater MN Transit Facilities

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 6 of 9

**PROJECT LOCATION:** Greater Minnesota communities

**Project At A Glance**

- Countywide public transit provided in 66 of 80 greater Minnesota counties
- Project supports infrastructure needs of greater Minnesota public transit systems
- Partnership program (80 percent state, 20 percent local share) to construct facilities for garaging and maintaining transit vehicles

## Project Description

The Public Transit Participation Program provides grants for operating and capital assistance to fund public transit service outside the metropolitan area in 66 of 80 counties. Bond funds provide grants for capital assistance only. Greater Minnesota transit systems are maturing and experiencing the need for facilities specifically designed to meet their needs for garaging and maintaining vehicles as well as office space for dispatching and other administrative activities. In the absence of appropriate space, these functions are often separated and poorly housed. Suitable facilities add useful life to transit vehicles, provide safe storage, and improve overall vehicle and service performance.

Project proposals are prioritized based on need and overall economic benefit. Minnesota Department of Transportation's (Mn/DOT's) Office of Transit, working with greater Minnesota Transit systems and their ten year capital plans, has identified a list of potential facilities for 2008 and beyond. Past projects have included rehabilitated and newly constructed facilities in Crookston, Roseau, Fairmont, and Carlton County. In addition, facility projects are in various stages of construction in Hibbing, Marshall, Thief River Falls, Willmar, Clay County, Goodhue County, and Stearns County.

## Impact on Agency Operating Budgets (Facilities Notes)

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

## Previous Appropriations for this Project

The Minnesota Legislature appropriated $1 million in bonding funds for this program in 2003. In 2006 the legislature appropriated an additional $2 million in bonding funds. These funds have made a significant difference in transit systems' ability to manage their fleets and provide quality service to Minnesota citizens.

## Other Considerations

Some transit systems are forced to lease space configured for other uses, while others have no option but to park buses out of doors, even in the winter months. Availability of appropriate space for vehicles and maintenance capability is important to preserve critical community services.

There is an increasing need and demand in greater Minnesota for transportation alternatives. Providing the state funding match for transit facilities will assist providers in getting the longest possible life from their vehicles. This aligns with the department's objective to preserve the transportation infrastructure and corresponds to the measure that seeks to improve the overall condition of the greater Minnesota public transit fleet.

Mn/DOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

**Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 4,000 | 4,000 | 12,000 |
| General Fund Projects | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 0 | 4,000 | 4,000 | 4,000 | 12,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 7 of 9

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Designed to preserve and improve rail-shipping opportunities in Minnesota
- Serves the freight community in Minnesota
- Provides loans and grants to regional railroad authorities, railroads, and shippers to improve rail facilities
- Typically, provides funding for approximately 20 capital improvement projects, two-three rail bank projects and one-two rehabilitations each year

**Project Description**

The Office of Freight and Commercial Vehicle Operations addresses rail transportation needs in part through the Minnesota Rail Service Improvement (MRSI) Program to aid rail users for rail line and rolling stock improvements necessary to improve rail service or reduce the impact of discontinuance of rail service.

With the numerous changes in the railroad industry, particularly in the larger railroads such as Burlington Northern Santa Fe, Union Pacific, Canadian Pacific, and Canadian National, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-offs and abandoned rail lines. This has increased the demand for the MRSI Program.

Some of Minnesota's shortline and regional railroads are in need of rehabilitation to provide competitive choices for Minnesota's shippers. Without assistance from the MRSI Program, many of these railroads will be abandoned and shippers will be forced to truck all their freight, relocate along a Class 1 railroad, go out of business, or leave the state.

Minnesota shippers benefit from the MRSI Program through the Capital Improvement Loan Program, the Rail Line Rehabilitation Program and the Rail Bank Program.

*Capital Improvement Loan Program:*

- The Rail Line Rehabilitation Improvement Loan Program provides interest-free loans to shippers along Minnesota's rail lines. These funds must be used to make capital improvements to increase rail shipping. Eligible projects include construction of rail spurs, building additional grain storage, and installation of new rail loading or unloading facilities.

*Rail Line Rehabilitation Program:*

- The Rail Line Rehabilitation Program is a partnership program with the operating railroad, rail shippers, and Minnesota Department of Transportation (Mn/DOT). This program loans money to railroads to rehabilitate deteriorating rail lines. The program requires shipper financial participation and projects must meet Mn/DOT criteria to protect the investment of Minnesota's taxpayers.

*Rail Bank Program:*

- The Rail Bank Program acquires and preserves abandoned rail lines and right-of-way for future public transportation use. Once acquired, Mn/DOT 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 1978. In 1982, a Constitutional Amendment provided for general fund obligation bonds to be used for the MRSI Program. The MRSI Program has received general fund appropriations totaling $14.5 million and general obligation bond appropriations totaling $25.5 million over the life of the program. These funds have been used for rail acquisition, rail rehabilitation and capital improvement purposes since 1978. The bond proceeds, combined with federal grants and funding from railroads, shippers, and local units of government, have driven project investments exceeding $114 million within the state of Minnesota.

Usually, MRSI investments are loans. Revenue from the repayment of these loans is placed in the Minnesota Rail Service Improvement account in the special revenue fund for future project investments. Past loans under this program have included capital improvements to build and improve rail spurs, build storage bins and improve loading into rail cars at rail shipping facilities. Rehabilitation funding is used to improve marginally operable rail lines with ties, ballast, drainage, or rail. Rehabilitation loans have included 24 major rehabilitation projects and assistance to rail authorities to purchase short lines or regional railroads within the state of Minnesota. There continues to be considerable interest on the part of shippers and railroads to participate in the MRSI Program.

**Impact on Agency Operating Budgets (Facilities Notes)**

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

**Previous Appropriations for this Project**

The Minnesota Legislature originally appropriated $3 million in general funds for this program in 1976. In 1977, an additional $3 million in general funds were appropriated. The legislature has appropriated funding in the following years: 1979, $3 million from the general fund; 1980, $13.5 million in bonds; 1981, $1 million from the general fund; 1984, $12 million in bonds; 2001 and 2002, $5 million and $1 million, respectively from the general fund. The 2003 legislature reduced the amount of funding available to the MRSI Program by $6.4 million for fiscal years 2004 and 2005.

In 2005 and 2006, $2.5 and $3.7 million respectively of bonding were authorized for rail service improvement.

**Other Considerations**

Current needs for expensive rail replacement projects to accommodate heavier rail cars are an enormous burden on Minnesota's shortline and regional railroads. These railroads need to have access to low-or no-interest loans to rehabilitate their track and continue their economic viability.

With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities, and loading/unloading facilities to utilize rail as a transportation alternative.

We do not anticipate that private sector lending institutions will take an increased role in this area. Loans under this program, and the short line railroad business in general, are high-risk ventures. Our experience has been that private lending institutions are reluctant to participate.

**Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 106,210 | 8,033 | 11,300 | 10,002 | 135,545 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **106,210** | **8,033** | **11,300** | **10,002** | **135,545** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 25,500 | 3,000 | 3,000 | 3,000 | 34,500 |
| General Fund Projects | 16,000 | 0 | 0 | 0 | 16,000 |
| **State Funds Subtotal** | 41,500 | 3,000 | 3,000 | 3,000 | 50,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 19,804 | 1,987 | 0 | 0 | 21,791 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 24,233 | 3,000 | 3,000 | 3,000 | 33,233 |
| Other | 20,673 | 46 | 5,300 | 4,002 | 30,021 |
| **TOTAL** | **106,210** | **8,033** | **11,300** | **10,002** | **135,545** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| No | MS 16A.642: Project Cancellation in 2013 |

# Port Development Assistance

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 8 of 9

**PROJECT LOCATION:** Duluth, Minneapolis, St. Paul, Red Wing, Winona

**Project At A Glance**

- Project 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 and 20 percent local share.

## Project Description

The Port Development Assistance Program provides a funding source that facilitates compliance with tighter environmental and safety standards, helps to ensure the continued commercial effectiveness of lake and river navigation systems, and helps to offset the increases in the general cost of commercial shipping. Minnesota's public port facilities are located in Duluth, Minneapolis, St. Paul, Red Wing, and Winona.

Project proposals are prioritized based on need, employment generated and overall economic benefit. Minnesota Department of Transportation's (Mn/DOT'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 2004 and beyond. Past projects include rehabilitating or improving rail and truck access, dock walls, building roofs, sprinkler and electrical systems, mobile handling equipment and adding warehouse capacity.

## 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 Minnesota Legislature originally appropriated $3 million in bonding funds for this program in 1996. In 1998 the legislature appropriated $3 million in bonding funds and $1.5 million in general funds. In 2000 the legislature appropriated $2 million in general funds. An additional $2 million in bonding funds was appropriated in 2003. The 2003 legislature also authorized $3.5 million in bonding, specifically for Winona for freight access improvement.

The 2005 bonding bill appropriated $2 million for this program, and the 2006 bonding bill appropriated another $3 million.

## Other Considerations

Neighboring states have had Port Development Assistance programs dating back to 1980 and have committed over $35 million to rehabilitating their port infrastructure projects similar to Minnesota. Their programs are on a grant basis only.

Minnesota is further from the Atlantic Ocean and the Gulf of Mexico than all of our neighboring waterway states. This puts Minnesota at a geographic disadvantage as well as costing Minnesota shippers more to get their products to international markets.

According to Minnesota law, Port Development Assistance funds cannot be added to other state sponsored port investments. 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. This was an opportunity to leverage Port Development funds with federal, city and port authority 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 Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 15,599 | 3,750 | 3,750 | 3,750 | 26,849 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **15,599** | **3,750** | **3,750** | **3,750** | **26,849** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 12,479 | 3,000 | 3,000 | 3,000 | 21,479 |
| **State Funds Subtotal** | 12,479 | 3,000 | 3,000 | 3,000 | 21,479 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 3,120 | 750 | 750 | 750 | 5,370 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **15,599** | **3,750** | **3,750** | **3,750** | **26,849** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Design Fees-Rochester and Maple Grove

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 9 of 9

**PROJECT LOCATION:** Rochester and statewide

**Project At A Glance**

This request is for:

- Funding for the schematic, design development and investigative portions of a new Rochester Truck Station design, including the subsequent remodeling and upgrade of the existing facility.
- Funding for design through construction documents and investigative portions of the Maple Grove Truck Station project.

**Project Description**

Facilities need to be routinely constructed and/or upgraded to provide support for the Minnesota Department of Transportation (Mn/DOT) mission. Planning and design for these facilities needs to be accomplished to meet Mn/DOT's six year construction schedule.

This request is to provide the funding for:

**Rochester Truck Station** (Schematic Design, Design Development and Investigative Services)

The project includes the schematic design, design development, and investigative portions of a facility design project for an approximate 86,000 square foot Truck Station servicing an anticipated minimum of 39 major pieces of snow plow and ancillary heavy equipment. The space will also house mechanics areas, a wash bay, welding shop and other support areas. The project also includes refurbishing, minor remodeling and mechanical upgrades to the approximate 95,000 square feet of existing space, including addressing mechanical and code compliance issues.

This facility is the central support for District 6's 1,422 miles of state and federal highways, 207 miles of interstate roadways, 857 bridges, 3,538 miles of county state aid system roadways, 12 safety rest areas and 23 truck stations located throughout the district and management of approximately 20,000 acres of land.

**Maple Grove Truck Station** (Complete Design and Investigative Services)

The project includes the design, through construction documents, and investigative portions of a facility design project for an approximate 85,000 square foot Truck Station with a small office, shops, mechanic's repair bays, and other vehicle storage and support areas. Cold Storage and Salt Storage facilities will be included on the site.

Mn/DOT plans to build a new Maple Grove Truck Station on a new site, removing this industrial facility from its current commercial development surroundings and allowing Mn/DOT to design a larger facility, to current building codes and environmental regulations, which is capable of supporting the expanding Maple Grove mission. This facility supports the northwest area of the Twin Cities Metro Division.

**Impact on Agency Operating Budgets (Facilities Notes)**

Utility costs will increase moderately in these new buildings. One additional custodian and one additional general repair worker would be added to the Rochester staff, and one additional general repair worker would be added to the Metro Division staff for facilities maintenance.

**Previous Appropriations for this Project**

Rochester: None
Maple Grove: None

**Other Considerations**

These projects will include site investigation, sustainability compliance, and the review of possible ground source heat and/or solar panels use where practicable, as well as the possible use of wind turbine technology.

**Inclusion of other State Agencies**

The Rochester facilities will support not only Mn/DOT's mission, but also the missions of our partners, the State Patrol and the Drivers License Examination function within the Department of Public Safety.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends trunk highway bonding of $2.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 1,883 | 0 | 0 | 1,883 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| **State Funds Subtotal** | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **2,000** | **2,000** | **6,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Transportation, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Local Bridge Replacement Program | 1 | $70,000 | $70,000 | $70,000 | $210,000 | $225,000 | $0 | $0 |
| Urban Partnership Agreement (UPA) | 2 | 33,778 | 0 | 0 | 33,778 | 33,778 | 0 | 0 |
| Local Road Improvement Fund Grants | 3 | 30,000 | 30,000 | 30,000 | 90,000 | 30,000 | 30,000 | 30,000 |
| Mankato Headquarters Building | 4 | 23,983 | 0 | 0 | 23,983 | 23,983 | 0 | 0 |
| Carver County Partnership-Chaska TS | 5 | 8,649 | 0 | 0 | 8,649 | 8,649 | 0 | 0 |
| Greater MN Transit Facilities | 6 | 4,000 | 4,000 | 4,000 | 12,000 | 0 | 0 | 0 |
| Rail Service Improvement | 7 | 3,000 | 3,000 | 3,000 | 9,000 | 0 | 0 | 0 |
| Port Development Assistance | 8 | 3,000 | 3,000 | 3,000 | 9,000 | 0 | 0 | 0 |
| Design Fees-Rochester and Maple Grove | 9 | 2,000 | 2,000 | 2,000 | 6,000 | 2,000 | 0 | 0 |
| Arden Hills Training Center Addition | | 0 | 5,627 | 0 | 5,627 | 0 | 0 | 0 |
| Eden Prairie Truck Station | | 0 | 0 | 4,500 | 4,500 | 0 | 0 | 0 |
| Maple Grove/Osseo Truck Station | | 0 | 13,000 | 0 | 13,000 | 0 | 0 | 0 |
| Plymouth Truck Station | | 0 | 0 | 5,000 | 5,000 | 0 | 0 | 0 |
| Rochester TS Construction | | 0 | 13,000 | 0 | 13,000 | 0 | 0 | 0 |
| **Total Project Requests** | | $178,410 | $143,627 | $121,500 | $443,537 | $323,410 | $30,000 | $30,000 |

**Agency Profile At A Glance**

FY 2008-09 Budget (000s)

| | |
|---|---|
| ♦ Operating budget | $1,222,808 |
| ♦ Capital expenditure | 1,346,651 |
| ♦ Grants | 1,553,096 |
| ♦ Total | $4,122,555 |

Mn/DOT's primary source of financing is the Trunk Highway Fund, which is supported by motor fuel taxes, motor vehicle registration fees, and motor vehicle sales taxes. Other sources include federal funds and state airport funds. Less than one percent of the operating budget is from the General Fund.

**Agency Purpose**

The Minnesota Department of Transportation (Mn/DOT) was created by the state legislature in 1976. Its role is to develop and implement transportation policies, plans, and programs that enhance the quality of life for Minnesota citizens.

Meeting Minnesota's transportation needs, now and in the future, is one of the top policy goals of the Pawlenty-Molnau administration. Mn/DOT's work will be guided by the administration's governing principles of commitment to mission, focus on customers, simplify government, manage for results, and improvement by innovation.

Mn/DOT's vision affirms what citizens want for Minnesota: a coordinated transportation network that meets the needs of Minnesota citizens and businesses for safe, timely, and predictable travel.

Mn/DOT's mission is to improve access to markets, jobs, goods and services, and improve mobility by focusing on priority transportation improvements and investments that help Minnesotans travel safer, smarter, and more efficiently.

**Mn/DOT's strategic directions are to:**

- safeguard what exists;
- make the transportation network operate better; and
- make Mn/DOT work better.

**Mn/DOT's investment objectives are:**

- Building More – addressing congestion, supporting cost-effective investments, and pursuing long-range funding.
- Building Faster – accelerate construction and shorten construction time for highway and bridge projects, and accelerate funding for transit advantages.
- Moving Better – focus on cost-effective investments that improve safety, reduce congestion, and improve mobility.

**Core Functions**

***State Roads*** – includes the construction, operation, and maintenance of the state's approximately 12,000-mile trunk highway system.

***Local Roads*** – includes the local financial resources for county and municipal roads generated by the constitutional funding sources.

***Multimodal Systems*** – includes supporting the use and development of cost-effective transportation modes – transit, air, railroads, and waterways – owned and operated by local governments and private operators. This includes financial investments, technical assistance, and operational reviews.

***General Support*** – includes general department-wide administrative functions (accounting, personnel, information resources), the commissioner's office, and the policy functions of the department. It also includes the construction and centrally directed maintenance of all the department's buildings.

**Operations**

***Highways***
Mn/DOT constructs, operates, and maintains the state trunk highway system that includes nearly 12,000 miles of roads and more than 4,700 bridges. This

system carries about 61 percent of all travel for the entire 130,000-mile system of state and local roads.

***Freight***
Mn/DOT promotes the safe and efficient movement of freight by railroads, waterways, and motor carriers by managing investment programs, administering construction projects, ensuring compliance with statutes, and developing freight policies.

***Aeronautics***
Mn/DOT promotes general and commercial aviation throughout the state, and provides services including aircraft registration, airport development, aviation system planning, aviation education, and government aircraft services.

***Transit***
Mn/DOT provides statewide leadership in the development and implementation of transit systems, including management of state and federal funds for greater Minnesota public transit, planning activities associated with bicycle and pedestrian systems, planning and construction of commuter rail, and the construction of the Hiawatha Light Rail Transit (LRT) line.

**Budget**

Mn/DOT's investment objectives focus on building more, building faster, and moving better. Mn/DOT has used budget reallocation and innovative financing techniques totaling $825 million to advance critical road and bridge expansion, transit improvement, and safety projects by more than a total of 65 years. The 2003 Pawlenty-Molnau transportation package authorizes Mn/DOT to issue $400 million in highway bonds by accessing $425 million in advance federal funds for 2004-07. Long-term financing options can be considered to continue to make transportation improvements. Mn/DOT has prepared an activity-based budget for FY 2008-09 that reflects the actual products and services the agency delivers to customers, and incorporates a comprehensive business planning process to support investment decisions and performance measurement.

**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

- Safeguard what exists – operate, maintain, and preserve Minnesota's existing transportation systems and infrastructure.
- Make the transportation network operate better through balanced cost-effective statewide strategies.
- Make Minnesota Department of Transportation (Mn/DOT) work better by continuously improving service and efficiency in order to give citizens the best value for their tax dollars.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Distinct operating units have initiated the requests for projects in this budget document. The sections of this summary are explained separately by those operating units:

- The Facilities Program addresses all Minnesota Department of Transportation (Mn/DOT) owned buildings. Generally, building projects included in the capital budget cost $1 million or more. If projects are less than $1 million, they are included in the biennial operating budget.
- State Aid for Local Transportation (State Aid) addresses the need for general obligation bonds to replace deficient local bridges and to complete local road and bridge projects with statewide or regional significance.
- Office of Freight and Commercial Vehicle Operations addresses rail service improvement projects and port improvement needs, which are funded from general obligation bonds.
- Office of Transit is responsible for providing grants for operating and capital assistance to greater Minnesota public transit systems. Capital assistance for transit facilities is funded from general obligation bonds.
- Office of Traffic, Safety and Operations addresses the request for a state match for the federal Urban Partnership Agreement (UPA) program grant.

**Facilities Program**

Facilities need to be routinely maintained, repaired, constructed, and/or upgraded to provide support for the Mn/DOT. Space is required for administration, vehicle storage and repairs, ancillary equipment, installed facility-supporting equipment, and office space. All facilities must be at correct locations for operations so Mn/DOT employees can efficiently and promptly respond to the highway users' needs. These facilities are constructed to respond to program requirements, new equipment demands or may be regulatory or building code driven.

Mn/DOT has continually upgraded its fleet and technological capabilities to be more efficient in constructing and maintaining the transportation infrastructure, while providing for the safety of the public and the Mn/DOT work force. This policy has impacted the ability to store, maintain, and maneuver the equipment at many truck stations and district headquarters. As an example, trucks have gone from a single axle, 33-foot length, to a double axle vehicle, requiring 44 feet to park. Other equipment, attachments and technical enhancements also require larger storage capabilities and maneuvering space. Increased use of sophisticated hydraulic systems and computer technology require warm storage for the maximum efficient use and life cycle.

Retaining this large and diverse fleet greatly affects the space and air quality conditions of existing facilities:

- Existing buildings require additional space to accommodate larger vehicles and support spaces; and
- Diesel engines emit fumes that are difficult to diffuse and require extensive mechanical retrofit.

While Mn/DOT was shifting to larger equipment, building codes and environmental regulations and Occupational Safety and Health Administration (OSHA) procedures also grew more complicated. Additional facilities systems such as fire sprinklers, Americans with Disabilities Act (ADA) requirements, along with asbestos removal requirements, have expanded facility size and complexity. Some of these regulations have required a shift from field maintenance positions to design and compliance professional positions, which require additional administrative and support spaces.

**State Aid**
In 1976, the legislature began a program of state bond funds to replace deficient bridges on the local roads system. It was recognized at that time that the number of aging bridges and the need for replacement was so great that the local agencies needed state assistance in addressing the needs. The number of bridges becoming deficient in Minnesota is increasing as bridges built after World War II get older. Additionally, the increase in truck weights and the size of farm machinery directly affect the structural and functional condition of bridges.

In 2002, the legislature created a program to assist local agencies with the construction of road and bridge projects that are on the local system, and that have statewide or regional significance or are associated with trunk highway corridor improvements. A study completed for the legislature in January of 2002 identified several types of local transportation projects that are of importance to the state, but are beyond the means of local agencies to fund, and cannot reasonably be funded by existing state or federal programs.

Local agency transportation projects will compete on a statewide basis. Eligibility for funding will consider the significance and benefit of the project as well as the local agency's ability to provide partial funding.

**Freight and Commercial Vehicle Operations**
The Minnesota Rail Service Improvement (MRSI) Program was created in 1976. The MRSI Program has received General Fund appropriations totaling $9.6 million and general obligation bond appropriations totaling $27.0 million over the life of the program. These funds were granted or loaned to rail users and rail carriers to rehabilitate deteriorating rail lines, to improve rail-shipping opportunities, and to preserve and maintain abandoned rail corridors for future transportation use.

With the numerous changes in the railroad industry, particularly in the larger railroads, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-off and abandoned rail lines. This has increased the demand for the MRSI Program. Rural communities in Minnesota depend on reliable rail service. With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities, and loading/unloading facilities to utilize rail as a transportation alternative. Minnesota short lines and regional railroads must continue to provide reliable and competitive choices for shippers by rehabilitating and improving their rights-of-way and other rail facilities.

In 1991, M.S. chapter 457A established the Port Development Assistance Program, a program similar to the MRSI Program. Its purpose is to provide grants in partnership with local units of government and port authorities for port and terminal improvements that would improve shipping on Minnesota's commercial waterway system. Eligible projects include improvements, repairs, and construction of terminal buildings and equipment, railroad and roadway access, dock walls, piers, storage areas, and dredging harbor sediment. Passenger boat facilities and commercial fishing terminal facilities are also eligible as well as freight terminals. Project locations must be on navigable portions of the Mississippi, the Minnesota, and the St. Croix rivers or on the North Shore of Lake Superior. Since 1996, $17.5 million has been appropriated for the Port Development Assistance Program.

**Transit**
There is an increasing need and demand in greater Minnesota for transportation alternatives. Providing the State funding match for transit facilities will assist providers in getting the longest possible life from their vehicles. This aligns with Mn/DOT's objective to preserve the transportation infrastructure and corresponds to the measure that seeks to improve the overall condition of the greater Minnesota public transit fleet.

Mn/DOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

**Traffic, Safety and Operations**
Mn/DOT and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership (UPA) program. Under this program, government units at all levels propose a comprehensive approach to urban congestion in their metropolitan area. Minnesota has been selected for a grant totaling $133 million for all jurisdictions in the partnership.

**Long-range strategic plans by program**

**Facilities Program**
Long-range goals of Mn/DOT regarding facilities are to safeguard what exists and make Mn/DOT work better. To meet those goals, the Facilities Program will:

**Provide facilities that meet the following goals and criteria:**

- **Facilities that are functionally and energy efficient:**
  - ⇒ Facilities should foster productivity by allowing employees to safely produce a maximum amount of output with a minimum amount of effort;
- **Facilities that are flexible:**
  - ⇒ Buildings should enable change to the interior organization, to reorganize work systems and processes with a minimum of cost and disruption; and
  - ⇒ support the ability to expand the facility footprint, or provide site enhancements with a minimum disruption of existing functions;
- **Facilities that perform to standards:**
  - ⇒ Facilities should provide safe, adequately sized heated storage space for snow and ice removal equipment; and
  - ⇒ provide adequate training and meeting facilities, lunchrooms, and rest rooms for maintenance workers;
- **Facilities that require minimum maintenance;**
- **Facilities that are pleasing to the eye and complement the surrounding environment:**
  - ⇒ Buildings should use creative design elements to economically provide a distinctive and pleasing appearance; and
- **Facilities that are sustainable:**
  - ⇒ Facilities should provide an office environment for employees using the most efficient and safe technology and ergonomics.

**State Aid**
One of Mn/DOT's goals is to make the transportation network operate better by maintaining the mobility of the traveling public. Bridges are critical links in the transportation network and replacing those which are deficient will help Mn/DOT to meet the goal of providing mobility for people and goods.

Mn/DOT State Aid Division's long range budget plan is to maintain a continuous adequate level of funding for a local bridge replacement program so that the number of deficient bridges can be reduced and maintained at an acceptable number, even as the number of bridges becoming deficient each year is increasing.

In addition to local bridges, there is a need for state assistance with certain local agency road and bridge projects that cannot be reasonably funded through existing programs. Mn/DOT State Aid's long-range goal is for a program using such funds as the legislature may allocate to construct these regionally beneficial projects.

**Freight and Commercial Vehicle Operations**
Mn/DOT's strategic plan reflects a commitment to operate, maintain, and preserve Minnesota's transportation systems and infrastructure. The Federal transportation authorization act (SAFETEA-LU) language reinforces that direction by emphasizing the need for states to be more intermodal in their approach to addressing transportation solutions. Railroads and waterways are integral parts of Minnesota's transportation network.

Two of Mn/DOT's strategic directions are:

- safeguard what exists, and
- make the transportation network operate better.

Continued investment in the MRSI Program and the Port Development Program are critical elements of the transportation investment strategy to accomplish these important Mn/DOT directions.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

**Facilities Program**
Mn/DOT has 1,050 facilities with approximately 5.5 million square feet at over 300 locations. These facilities include headquarters buildings, truck stations, cold storage, salt storage, rest areas, weight stations, and radio/communications sites. Increases in equipment sizes, environmental regulations, building code changes and the lack of adequate administrative space are the primary justifications for recent facility projects. Of the 143 truck stations currently in the Mn/DOT inventory, 39 are considered

functionally inadequate. “Functionally inadequate” means truck bays are too small, mechanical equipment inadequate, or buildings have other problems which prevent them from fully carrying out their intended function.

**State Aid**
As of October 2006, 1,831 of 14,695 bridges on the local road system were either structurally deficient or functionally obsolete. A structurally deficient bridge indicates poor condition of the structural elements of the bridge. A functionally obsolete bridge has such poor geometry, usually a narrow width, that it poses a safety hazard to the motorist.

Although the state provides state aid for local roads and bridges, there are projects on the local system that are of importance to the state or region that cannot be reasonably funded through the existing state aid system. Reasons why include the agency does not receive state aid include: that the project is unique and too large for the formula to consider, or the need for the project comes from an external cause such as economic development or rapid growth.

These roads and bridges are critical links in the state’s transportation system and must be serviceable to move people and goods where needed.

**Freight and Commercial Vehicle Operations**
Minnesota’s rail and waterway systems are vital elements of the state transportation infrastructure and provide essential services for the competitive movement of bulk products in and out of Minnesota. Preservation and improvement of rail and waterway systems is crucial to the state’s economy.

Some of Minnesota’s shortlines and regional railroads need improvements and rehabilitation to continue providing reliable and competitive choices for shippers. Without assistance from the MRSI Program many of these railroads will be abandoned and shippers forced to either truck all their freight, relocate along a Class 1 railroad, go out of business, or leave the state.

Current needs for expensive rail replacement projects to accommodate heavier rail cars are an enormous burden on Minnesota’s shortline and regional railroads. These railroads need access to low – or no-interest loans to rehabilitate their track and continue their economic viability. The MRSI Program was established to meet these needs.

The physical infrastructure of Minnesota’s Mississippi River and Lake Superior ports need rebuilding and updating to keep Minnesota competitive with other waterway states. Some of the projects that need rebuilding are too large for the local port authorities to finance on their own. The Waterway Transportation System is a low cost, environmentally friendly freight mode that will keep Minnesota producers competitive in world markets (i.e. agriculture and taconite industries). The waterways will help reduce roadway congestion especially as our population and freight needs grow.

Aging, extensive use, and fluctuating lake and river levels increase the deterioration of dock walls, piers, and mooring cells. Without a funding program, our ports will continue to deteriorate to a point where it will be more costly later and possibly too late to respond to shippers’ needs.

**Transit**
Some Greater Minnesota transit systems are forced to lease space configured for other uses, while others have no option but to park buses out of doors, even in the winter months. Availability of appropriate space for vehicles and maintenance capability is important to preserve critical community services.

Past transit facility projects have included rehabilitated and newly constructed buildings in Crookston, Roseau, Fairmont, and Carlton County. In addition, facility projects are in various stages of construction in Hibbing, Marshall, Thief River Falls, Willmar, Clay County, Goodhue County, and Stearns County.

Funding for facilities has made a significant difference in the ability of transit systems to manage their fleets and provide quality service to Minnesota citizens.

**Traffic, Safety, and Operations**
Mn/DOT has previously applied state and federal money to innovative congestion mitigation measures both on and off the highway system. These programs include Value Pricing and the federal Congestion Management/Air Quality program. The UPA program integrates these and other funding

sources and requires a joint proposal by multiple jurisdictions with transportation responsibilities within the Twin Cities metropolitan area.

**Agency Process Used to Arrive at These Capital Requests**

**Facilities Program**
Every two years, Mn/DOT performs a Facility Assessment of all Mn/DOT facilities. These assessments review nine functional areas, use a weighted scoring system and provide a comprehensive look at the facility condition, suitability and functionality. Mn/DOT recently adapted this assessment to provide the Facility Condition Audit information required annually by the legislature. The Facilities Program now performs facilities assessments on chemical storage structures and is working with the Mn/DOT Office of Technical Support to develop a baseline assessment of all rest areas, which will include Americans with Disabilities (ADA) Act requirements.

Annually, Mn/DOT uses the Facility Assessment and District meetings while in the building budget process, to determine, with building users and division staff, the deficiencies and needs for immediate and future building space and renewals. The assessment is then consolidated and prioritized by score. The top 10-15 projects are reviewed by the Facilities Program professional staff for consistency and need. Priorities are developed, presented to the Districts for review, and then provided to the commissioner's staff for concurrence and approval. This process results in a comprehensive eight to ten year construction plan.

This process also develops annual required maintenance and repair projects. Presently, the plan lists over 300 maintenance and repair projects scheduled for completion this year. Also listed are over 60 smaller ongoing projects over the next four biennia that are currently not funded, with an estimated cost of over $32 million. The plan also identifies 14 major projects, with an estimated cost of over $50 million.

Mn/DOT has issued a Request for Proposals (RFP) and is currently reviewing proposals received for a pilot project to use wind energy in selected truck stations in southwest Minnesota. An additional RFP to investigate the feasibility of using ground source heat at Mn/DOT facilities is being developed.

**State Aid**
A 2000 legislative study to assess the demand for local bridge replacement funds concluded that the continuation of a substantial and regular replacement program is needed to address the large bridge reconstruction "wave" created by the increased number and larger deck size of bridges built in the post World War II era that are beginning to reach the end of their useful life. Capital requests are based upon a solicitation for candidate projects from cities and counties.

A 2002 legislative study identified causes for the need for an alternative funding source for local roads and estimated that need to be $50-100 million per biennium. The Local Road Improvement Fund was established for this purpose by the 2002 legislature.

**Freight and Commercial Vehicle Operations**
The MRSI Program is based on analysis of rail user and rail carrier applications. Those projects that are deemed economically viable and meet the Mn/DOT criteria established in the rules are funded on a priority basis as funds permit.

The Port Development Assistance Program for Minnesota is based on needs supplied by port authorities on the Mississippi River and Lake Superior and on Mn/DOT site inspections.

**Transit**
Annually, Mn/DOT requests that Greater Minnesota public transit systems submit ten-year capital plans. Projects from the ten-year capital plans are prioritized based on need and overall economic benefit. Mn/DOT's Office of Transit has identified a list of transit facility needs for 2008 and beyond.

**Traffic, Maintenance, and Operations**
This is Mn/DOT's initial application for UPA funds, although not the initial use of many of the federal funding components which make up this grant. Mn/DOT and the Metropolitan Council partnered in identifying needs and funding sources for this initiative.

**Major Capital Projects Authorized in 2005 and 2006**

**Facilities Program**
No major Mn/DOT support facilities projects were authorized by the legislature in 2005 or 2006. The 2005 legislature did authorize a $4 million base budget increase for small (under $1 million) buildings in the agency operating budget.

**State Aid**
In 2005 the legislature appropriated $40 million to replace or rehabilitate deficient local bridges. $55 million was appropriated in 2006 for local bridges. $10 million in 2005 and $15.3 million in 2006 were appropriated for the Local Road Improvement Fund.

**Freight and Commercial Vehicle Operations**
In 2005, the MRSI Program received $2.5 million. Several appropriations were designated to the MRSI Program in 2006: McLeod County Regional Rail Authority, $700,000; NE Initiative, $1.3 million; and $1 million for the Minnesota Valley Regional Rail Authority, as well as $2 million for other MRSI projects.

The Port Development Assistance program was funded at $2 million in 2005 and $3 million in 2006.

**Transit**
The legislature appropriated $1 million in bond funds for transit facilities for this program in 2003 and an additional $2 million in 2006.

**Traffic, Maintenance, and Operations**
This is Mn/DOT's first request under this program.

**Agency Contact Person, Title and Phone**

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**2008 STATE APPROPRIATION REQUEST:** $70,000,000

**AGENCY PROJECT PRIORITY:** 1 of 9

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Replace 400 deficient local bridges during the 2008 construction season, maintaining our transportation infrastructure.
- Bridge projects requested in 87 counties and cities across the state. Will be supplemented with $90 million of federal bridge replacement funds, state-aid funds, and local funds.

**Project Description**

This request for $70 million in state funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

One of Minnesota Department of Transportation (Mn/DOT'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.

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 meets 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.

The bridge replacement program concentrates on bridges at least 60 years old. On the local systems, there are 1,896 bridges built prior to 1946. Over the next ten years, another 661 bridges will reach that age, with another 1,445 and 1,946 in each of the following ten years after that.

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**

In the 2006 bonding bill, $55 million was appropriated for this program and is projected to result in the replacement, rehabilitation, or removal of about 199 bridges. The 2005 bonding bill appropriated $40 million for this program.

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 October 2006, there were 1,831 deficient county, city, and township bridges in Minnesota.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $225 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 767,730 | 110,000 | 135,000 | 135,000 | 1,147,730 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **767,730** | **110,000** | **135,000** | **135,000** | **1,147,730** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O. Bonds/Transp | 296,406 | 70,000 | 70,000 | 70,000 | 506,406 |
| **State Funds Subtotal** | 296,406 | 70,000 | 70,000 | 70,000 | 506,406 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 260,709 | 19,000 | 30,000 | 30,000 | 339,709 |
| Local Government Funds | 210,615 | 21,000 | 35,000 | 35,000 | 301,615 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **767,730** | **110,000** | **135,000** | **135,000** | **1,147,730** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 70,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $33,778,000

**AGENCY PROJECT PRIORITY:** 2 of 9

**PROJECT LOCATION:** Metro Area

**Project At A Glance**

The Metropolitan Council and Minnesota Department of Transportation request $54.853 million to provide local match for funding from USDOT for congestion pricing implementation, park & ride construction and intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

**Project Description**

The Minnesota Department of Transportation (Mn/DOT) and the Metropolitan Council have been jointly awarded $133.3 million in federal funds by the U.S. Department of Transportation through the Urban Partnership Agreement (UPA) program. The project provides a comprehensive approach to congestion reduction that includes congestion pricing, transit enhancements, telecommuting/telework, and the use of advanced technologies.

In conjunction with the UPA application, Mn/DOT and Met Council have submitted federal grant applications under the Value Pricing Pilot Program (VPPP), the Intelligent Transportation System Operational Testing to Mitigate Congestion (ITS-OTMC) and Section 5309 Bus and Bus Related Capital Facilities grant programs to fund the UPA improvements.

The UPA funding must be matched with a minimum 20 percent local funding. This capital request is for the local funding required to match the federal UPA dollars, match federal (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) SAFETEA-LU dollars for two Cedar Avenue Bus Rapid Transit (BRT) project components in the UPA, and fund three UPA components that did not receive federal funding.

This total UPA state funding request is being submitted by both Mn/DOT and the Met Council. Of the $54.853 million in state funds, $33.778 million will be appropriated to Mn/DOT and $21.075 million to the Metropolitan Council.

*Note:* The Project Detail page that accompanies the Met Council's Project Narrative shows all costs and funding except for Mn/DOT's state request. Mn/DOT's accompanying Project Detail page shows only the Mn/DOT state request to avoid double-counting.

The complete components of the UPA project for both agencies are as follows:

**Mn/DOT - Congestion Pricing:** Convert I-35W High-Occupancy Vehicle (HOV) lane to a MnPASS High-Occupancy Toll (HOT) lane from Burnsville to approximately I-494 including a lane add between 106th Street and Highway (Hwy) 13, construct a HOT Lanes between I-494 and 46th Street with reconstruction of the Crosstown Project, construct a Priced Dynamic Shoulder Lane from 46th Street to downtown Minneapolis and implement arterial traffic management.

Total cost: $71.778 million
Federal funds: $47.4 million
Requested State funds: $24.378 million (trunk highway bonds)

**Mn/DOT – Telecommuting/Outreach:** Implement the UPA telecommuting requirement by recruiting local employers as partners to increase the number of telecommuters. Also, develop and implement an Outreach Program involving state and local elected officials and community representatives to facilitate communication and project implementation.

| | |
|---|---|
| Total cost: | $9 million |
| Federal funds: | $0 |
| Requested State funds: | $9 million (general fund) |

**Mn/DOT – Hwy 77 and Hwy 62 Transit Advantage:** Design and construct a bus-only transit advantage from northbound Hwy 77 to westbound Hwy 62.

Total cost: $2 million
Federal funds: $1.6 million
Requested State funds: $0.4 million (trunk highway bonds)

**Met Council – Fleet:** Purchase 26 buses for enhanced transit service in the 35W South corridor (15 buses) and the 35W North corridor (11 buses). These buses will serve the new and expanded park-and-rides being constructed as part of the UPA.

Total cost: $13 million
Federal funds: $10.4 million
Requested State funds: $2.6 million (general fund)

**Met Council – 35W Transit Stations/Park-and-Rides:** Acquire land, design and construct three new or expanded park-and-rides in 35W corridor.

Total cost: $32.7 million
Federal funds: $26.16 million
Requested State funds: $6.54 million
($6.14 million GO bonds;
$0.4 million trunk highway bonds)

**Met Council – Cedar Avenue BRT Transit Stations/Park-and-Rides:** Accelerate land acquisition, design and construction of transit station/park-and-ride facilities at 185th Street, 147th Street, 140th Street, Palomino Drive and Cedar Grove.

Total cost: $17.41 million
Federal funds: $13.25 million
($8.88 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State funds: $2.22 million (GO bonds)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Met Council – Downtown Bus Lanes:** Expand single bus lanes to two lanes on Marquette and 2nd Avenues.

Total cost: $41.56 million
Federal funds: $33.248 million
Requested State funds: $8.312 million (GO bonds)

**Met Council – Transit Technology:** Design and implement transit technology improvements including bus arrival, congestion conditions and parking availability information systems and a transit operator lane guidance system.

Total cost: $7.015 million
Federal funds: $5.612 million
Requested State funds: $1.403 million (general fund)

**Summary:**

Mn/DOT components
Total Cost: $82.778 million
Federal funds: $49 million
Requested State Funds: $33.778 million
$24.778 million trunk highway bonds;
$9 million general fund)

Met Council components
Total Cost: $111.685 million
Federal funds: $88.67 million
($84.3 million UPA;
$3.62 million SAFETEA-LU;
$0.75 million 5309 Appropriation)
Requested State Funds: $21.075 million
($0.4 trunk highway bonds;
$16.672 million GO;
$4.003 general fund)
Other funds: $1.94 million
($0.67 million 2005 bonds;
$1.27 million DCRRA)

**Impact on Agency Operating Budgets (Facilities Notes)**

Toll revenues generated by the congestion pricing will be used to fund Mn/DOT start-up and ongoing HOT-Lane operations as well as expanded transit service.

The unfunded portion of the expanded transit service is anticipated to come from regional transit operating funds and fares.

**Previous Appropriations for this Project**

None for UPA

Previous corridor appropriations:
Cedar Ave: $10 million GO bonds in 2005; $5 million in 2006

35W BRT: $3.3 million GO bonds in 2005; $14.8 million in trunk highway bonds (BAPTA) for transit element of crosstown project.

**Other Considerations**

Implementation of the UPA will accelerate the 35W and Cedar Avenue BRT components of the Met Council's regional 2030 Transportation Policy Plan.

Mn/DOT start up costs, estimated at $1 million, HOT-lane operating costs, and a portion of annual transit operating costs, estimated at $3 million, will be funded by toll revenues.

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**Governor's Recommendations**

The governor recommends for Mn/DOT an appropriation of $9 million from the general fund, and trunk highway bonding of $24.778 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General | 0 | 9,000 | 0 | 0 | 9,000 |
| Trunk Hwy Fund Bonding | 0 | 24,778 | 0 | 0 | 24,778 |
| **State Funds Subtotal** | 0 | 33,778 | 0 | 0 | 33,778 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **33,778** | **0** | **0** | **33,778** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $30,000,000

**AGENCY PROJECT PRIORITY:** 3 of 9

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Provide $15 million to assist counties with Rural Road Safety Projects to reduce traffic crashes, deaths, injuries, and property damage that cannot be funded through existing revenue sources.
- 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 that cannot be funded through existing revenue sources.

**Project Description**

This request for $30 million in state funds is to provide funding assistance to local agencies for construction, reconstruction, or reconditioning projects of local roads with statewide or regional significance and projects on county state aid highways designed to improve safety by reducing traffic crashes, deaths, injuries, and property damage. These are local projects that cannot be reasonably funded through other sources.

Two of Minnesota Department of Transportation (Mn/DOT's) strategic directions are: investing in and improving the system of interregional corridors that connect the state's regional trade centers; and addressing congestion by improving bottlenecks on the trunk highway system in the Twin Cities metro area or greater Minnesota. 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 the any solution for reducing congestion on trunk highways.

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

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. 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.

This request is for $30 million for grants split between the Local Road Improvement Accounts for Routes of Regional Significance and Rural Road Safety.

**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**

In the 2002 bonding bill, $20 million was placed in the Trunk Highway Corridor Projects Account for loans. Nearly $16 million of that loan authority is left.

The 2006 bonding bill provided $16 million that was placed in the Local Road Improvement Program, divided equally between the Routes of Regional Significance and Rural Road Safety accounts. The $16 million partially funded 62 of 140 projects that were requested by local governments for the 2007 construction season.

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**Governor's Recommendation**

The governor recommends general obligation bonding of $30 million for this project. Also included are budget planning estimates of $30 million in 2010 and $30 million in 2012.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 30,000 | 30,000 | 30,000 | 90,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **30,000** | **30,000** | **30,000** | **90,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O. Bonds/Transp | 0 | 30,000 | 30,000 | 30,000 | 90,000 |
| **State Funds Subtotal** | 0 | 30,000 | 30,000 | 30,000 | 90,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **30,000** | **30,000** | **30,000** | **90,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 30,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mankato Headquarters Building

**2008 STATE APPROPRIATION REQUEST:** $23,983,000

**AGENCY PROJECT PRIORITY:** 4 of 9

**PROJECT LOCATION:** Mankato

**Project At A Glance**

- New building for Mankato District Headquarters including offices, shops, vehicle support and storage spaces
- Accommodates highway and bridge construction and maintenance services
- Provides space for Minnesota Department of Transportation (Mn/DOT) partners, the State Patrol and Division of Vehicle Services

**Project Description**

The project will consist of construction of a 163,000 square foot building with offices, materials testing laboratory, vehicle storage and maintenance shops, and specialty shops for bridge maintenance, radio, electrical services, signs and building maintenance. An inventory center will support all district functions. Cold storage buildings and a chemical storage facility will also be located at this site. This facility will also include shared, centralized conference rooms and reception area.

This project has been planned since predesign studies were completed in the mid-1980s as a key to providing transportation planning, design and construction for south and southwestern Minnesota, (District 7). For several reasons, emphasis has shifted from a major remodeling and rehabilitation project to new construction.

The original headquarters was constructed in 1963 and has become inadequate for current requirements. Increasing traveler needs, as well as to support the agency's long-range strategic goals such as upgrading regional corridors, require that Mn/DOT provide a capable and adequately sized facility.

- Preliminary remodeling and rehabilitation studies for the existing facilities show a very non-conforming, crowded site. Equipment storage, maintenance and personnel spaces, and ancillary storage facilities are required for support and maintenance of the District mission.

- Larger, more efficient and safer snowplows and highway equipment has required facility infrastructure to grow, adapt and become more technology oriented. In order to accommodate Mn/DOT requirements, personnel have been placed in all available nooks remotely located from others performing similar work, taking advantage of every possible space. This site cannot absorb another facility addition or other structures without having major impacts on outside vehicle, materials, heating, ventilating and air conditioning, (HVAC), and equipment storage. Placing additional funding in an inadequate facility will not satisfy present requirements.

Constructing a new facility on a larger site will allow Mn/DOT to gain efficiencies of scale and management cohesion. Mn/DOT will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. The department would take advantage of new construction methods, build to current codes, allow for future expansion, and update current technologies in construction, communication, energy management, and the health and welfare of our employees.

**Impact on Agency Operating Budgets (Facilities Notes)**

Utility costs will increase moderately in the new building. One additional custodian and one additional general repair worker would be added to the current staff.

**Previous Appropriations for this Project**

The site was purchased in 2000 for the sum of $404,000. Design fees of $517,000 have been expended. Design is currently at 98 percent, ready for bidding.

**Other Considerations**

The city of Mankato is highly interested in acquiring this site in order to vacate their current facility, allowing for public works expansion and development. Because of this, Mn/DOT has acquired the new site with a previous land appropriation, at a location that is mutually acceptable to Mn/DOT, Public Safety and the city of Mankato. The city of Mankato has contributed over $836,000 of site improvements, including utilities, curb and gutter, bituminous roads and site drainage work, in support of this project.

Mn/DOT will provide better customer service through enhanced equipment availability and by prolonging the life-cycle use of taxpayer supported equipment. Mn/DOT will also partner with other state agencies in building and supporting like functions for taxpayer use by eliminating the crowded conditions of those seeking services, by providing a healthy and safe environment. This facility will support not only the Mn/DOT mission, but also those missions of our partners: the State Patrol and Drivers License Examination functions of the Department of Public Safety. This site will also include a new Transportation Operations Communications Center (TOCC), that will allow coordinated dispatching and incident management throughout the ten counties in south and southwestern Minnesota. The TOCC will serve Mn/DOT, the State Patrol and Department of Natural Resources Conservation Officers.

By deferring this project, Mn/DOT would lose the opportunity to sell the existing site to the city of Mankato for its highest potential use. Mn/DOT, the State Patrol and the Drivers License Examination Station would have to continue to work in crowded, inadequate conditions.

**Project Contact Person**

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**Governor's Recommendation**

The governor recommends trunk highway bonding of $23.983 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 404 | 0 | 0 | 0 | 404 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 841 | 0 | 0 | 0 | 841 |
| 4. Project Management | 0 | 250 | 75 | 0 | 325 |
| 5. Construction Costs | 0 | 12,812 | 8,400 | 0 | 21,212 |
| 6. One Percent for Art | 0 | 13 | 15 | 0 | 28 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 1,229 | 1,189 | 0 | 2,418 |
| **TOTAL** | **1,245** | **14,304** | **9,679** | **0** | **25,228** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 0 | 23,983 | 0 | 0 | 23,983 |
| **State Funds Subtotal** | 0 | 23,983 | 0 | 0 | 23,983 |
| Agency Operating Budget Funds | 1,245 | 0 | 0 | 0 | 1,245 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,245** | **23,983** | **0** | **0** | **25,228** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 141 | 170 | 311 |
| Building Repair and Replacement Expenses | 0 | 106 | 128 | 234 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 247 | 298 | 545 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 247 | 298 | 545 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 1.0 | 1.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $8,649,000

**AGENCY PROJECT PRIORITY:** 5 of 9

**PROJECT LOCATION:** Carver County Road 147 and new Hwy 212

**Project At A Glance**

- A new Chaska/Carver County Truck Station
- Carver county will partner with Minnesota Department of Transportation (Mn/DOT) in the construction and operation of this truck station
- This approximate 49,000 square feet truck station facility will contain offices, shops, vehicle support, inventory space, storage spaces, and mechanics work bays. The site will also house salt storage, cold storage, and yard storage facilities
- This facility will accommodate the southwest metro area, primarily along the new Highway 212 corridor
- Located in the city of Chaska

**Project Description**

The project will construct, on an approximately 22.3 acre site, an approximately 49,000 square feet truck station building with offices, shops, and vehicle storage, and support areas. Cold storage and salt storage facilities will be included on the site. Part of the site is forested and will remain so.

Originally planned for construction in 2012-2014, this project has become a very high priority since the Highway 212 construction will be completed in 2008. The current undersized facility is located across the Minnesota River and many miles from the proposed location of Highway 212. Constructing a new facility on the correct side of the Minnesota River makes snowplow and highway operations more efficient, economic and timely.

Constructing on a larger site, in partnership with Carver County, will allow Mn/DOT to gain efficiencies of scale and management cohesion. Mn/DOT will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. Mn/DOT would take advantage of new construction methods, build to current codes, allow for future expansion, and update current technologies in construction, communication, energy management, and the health and welfare of Mn/DOT employees.

**Impact on Agency Operating Budgets (Facilities Notes)**

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

**Previous Appropriations for this Project**

There have been no previous appropriations for this project.

**Other Considerations**

It is anticipated that Highway 212 will be in operation by 2008. In order to design, construct, and be ready and available for use prior to the opening of the highway, the design and construction of this project need to begin as soon as possible.

The increasing traveler needs, as well as the need to support the agencies' long-range strategic goals such as upgrading regional corridors, require that Mn/DOT provide a quality facility.

Carver County will be a Mn/DOT partner in this project and will occupy approximately 11 percent of the facility and will also share in the costs to construct and operate.

Mn/DOT will provide better customer service through enhanced equipment availability and by prolonging the life cycle use of taxpayer supported equipment.

Mn/DOT will also partner with Carver County in building and supporting like functions by providing an efficient and economical facility, and a healthy and safe workplace for employees.

Once completed, a number of efficiencies can be accomplished. The Mn/DOT long-range plan is to move the current Jordan Truck Station occupants to the existing Shakopee Truck Station, which will have moved into the new Chaska/Carver County Truck Station. Jordan will then be disposed of according to statute.

**Project Contact Person**

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**Governor's Recommendation**

The governor recommends trunk highway bonding of $8.649 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 505 | 26 | 0 | 531 |
| 4. Project Management | 0 | 355 | 112 | 0 | 467 |
| 5. Construction Costs | 0 | 4,200 | 2,330 | 0 | 6,530 |
| 6. One Percent for Art | 0 | 0 | 37 | 0 | 37 |
| 7. Relocation Expenses | 0 | 0 | 40 | 0 | 40 |
| 8. Occupancy | 0 | 0 | 137 | 0 | 137 |
| 9. Inflation | 0 | 524 | 383 | 0 | 907 |
| **TOTAL** | **0** | **5,584** | **3,065** | **0** | **8,649** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 0 | 8,649 | 0 | 0 | 8,649 |
| **State Funds Subtotal** | 0 | 8,649 | 0 | 0 | 8,649 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,649** | **0** | **0** | **8,649** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 150 | 160 | 310 |
| Building Repair and Replacement Expenses | 0 | 80 | 85 | 165 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 230 | 245 | 475 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 230 | 245 | 475 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 6 of 9

**PROJECT LOCATION:** Greater Minnesota communities

**Project At A Glance**

- Countywide public transit provided in 66 of 80 greater Minnesota counties
- Project supports infrastructure needs of greater Minnesota public transit systems
- Partnership program (80 percent state, 20 percent local share) to construct facilities for garaging and maintaining transit vehicles

**Project Description**

The Public Transit Participation Program provides grants for operating and capital assistance to fund public transit service outside the metropolitan area in 66 of 80 counties. Bond funds provide grants for capital assistance only. Greater Minnesota transit systems are maturing and experiencing the need for facilities specifically designed to meet their needs for garaging and maintaining vehicles as well as office space for dispatching and other administrative activities. In the absence of appropriate space, these functions are often separated and poorly housed. Suitable facilities add useful life to transit vehicles, provide safe storage, and improve overall vehicle and service performance.

Project proposals are prioritized based on need and overall economic benefit. Minnesota Department of Transportation's (Mn/DOT's) Office of Transit, working with greater Minnesota Transit systems and their ten year capital plans, has identified a list of potential facilities for 2008 and beyond. Past projects have included rehabilitated and newly constructed facilities in Crookston, Roseau, Fairmont, and Carlton County. In addition, facility projects are in various stages of construction in Hibbing, Marshall, Thief River Falls, Willmar, Clay County, Goodhue County, and Stearns County.

**Impact on Agency Operating Budgets (Facilities Notes)**

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

**Previous Appropriations for this Project**

The Minnesota Legislature appropriated $1 million in bonding funds for this program in 2003. In 2006 the legislature appropriated an additional $2 million in bonding funds. These funds have made a significant difference in transit systems' ability to manage their fleets and provide quality service to Minnesota citizens.

**Other Considerations**

Some transit systems are forced to lease space configured for other uses, while others have no option but to park buses out of doors, even in the winter months. Availability of appropriate space for vehicles and maintenance capability is important to preserve critical community services.

There is an increasing need and demand in greater Minnesota for transportation alternatives. Providing the state funding match for transit facilities will assist providers in getting the longest possible life from their vehicles. This aligns with the department's objective to preserve the transportation infrastructure and corresponds to the measure that seeks to improve the overall condition of the greater Minnesota public transit fleet.

Mn/DOT will partner with public transit systems in greater Minnesota to provide efficient and economical facilities and a healthy and safe workplace for employees.

**Project Contact Person**

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**Governor's Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 4,000 | 4,000 | 12,000 |
| General Fund Projects | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 0 | 4,000 | 4,000 | 4,000 | 12,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 7 of 9

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Designed to preserve and improve rail-shipping opportunities in Minnesota
- Serves the freight community in Minnesota
- Provides loans and grants to regional railroad authorities, railroads, and shippers to improve rail facilities
- Typically, provides funding for approximately 20 capital improvement projects, two-three rail bank projects and one-two rehabilitations each year

**Project Description**

The Office of Freight and Commercial Vehicle Operations addresses rail transportation needs in part through the Minnesota Rail Service Improvement (MRSI) Program to aid rail users for rail line and rolling stock improvements necessary to improve rail service or reduce the impact of discontinuance of rail service.

With the numerous changes in the railroad industry, particularly in the larger railroads such as Burlington Northern Santa Fe, Union Pacific, Canadian Pacific, and Canadian National, the need for shortline and regional railroads has increased significantly. The influx of mergers has created additional spin-offs and abandoned rail lines. This has increased the demand for the MRSI Program.

Some of Minnesota's shortline and regional railroads are in need of rehabilitation to provide competitive choices for Minnesota's shippers. Without assistance from the MRSI Program, many of these railroads will be abandoned and shippers will be forced to truck all their freight, relocate along a Class 1 railroad, go out of business, or leave the state.

Minnesota shippers benefit from the MRSI Program through the Capital Improvement Loan Program, the Rail Line Rehabilitation Program and the Rail Bank Program.

*Capital Improvement Loan Program:*

- The Rail Line Rehabilitation Improvement Loan Program provides interest-free loans to shippers along Minnesota's rail lines. These funds must be used to make capital improvements to increase rail shipping. Eligible projects include construction of rail spurs, building additional grain storage, and installation of new rail loading or unloading facilities.

*Rail Line Rehabilitation Program:*

- The Rail Line Rehabilitation Program is a partnership program with the operating railroad, rail shippers, and Minnesota Department of Transportation (Mn/DOT). This program loans money to railroads to rehabilitate deteriorating rail lines. The program requires shipper financial participation and projects must meet Mn/DOT criteria to protect the investment of Minnesota's taxpayers.

*Rail Bank Program:*

- The Rail Bank Program acquires and preserves abandoned rail lines and right-of-way for future public transportation use. Once acquired, Mn/DOT 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 1978. In 1982, a Constitutional Amendment provided for general fund obligation bonds to be used for the MRSI Program. The MRSI Program has received general fund appropriations totaling $14.5 million and general obligation bond appropriations totaling $25.5 million over the life of the program. These funds have been used for rail acquisition, rail rehabilitation and capital improvement purposes since 1978. The bond proceeds, combined with federal grants and funding from railroads, shippers, and local units of government, have driven project investments exceeding $114 million within the state of Minnesota.

Usually, MRSI investments are loans. Revenue from the repayment of these loans is placed in the Minnesota Rail Service Improvement account in the special revenue fund for future project investments. Past loans under this program have included capital improvements to build and improve rail spurs, build storage bins and improve loading into rail cars at rail shipping facilities. Rehabilitation funding is used to improve marginally operable rail lines with ties, ballast, drainage, or rail. Rehabilitation loans have included 24 major rehabilitation projects and assistance to rail authorities to purchase short lines or regional railroads within the state of Minnesota. There continues to be considerable interest on the part of shippers and railroads to participate in the MRSI Program.

**Impact on Agency Operating Budgets (Facilities Notes)**

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

**Previous Appropriations for this Project**

The Minnesota Legislature originally appropriated $3 million in general funds for this program in 1976. In 1977, an additional $3 million in general funds were appropriated. The legislature has appropriated funding in the following years: 1979, $3 million from the general fund; 1980, $13.5 million in bonds; 1981, $1 million from the general fund; 1984, $12 million in bonds; 2001 and 2002, $5 million and $1 million, respectively from the general fund. The 2003 legislature reduced the amount of funding available to the MRSI Program by $6.4 million for fiscal years 2004 and 2005.

In 2005 and 2006, $2.5 and $3.7 million respectively of bonding were authorized for rail service improvement.

**Other Considerations**

Current needs for expensive rail replacement projects to accommodate heavier rail cars are an enormous burden on Minnesota's shortline and regional railroads. These railroads need to have access to low-or no-interest loans to rehabilitate their track and continue their economic viability.

With the entrance of longer and heavier trains, rail shippers must upgrade their rail spurs, storage facilities, and loading/unloading facilities to utilize rail as a transportation alternative.

We do not anticipate that private sector lending institutions will take an increased role in this area. Loans under this program, and the short line railroad business in general, are high-risk ventures. Our experience has been that private lending institutions are reluctant to participate.

**Project Contact Person**

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Inver Grove Heights, Minnesota 55120
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Fax: (651) 406-4811
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**Governor's Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 106,210 | 8,033 | 11,300 | 10,002 | 135,545 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **106,210** | **8,033** | **11,300** | **10,002** | **135,545** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 25,500 | 3,000 | 3,000 | 3,000 | 34,500 |
| General Fund Projects | 16,000 | 0 | 0 | 0 | 16,000 |
| **State Funds Subtotal** | 41,500 | 3,000 | 3,000 | 3,000 | 50,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 19,804 | 1,987 | 0 | 0 | 21,791 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 24,233 | 3,000 | 3,000 | 3,000 | 33,233 |
| Other | 20,673 | 46 | 5,300 | 4,002 | 30,021 |
| **TOTAL** | **106,210** | **8,033** | **11,300** | **10,002** | **135,545** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| No | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 8 of 9

**PROJECT LOCATION:** Duluth, Minneapolis, St. Paul, Red Wing, Winona

**Project At A Glance**

- Project 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 and 20 percent local share.

**Project Description**

The Port Development Assistance Program provides a funding source that facilitates compliance with tighter environmental and safety standards, helps to ensure the continued commercial effectiveness of lake and river navigation systems, and helps to offset the increases in the general cost of commercial shipping. Minnesota's public port facilities are located in Duluth, Minneapolis, St. Paul, Red Wing, and Winona.

Project proposals are prioritized based on need, employment generated and overall economic benefit. Minnesota Department of Transportation's (Mn/DOT'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 2004 and beyond. Past projects include rehabilitating or improving rail and truck access, dock walls, building roofs, sprinkler and electrical systems, mobile handling equipment and adding warehouse capacity.

**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 Minnesota Legislature originally appropriated $3 million in bonding funds for this program in 1996. In 1998 the legislature appropriated $3 million in bonding funds and $1.5 million in general funds. In 2000 the legislature appropriated $2 million in general funds. An additional $2 million in bonding funds was appropriated in 2003. The 2003 legislature also authorized $3.5 million in bonding, specifically for Winona for freight access improvement.

The 2005 bonding bill appropriated $2 million for this program, and the 2006 bonding bill appropriated another $3 million.

**Other Considerations**

Neighboring states have had Port Development Assistance programs dating back to 1980 and have committed over $35 million to rehabilitating their port infrastructure projects similar to Minnesota. Their programs are on a grant basis only.

Minnesota is further from the Atlantic Ocean and the Gulf of Mexico than all of our neighboring waterway states. This puts Minnesota at a geographic disadvantage as well as costing Minnesota shippers more to get their products to international markets.

According to Minnesota law, Port Development Assistance funds cannot be added to other state sponsored port investments. 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. This was an opportunity to leverage Port Development funds with federal, city and port authority 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 Recommendation**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 15,599 | 3,750 | 3,750 | 3,750 | 26,849 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **15,599** | **3,750** | **3,750** | **3,750** | **26,849** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 12,479 | 3,000 | 3,000 | 3,000 | 21,479 |
| **State Funds Subtotal** | 12,479 | 3,000 | 3,000 | 3,000 | 21,479 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 3,120 | 750 | 750 | 750 | 5,370 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **15,599** | **3,750** | **3,750** | **3,750** | **26,849** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Design Fees-Rochester and Maple Grove

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 9 of 9

**PROJECT LOCATION:** Rochester and statewide

**Project At A Glance**

This request is for:

- Funding for the schematic, design development and investigative portions of a new Rochester Truck Station design, including the subsequent remodeling and upgrade of the existing facility.
- Funding for design through construction documents and investigative portions of the Maple Grove Truck Station project.

**Project Description**

Facilities need to be routinely constructed and/or upgraded to provide support for the Minnesota Department of Transportation (Mn/DOT) mission. Planning and design for these facilities needs to be accomplished to meet Mn/DOT's six year construction schedule.

This request is to provide the funding for:

**Rochester Truck Station** (Schematic Design, Design Development and Investigative Services)

The project includes the schematic design, design development, and investigative portions of a facility design project for an approximate 86,000 square foot Truck Station servicing an anticipated minimum of 39 major pieces of snow plow and ancillary heavy equipment. The space will also house mechanics areas, a wash bay, welding shop and other support areas. The project also includes refurbishing, minor remodeling and mechanical upgrades to the approximate 95,000 square feet of existing space, including addressing mechanical and code compliance issues.

This facility is the central support for District 6's 1,422 miles of state and federal highways, 207 miles of interstate roadways, 857 bridges, 3,538 miles of county state aid system roadways, 12 safety rest areas and 23 truck stations located throughout the district and management of approximately 20,000 acres of land.

**Maple Grove Truck Station** (Complete Design and Investigative Services)

The project includes the design, through construction documents, and investigative portions of a facility design project for an approximate 85,000 square foot Truck Station with a small office, shops, mechanic's repair bays, and other vehicle storage and support areas. Cold Storage and Salt Storage facilities will be included on the site.

Mn/DOT plans to build a new Maple Grove Truck Station on a new site, removing this industrial facility from its current commercial development surroundings and allowing Mn/DOT to design a larger facility, to current building codes and environmental regulations, which is capable of supporting the expanding Maple Grove mission. This facility supports the northwest area of the Twin Cities Metro Division.

**Impact on Agency Operating Budgets (Facilities Notes)**

Utility costs will increase moderately in these new buildings. One additional custodian and one additional general repair worker would be added to the Rochester staff, and one additional general repair worker would be added to the Metro Division staff for facilities maintenance.

**Previous Appropriations for this Project**

Rochester: None
Maple Grove: None

**Other Considerations**

These projects will include site investigation, sustainability compliance, and the review of possible ground source heat and/or solar panels use where practicable, as well as the possible use of wind turbine technology.

**Inclusion of other State Agencies**

The Rochester facilities will support not only Mn/DOT's mission, but also the missions of our partners, the State Patrol and the Drivers License Examination function within the Department of Public Safety.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends trunk highway bonding of $2.0 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 1,883 | 0 | 0 | 1,883 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| **State Funds Subtotal** | 0 | 2,000 | 2,000 | 2,000 | 6,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **2,000** | **2,000** | **6,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

In FY 2006, Minnesota veterans received more than $162 in federal veterans' benefits as a direct result of the department's claims and outreach offices on campus.

Over 2,000 veterans and their families receive State Soldiers Assistance Benefits annually.

Veterans Assistance Offices on Campus are operational and assisted 593 veterans at Minnesota's higher education institutions.

Support Our Troops license plates have generated more than $450,000 for veterans programs.

Outreach offices have served approximately 1,500 veterans since 2004.

Manage five veterans homes statewide with 859 operating beds and a 98 percent occupancy.

## Agency Purpose

The Department of Veterans Affairs mission and purpose is to serve the veterans of Minnesota, their dependents and survivors, in securing all benefits and services afforded by state and federal law. As well as provide the highest possible quality programs for housing, health and supportive services to veterans and their spouses.

Since its creation in 1943 (MS Chapter 196), the department has accomplished its mission of meeting the needs of Minnesota's veterans and their families by being a steadfast veteran-focused organization, functioning as a single, comprehensive provider of seamless service to the men and women who have served this great state and nation.

## Core Functions

The Department of Veterans Affairs provides overall leadership and direction to the Veteran Community through collaboration with public and private service providers. The core functions of the Department of Veterans Affairs include

- Promotion of self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- Supplying representation to clients pursuing claims for federal veterans benefits;
- Ensuring a smooth transition for veterans from active military service to civilian life;
- Providing dignified and compassionate committal services at the Minnesota State Veterans Cemetery;
- Revising and building upon proven business practices to ensure the most timely, cost-effective delivery of benefits and services;
- Prudently managing all budgets, accounts, financial transactions, information technology, and human resources to meet departmental needs; and
- Provide nursing care, medical and social services to veterans and their spouses in the five state operated veterans homes.

## Operations

The department serves over 464,968 Minnesota veterans, their dependents and survivors with the assistance of the eighty-seven men and women who comprise the corps of County Veterans Service Officers and representatives of Minnesota's congressionally chartered veterans' organizations. The department is comprised of three divisions: benefits, services, and departmental operations.

**Benefits** – The Veterans benefits program provides financial assistance through the State the State Soldiers Assistance Program, Veteran's Preference Enforcement, and rehabilitation services to all Minnesota veterans in need. Also included within this main program area is the veterans' and war orphans' educational benefits, and the homeless veterans' initiative.

**Services** - This area of the department provides claims representation in collaborative effort with the eighty-seven county veterans service officers as well as fiduciary guardianship services.

**Departmental Operations** – This function includes the commissioner's office (which is responsible for the overall management of the agency), oversight of the Minnesota State Veterans Cemetery, Veterans' Outreach Services, The Minnesota State Approving Agency, Information Technology, Higher Education Veterans Assistance Offices on Campus, Recently Separated Veterans Program, Support Our Troops License Plates, Grants to Counties, Disable American Veterans (DAV), Military Order of Purple Heart, and the VFW.

**Veterans Homes** - This area of the department provides operational assistance to the five state operated veterans nursing homes which includes financial management, human resources, quality management, corporate compliance, and legal issues. The Deputy Commissioner of Veteran Health Care has been hired and is responsible for all operational aspects of the homes.

**Budget**

FY 2006-07 agency activities are primarily funded through general fund appropriations, which account for 86.1 percent of total funding. Additional funding comes from departmental earnings and other revenue, 10.4 percent; and federal funds, 3.5 percent. The homes side of the budget operating resources comes from state appropriations, 53 percent; federal per diem payments, 23 percent; and resident patient pay, 24 percent. The department staff totals approximately 1,075 full-time equivalents (FTEs).

**Contact**

Department of Veterans Affairs
Veterans Service Building
20 West 12th Street
Saint Paul, Minnesota 55155

Home Page: www.mdva.state.mn.us
Department Results Page:
www.departmentresults.state.mn.us/vets/index.html

Clark Dyrud, Commissioner
Phone: (651) 296-2562
Fax: (651) 296-3954

**At A Glance: Agency Long-Range Strategic Goals**

- To serve the veterans of Minnesota as well as their dependents and survivors in securing all benefits and services afforded by state and federal law;
- To provide a therapeutic environment that encourages resident independence, respects individuality, promotes self-worth, well-being, and quality care;
- To be good stewards of physical assets to ensure all facilities are properly maintained and managed;
- To coordinate services and work cooperatively with medical communities;
- To develop new and innovate solutions in the delivery of long-term care;
- To provide quality programs to meet the long-term care needs of Minnesota's Veterans and their spouses; and
- To implement those findings of the Governor's Long Term Care Commission which are feasible.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

According to the United States Department of Veterans Affairs, 420,000 veterans currently reside in Minnesota. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow by nine percent from today's rates. At least 50 percent of the patients cared for in veteran's homes are between the ages of 75-84 and 21 percent over the age of 85. This is compared to private sector long-term care where approximately 31 percent are between the ages of 75-84 and 52 percent over 85.

Residents with Alzheimer's and/or dementia related illnesses comprise more than 50 percent of our inpatient population. In addition, as in the rest of the long term care industry, residents are being admitted later in life and with more complex medical and mental health diagnosis.

The Hastings Veterans Home currently operates a community based supportive housing program for residents that need supportive services to be successful in their goal of independent living. This facility also has plans to construct a new 60 bed supportive housing program on that campus to accommodate a larger number of veterans to achieve their goal for a more independent living arrangement.

Although the impact has not yet been seen at our facilities, a new group of eligible veterans are emerging from Desert Storm and Iraqi Freedom. Due to the nature of their injuries, veterans' homes across the state and nation could begin to see applications for admissions from veterans with multiple amputations, traumatic brain injuries, and post traumatic stress related injuries once they have completed their acute care phase of their treatment.

Nationally, state veterans home programs represent the largest provider of long term care in the United States with 24,827 operating beds in 48 states. The U.S Department of Veterans Affairs (VA) provides state home construction grants to supplement the construction of new and the renovation of existing state veterans' health care facilities. As part of our strategy, we have submitted our major projects to the VA for state home grant funding. All of our project submissions have been approved by the VA and are waiting state funding. If state funding were awarded, a final decision on federal funding is made during the beginning quarter of the following federal fiscal year.

Currently, the Minnesota State Veteran's Homes are licensed for:

| | Board and Care Beds | Skilled Care Beds |
|---|---|---|
| Minneapolis | 154* | 341 |
| Hastings | 200 | 0 |
| Silver Bay | 0 | 89 |
| Luverne | 0 | 85 |
| Fergus Falls | 0 | 85 |
| Total beds | 354 | 600 |

*61 operational

Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community.

As a result of factors such as age, gender, case mix, diagnosis, demographic changes, this agency is continually reevaluating its programs in an effort to meet the needs of the aging veteran population.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

An assessment of each facility follows:

**Minneapolis** – This is our oldest campus dating back to 1887. We continue to work on maintaining this 51 acre historic site. While major renovations have taken place over the past few years, work is still required to update various aspects of the buildings on site, which are reflected in the asset preservation project list as a part of the bonding request. Minneapolis maintains a waiting list of over 300 veterans seeking skilled care services.

**Hastings** – This site has completed a major campus renovation. Beginning with a major rework of the infrastructure, the renovations have included updates to the mechanical systems in the major patient care buildings, repair or replacement of tunnels, updates to the power plant, roof repairs or replacements, and other energy conservation items.

**Silver Bay** – This facility was originally an elementary school built in 1953. It was converted to a nursing home and a number of space and functional deficiencies remain. A new sloped metal roof project has been completed. This new roof not only will reduce life-cycle costs, but has already provided energy savings. A clinical update plan would bring the facility up to current nursing home construction standards and provide a better environment for providing patient care services.

**Luverne** – The project to add programming space to the Alzheimer's wing has broken ground this summer. Work to correct water runoff in the parking lots has been completed. This work eliminates a safety hazard, especially during the winter months. Luverne maintains a waiting list of approximately 40 individuals.

**Fergus Falls** – This is our newest facility and operates 86 skilled nursing beds and has a VA outpatient clinic co-located on site. A project proposed for this facility would add a 21 bed special care unit for Alzheimer's. Fergus Falls also has had a major waiting list for care, approximately 70 individuals, and the additional beds will help to alleviate that unmet demand.

**Agency Process Used to Arrive at These Capital Requests**

The agency's long-range strategic operating plans and capital budget goals are to ensure that each of our homes is able to provide the highest quality of care to our residents in a therapeutic, highly adaptive, and dignified environment.

In order to meet these goals, we must ensure that each veteran's home is in good operating condition. The agency has conducted a comprehensive strategic process to identify programmatic and facility needs, and these are reflected in our capital requests. If a home requires renovation or new construction, we have analyzed the need, reviewed the options, and requested the necessary funding. We have also completed predesigns on major requests in an effort to provide more detailed and accurate information. These requests have been reviewed, prioritized, and approved by the agency's Board of Directors. We have also commissioned studies to determine future demand for services, both from a qualitative and quantitative focus.

The current capital budget requests have been reviewed and recommended by the homes and the board. The priorities were reviewed using the following criteria:

⇒ **Quality patient care**. This includes both the services available to the residents and the environment in which residents reside.

⇒ **Maintenance and protection of the physical plant.** This includes correcting current deficiencies and maintaining the integrity of the physical plant.

⇒ **Adequate, viable infrastructure support**. This includes providing management with the tools necessary to ensure efficient operation of the homes.

The long-range planning study and the Historic Structures Report used to develop these requests contain a building-by-building evaluation of all

buildings at the Minneapolis and Hastings veterans' homes. These evaluations detail the condition of the buildings, the asbestos content, and the modification needed to comply with ADA standards. The study also includes long-range strategic plans for the Minneapolis and Hastings veterans' homes' renovations, remodeling, and new construction. These plans, if implemented, will not only bring the homes into compliance with current health care and safety standards, but will also improve the service delivery to our residents.

A study of the long-term care needs of veterans in Minnesota has helped the board shape these requests. There has been an active strategic planning process at the facility and agency level and strategic initiatives have been reviewed, prioritized, and approved by the Board of Directors.

**Major Capital Projects Authorized in 2006**

Asset Preservation - $6,000,000

Fergus Falls - $637,000 to design a 21 bed Alzheimer/dementia unit

Hastings Supportive Housing - $700,000 to design 30 units

Luverne - $599,000 to complete an Alzheimer/dementia area

Minneapolis - $2,457,000 for emergency power system upgrade

Silver Bay - $1,697,000 for the state share of a master plan renovation

# Veterans Affairs, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Asset Preservation | 1 | GO | $9,900 | $6,000 | $6,000 | $7,000 | $6,000 | $6,000 |
| Minneapolis Building 9 Demolition | 2 | GO | 1,000 | 0 | 0 | 1,000 | 0 | 0 |
| Minneapolis New Nursing Building | 3 | GO | 25,999 | 0 | 0 | 25,999 | 0 | 0 |
| Hastings Supportive Housing | 4 | GO | 6,655 | 0 | 0 | 0 | 0 | 0 |
| Fergus Falls Special Care Unit | 5 | GO | 9,970 | 0 | 0 | 0 | 0 | 0 |
| Silver Bay Master Plan Renovation | 6 | GO | 3,800 | 0 | 0 | 227 | 0 | 0 |
| Minneapolis Campus HVAC Upgrade | 7 | GO | 11,300 | 0 | 0 | 7,835 | 0 | 0 |
| Kandiyohi Veterans Home Construction | 8 | GO | 7,905 | 0 | 0 | 0 | 0 | 0 |
| Minneapolis Campus Security | 9 | GO | 2,300 | 0 | 0 | 0 | 0 | 0 |
| Minneapolis Building 17 | 10 | GO | 11,351 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Project Total | $90,180 | $6,000 | $6,000 | $42,061 | $6,000 | $6,000 |
| General Obligation Bonding (GO) | $90,180 | $6,000 | $6,000 | $42,061 | $6,000 | $6,000 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**2008 STATE APPROPRIATION REQUEST:** $9,900,000

**AGENCY PROJECT PRIORITY:** 1 of 10

**PROJECT LOCATION:** 1200 East 18th Street, Hastings, 1300 North Kniss, Luverne, 1821 North Park Street, Fergus Falls, 45 Banks Boulevard, Silver Bay, 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Provides funding for upgrades to over 50 buildings statewide
- Continues to provide a safe environment to care for vulnerable adults
- Ensures continued full use of all physical assets
- Timely repair/replacement of building components eliminates future high costs
- Does not qualify for 65 percent federal VA reimbursement

**Project Description**

This request is for department-wide asset preservation. This request will address building repair items that go beyond the day-to-day maintenance needs of each facility. It will also ensure facilities used to care for over 900 residents are in good condition.

Examples of projects in this request include: replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, and updates to resident bathrooms and central showers. This request would update a variety of resident building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents at the homes.

There are also specific asset preservation needs at each facility. Projects for the Minneapolis campus provide repairs to exterior envelopes, and the replacement of windows and doors. The Hastings campus is in need of repairs on exterior envelopes, roofs, windows, doors, and sanitary/storm sewers. Parking lots are also in need of reengineering and upgrading. The out-state campuses at Luverne, Silver Bay, and Fergus Falls are in need of a variety of building repairs including, but not limited to, resident room door replacements, nurse call and phone system replacement, boiler burner parts replacement, and storage building repairs.

The amount identified in this asset preservation request reflects a backlog of asset preservation needs.

**Impact on Agency Operating Budgets (Facilities Notes)**

The nature of these asset preservation improvements should not have any significant impact on the ongoing operating costs of each facility and may correct inefficiencies in mechanical equipment, ultimately reducing operating costs.

**Previous Appropriations for this Project**

Past amounts appropriated for asset preservation include: $4 million in the 2005 bonding bill with an additional $2.2 million dedicated from federal reimbursement of past projects; and $6 million in the 2006 bonding bill. All of these accounts are being used with 95 percent of these funds encumbered for ongoing projects.

In 2007, the department received a total of $6.5 million for repair and betterment of facilities to be used in this biennium. These funds have been encumbered against improvement projects currently in process. This funding will help with maintenance and improve the overall condition of each facility. In the past, operational funds designated for repairs and betterment have largely been reprogrammed to address operating budget shortfalls. Because of this new funding, the department is better equipped to address upkeep at every facility.

**Other Considerations**

This project is not eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of a project's cost once the state has appropriated its share - 35 percent.

**Project Contact Person**

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

**Governor's Recommendations**

The governor recommends general obligation bonding of $7 million for this project. Also included are budget planning estimates of $6 in 2010 and $6 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 902 | 624 | 624 | 2,150 |
| 4. Project Management | 0 | 304 | 210 | 210 | 724 |
| 5. Construction Costs | 0 | 7,478 | 5,166 | 5,166 | 17,810 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 1,216 | 0 | 0 | 1,216 |
| **TOTAL** | **0** | **9,900** | **6,000** | **6,000** | **21,900** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 9,900 | 6,000 | 6,000 | 21,900 |
| **State Funds Subtotal** | 0 | 9,900 | 6,000 | 6,000 | 21,900 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **9,900** | **6,000** | **6,000** | **21,900** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,900 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Veterans Affairs, Department of — Project Narrative

## Minneapolis Building 9 Demolition

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Demolishes a building on the Minneapolis campus due to problems with structural integrity
- May qualify for 65 percent federal VA reimbursement

### Project Description

This request is to demolish building 9 on the Minneapolis campus. The estimated cost to repair the structural deficiencies and restore the building integrity is approximately $13.3 million. Due to the significant cost of repair and the longer term service needs, the department has determined demolishing the building is preferable and allows for developing space for multiple resident care-centered uses.

Building 9 was built in 1937 using a post and beam design to structurally support the building. Reinforced concrete floors are supported on each of the three levels by steel beams.

An exterior tuck pointing project discovered severe rusting of the horizontal and lateral beams in October 2007. Subsequent inspections by structural engineers identified significant rusting of the building's steel supports. Moisture absorption through the exterior brick veneer was identified as a contributing factor to the structural deterioration of the metal sub-structure. The damage to the building significantly increased the possibility of a collapse. Based on the available information and possible danger, residents were relocated to building 17.

### Impact on Agency Operating Budgets (Facilities Notes)

The demolition of building 9 will not affect the operational budget.

### Previous Appropriations for this Project

None.

### Other Considerations

This project may be eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval, the department is requesting the full amount and will seek reimbursement for the federal share, provided the project meets federal criteria. A grant application for this request will be submitted prior to the April 15, 2008 deadline.

The Minneapolis Veterans Home campus is on the National Historic Register. Any renovation or demolition of buildings on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

### Project Contact Person

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

### Governor's Recommendations

The governor recommends general obligation bonding of $1 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 928 | 0 | 0 | 928 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 72 | 0 | 0 | 72 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 0 | 0 | 1,000 |
| **State Funds Subtotal** | 0 | 1,000 | 0 | 0 | 1,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis New Nursing Building

**2008 STATE APPROPRIATION REQUEST:** $25,999,000

**AGENCY PROJECT PRIORITY:** 3 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Construction of a new 100-bed nursing care building
- Incorporates a community/neighborhood concept in the floor configuration
- One resident per room, with individual bathroom
- Unit dining, resident common activity space with family lounge space available on each community unit
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to design, construct, furnish and equip a 100-bed nursing care facility on the Minneapolis campus. The facility would be built utilizing the space created by the demolition of building 9. This request represents 100 percent of the total project cost.

The new facility will incorporate designs that optimize resident-centered care. Communities of 16 residents will be created with each resident having a private room with bath. Each community will include common space for home-like living and dining activities. Each community will provide infrastructure capabilities for enhanced transfer, bathing, and care technologies.

The Minneapolis campus is home to 353 veterans. This request will add to the current nursing care services located in buildings 6 and 17. These buildings are configured to house two residents in each room. Building 17 is constructed to provide one bathroom per four residents, while in building 6 two residents share one bathroom. The new facility will be able to serve residents needing the highest level of care, and improve the overall quality of life for all residents on the campus.

**Impact on Agency Operating Budgets (Facilities Notes)**

Although the resident population at this campus is expected to stay the same, the maintenance/operation of this new building may alter budget configurations. A predesign will be completed to identify more precise financial implications.

**Previous Appropriations for this Project**

None.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost. A grant application for this request will be submitted prior to the April 15, 2008 deadline.

The mission at the Minneapolis Veterans Home is to provide high quality skilled health care services to veterans. In addition, the Minneapolis Veterans Home has a high demand for beds on this campus and maintains an active waiting list, at times in excess of 300.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $25.999 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 601 | 0 | 0 | 601 |
| 4. Project Management | 0 | 300 | 0 | 0 | 300 |
| 5. Construction Costs | 0 | 20,392 | 0 | 0 | 20,392 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 905 | 0 | 0 | 905 |
| 9. Inflation | 0 | 3,701 | 0 | 0 | 3,701 |
| **TOTAL** | **0** | **25,999** | **0** | **0** | **25,999** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 25,999 | 0 | 0 | 25,999 |
| **State Funds Subtotal** | 0 | 25,999 | 0 | 0 | 25,999 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **25,999** | **0** | **0** | **25,999** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 25,999 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Hastings Supportive Housing

**2008 STATE APPROPRIATION REQUEST:** $6,655,000

**AGENCY PROJECT PRIORITY:** 4 of 10

**PROJECT LOCATION:** 1200 East 18th Street, Hastings

**Project At A Glance**

- Improves programming for veterans ready for discharge
- Provides a supportive environment which increases the chance for success
- Provides a needed service which is in short supply in the Hastings area
- Increases the opportunity to serve more homeless veterans
- Does not currently qualify for 65 percent federal VA reimbursement

## Project Description

This request is to design, construct, furnish and equip 30 units of permanent supportive housing for veterans with disabilities on the Hastings campus. This housing will consist of 30 one-bedroom apartments for single adults. All veteran residents will have some disability, but are able to live on their own with supportive services. Staff of the home is expected to provide property management and supportive services for the housing unit.

The Hastings facility currently operates 200 domiciliary beds for veterans who require support with chronic medical problems, mental health diagnosis, substance abuse treatment, and transitional services to move veterans towards independent living. There is a significant shortage of low income housing in the Hastings area and it impedes the facility's ability to timely discharge residents. In addition, the success of discharge is dependent, to a large extent, on the supportive services available to assist veterans in their transition. The Hastings facility will complement the services already in place to incrementally provide the necessary service package to veterans in the housing units.

The original concept was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the department determined that remodeling existing space was too costly and presented challenges because residents would have difficulty accessing other services on the campus. By constructing an entirely new building, costs per square foot are lower and residents will have better access to the services and programming they need.

## Impact on Agency Operating Budgets (Facilities Notes)

This project would require an additional $235,000 per year to support operations in FY 2010-11. Residents would be required to participate in the payment of rent and rental assistance will be sought to cover other expenses. Supportive services will be coordinated with facility and community resources. Veterans would have access to the Veterans Administration Medical Center in Minneapolis daily for additional follow-up care on an outpatient basis.

## Previous Appropriations for this Project

$700,000 was approved for the design of this project in the 2006 bonding bill.

## Other Considerations

The U.S. Department of Veterans Affairs (VA) does not currently have a supportive housing program. As a result, this project may be eligible for funding under the federal State Home Construction Grant Program in the future. Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval, the department is requesting the full amount and will seek reimbursement for the federal share, provided the project meets federal criteria.

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction. In addition to following the B-3 state building compliance, this building will be "LEED" certified. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 575 | 0 | 0 | 0 | 575 |
| 4. Project Management | 125 | 0 | 0 | 0 | 125 |
| 5. Construction Costs | 0 | 5,744 | 0 | 0 | 5,744 |
| 6. One Percent for Art | 0 | 41 | 0 | 0 | 41 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 189 | 0 | 0 | 189 |
| 9. Inflation | 0 | 681 | 0 | 0 | 681 |
| **TOTAL** | **700** | **6,655** | **0** | **0** | **7,355** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 700 | 6,655 | 0 | 0 | 7,355 |
| **State Funds Subtotal** | 700 | 6,655 | 0 | 0 | 7,355 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **700** | **6,655** | **0** | **0** | **7,355** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 363 | 121 | 484 |
| Other Program Related Expenses | 0 | 12 | 4 | 16 |
| Building Operating Expenses | 0 | 67 | 23 | 90 |
| Building Repair and Replacement Expenses | 0 | 9 | 3 | 12 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 451 | 151 | 602 |
| Revenue Offsets | 0 | <216> | <72> | <288> |
| **TOTAL** | 0 | 235 | 79 | 314 |
| Change in F.T.E. Personnel | 0.0 | 2.8 | 1.0 | 3.8 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,655 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Fergus Falls Special Care Unit

**2008 STATE APPROPRIATION REQUEST:** $9,970,000

**AGENCY PROJECT PRIORITY:** 5 of 10

**PROJECT LOCATION:** 1821 North Park Street, Fergus Falls

**Project At A Glance**

- Provides increased capacity to meet demand for special care beds
- Improves clinical space for those diagnosed with Alzheimer's/dementia
- Improves patient physical environments
- Qualifies for 65 percent federal VA reimbursement

## Project Description

This request is to construct, furnish and equip a 21-bed special care unit and additional clinical space. The unit will meet the demand for services and the particularly unique needs of residents with Alzheimer's/dementia, who comprise nearly 59 percent of the population at the facility. Though not all residents with Alzheimer's and dementia would benefit equally from a special care unit addition (early and late stage residents), it is estimated that up to half of the currently affected facility population will require these services in their lifetime.

The special care unit would add an additional 33,500 square feet to the facility. A "community concept" is incorporated in the design. The interior space will be divided in two with one community resident population of 11 and another of 10 divided by central services of dining, nursing station, and housekeeping served by a central elevator. This elevator will provide the ability to introduce meals, housekeeping, laundry, and other service amenities to this unit from the basement. The central location of this elevator will be non intrusive to the residents.

Also included is an expansion of space used by the U.S. Department of Veterans Affairs (VA) at the facility that provides clinical services. Through a shared use agreement, the VA now serves over 1,100 area veterans in the geographic area. In exchange for hosting the clinic, the facility is able to obtain nurse practitioner and other services for veterans at no cost. This proposal expands this arrangement by constructing a 2,550 square feet addition for their use. This proposed space was included after consultation with the local Veterans Service Integrated Network Director and, if accepted, will mark another first in delivering services to veterans.

This project will help to meet the sustained and increasing demands of the veteran population in this geographic area. Since the establishment of full census in September of 1998, the facility has been faced with increased demand for its services that it has been unable to meet. Waiting lists have grown to a maximum of 85 on the facility active waiting list and 205 on the inactive waiting list. Veterans on lists of this length could experience up to a 12-month delay before admission to this facility. This prevents the facility from effectively meeting current demand and precludes them from addressing any immediate post acute needs of veterans.

## Impact on Agency Operating Budgets (Facilities Notes)

The phased April 2010 opening of the 21 beds would require the addition of 31 FTEs to perform nursing, direct support, and indirect support for the additional residents. Also, related dietary, drug, and, medical supplies will be required. Other plant operating costs will accrue due to the additional square footage. Partial costs will begin in FY 2010, totaling approximately $2 million in FY 2010-11.

## Previous Appropriations for this Project

$637,000 was provided in the 2006 bonding bill for design of this project.

## Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by VA. Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

The Fergus Falls Veterans Home has from its inception been a leader and innovator in long-term care for veterans. During its second year of operation it had the honor of becoming the first Nurse Practitioner Nursing Home Based VA Clinic in the nation.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 10 | 0 | 0 | 0 | 10 |
| 2. Predesign Fees | 42 | 0 | 0 | 0 | 42 |
| 3. Design Fees | 354 | 0 | 0 | 0 | 354 |
| 4. Project Management | 283 | 0 | 0 | 0 | 283 |
| 5. Construction Costs | 0 | 7,578 | 0 | 0 | 7,578 |
| 6. One Percent for Art | 0 | 62 | 0 | 0 | 62 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,230 | 0 | 0 | 1,230 |
| 9. Inflation | 0 | 1,100 | 0 | 0 | 1,100 |
| **TOTAL** | **689** | **9,970** | **0** | **0** | **10,659** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 637 | 9,970 | 0 | 0 | 10,607 |
| Misc Special Revenue | 52 | 0 | 0 | 0 | 52 |
| **State Funds Subtotal** | 689 | 9,970 | 0 | 0 | 10,659 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **689** | **9,970** | **0** | **0** | **10,659** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 2,438 | 1,254 | 3,692 |
| Other Program Related Expenses | 0 | 320 | 243 | 563 |
| Building Operating Expenses | 0 | 216 | 109 | 325 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 2,974 | 1,606 | 4,580 |
| Revenue Offsets | 0 | <958> | <731> | <1,689> |
| **TOTAL** | 0 | 2,016 | 875 | 2,891 |
| Change in F.T.E. Personnel | 0.0 | 31.0 | 0.0 | 31.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,970 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Silver Bay Master Plan Renovation

**2008 STATE APPROPRIATION REQUEST:** $3,800,000

**AGENCY PROJECT PRIORITY:** 6 of 10

**PROJECT LOCATION:** 45 Banks Boulevard, Silver Bay

**Project At A Glance**

- Provides improved clinical and program space
- Brings facility up to current skilled care space standards
- Provides improved physical environment to allow staff to better care for residents
- Community, household clustering for better patient care
- Qualifies for 65 percent federal VA reimbursement

## Project Description

This request is for renovation of existing space and a structural building addition to the nursing care facility in Silver Bay.

This initiative would renovate select space within the facility to provide a resident environment with additional clinical space, with less institutional resident programming space, and also expand space for administration offices. A recent study of the clinical capacity at Silver Bay has shown that the facility is in need of modification.

Also, the facility's support functions do not have adequate space to provide proper support for resident care and recreation facilities. This expansion would separate these functions; giving residents more space to enjoy and while improving the efficiency of the site's operations.

## Impact on Agency Operating Budgets (Facilities Notes)

The project will allow for savings from bulk purchases, as well as minimize the fire hazard liability potential. Adding storage space to this facility will be a direct benefit to residents because of the inconvenience having current programming space double as storage. As a result of increasing the size of the facility, there will be an increase in operating costs of approximately $45,000 in FY 2010-11.

## Previous Appropriations for this Project

The 2006 bonding bill included $1.697 million, which represents the state portion needed to qualify for federal reimbursement. In 2004, $2.345 million was appropriated for a facility-wide project to install a new roof. The new roof was designed to accommodate the floor plan changes included in this request.

## Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. While the state portion has already been appropriated, the remaining amount is being requested due to uncertainty of when VA approval will occur and to avoid further delays. The department will continue to seek reimbursement for the federal share of the project's total cost.

This nursing facility was originally constructed as an elementary school in 1953, and the overall quality of life will be enhanced for the residents by reducing the current institutional character of the facility.

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. An asphalt fire road would be installed surrounding the facility in addition to using this road for a drop off, shipping, and receiving location accessibility.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $227,000 for this project. Due to cost increases, the 2006 appropriation no longer meets the 35 percent state share. The recommended amount provides the additional funding to satisfy the state obligation. This project is expected to receive the federal portion in the upcoming award cycle in 2008.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 42 | 0 | 0 | 0 | 42 |
| 3. Design Fees | 156 | 303 | 0 | 0 | 459 |
| 4. Project Management | 44 | 83 | 0 | 0 | 127 |
| 5. Construction Costs | 1,393 | 2,699 | 0 | 0 | 4,092 |
| 6. One Percent for Art | 0 | 21 | 0 | 0 | 21 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 104 | 198 | 0 | 0 | 302 |
| 9. Inflation | 0 | 496 | 0 | 0 | 496 |
| **TOTAL** | **1,739** | **3,800** | **0** | **0** | **5,539** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1,697 | 3,800 | 0 | 0 | 5,497 |
| Misc Special Revenue | 42 | 0 | 0 | 0 | 42 |
| **State Funds Subtotal** | 1,739 | 3,800 | 0 | 0 | 5,539 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,739** | **3,800** | **0** | **0** | **5,539** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 45 | 53 | 98 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 45 | 53 | 98 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 45 | 53 | 98 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,800 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Veterans Affairs, Department of — Project Narrative

## Minneapolis Campus HVAC Upgrade

**2008 STATE APPROPRIATION REQUEST:** $11,300,000

**AGENCY PROJECT PRIORITY:** 7 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Campus-wide heating, ventilation, and air conditioning (HVAC) system upgrade
- Upgrades equipment for reliability, and to reduce utility cost and ongoing maintenance
- Provides enhanced monitoring equipment allowing pro-active daily maintenance (Direct Digital Controls)
- Advances the goal of lower power/equipment failures and lower on-site maintenance costs
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to replace/upgrade mechanical equipment at the Minneapolis campus. It would replace equipment that has exceeded its life expectancy and provide the campus with an updated, operationally efficient utility system.

The Minneapolis campus is home to 353 veteran residents. The skilled 24/7 nursing program operates by licensure that requires the interior temperature be maintained at a constant level throughout the year. Maintaining a reliable, updated heating-cooling system at this campus allows these mandates to be achieved. A recent study recommended replacement of all HVAC equipment exceeding life expectancy. This study also recommends installation of direct digital equipment used to monitor this equipment and provide utility efficiencies.

**Impact on Agency Operating Budgets (Facilities Notes)**

No new state funding would be required to meet the facilities operating needs per this request. The new system may allow operational efficiencies giving maintenance staff more latitude to pro-actively maintain the campus.

**Previous Appropriations for this Project**

None.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty surrounding when VA approval will occur and the urgency of completing the project, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process in 2005, which identifies the need to upgrade utilities on this campus. Our mission is to provide high quality skilled environmentally stable health care services to veterans on this campus.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7.835 million for this project. This amount is to upgrade the HVAC system for building 17, in order to maintain environmental conditions needed by nursing facility residents.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 1,200 | 0 | 0 | 1,200 |
| 4. Project Management | 0 | 200 | 0 | 0 | 200 |
| 5. Construction Costs | 0 | 8,409 | 0 | 0 | 8,409 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 200 | 0 | 0 | 200 |
| 9. Inflation | 0 | 1,291 | 0 | 0 | 1,291 |
| **TOTAL** | **0** | **11,300** | **0** | **0** | **11,300** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 11,300 | 0 | 0 | 11,300 |
| **State Funds Subtotal** | 0 | 11,300 | 0 | 0 | 11,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **11,300** | **0** | **0** | **11,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 11,300 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Kandiyohi Veterans Home Construction

**2008 STATE APPROPRIATION REQUEST:** $7,905,000

**AGENCY PROJECT PRIORITY:** 8 of 10

**PROJECT LOCATION:** Kandiyohi County

**Project At A Glance**

- Provides clinical and program nursing care space for veterans
- Provides current "community model" environment for patient care
- Predesign identifies opportunity for shared services with Rice Care Center
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to design, construct, furnish and equip a new 90-bed facility to provide skilled nursing services to veterans in Kandiyohi County. The total project cost to construct the 90-bed facility is $22.585 million. The amount requested is the required state match to qualify for funding under the federal State Home Grant Program.

A predesign was completed for this project in 2006. It included six 15-bed resident "community clusters" with nursing stations located at intersection between two communities. A community room kitchenette will be provided to prepare breakfasts and activity treats. The design includes a new power plant, central kitchen, in house pharmacy, and business office. A "town square" support services space has been designed in a central location near the front entrance to provide chapel, barber/beauty shop, multipurpose room, activities room and library. A physical and occupational therapy area will also be created and staffed to meet the resident's needs.

**Impact on Agency Operating Budgets (Facilities Notes)**

This project would need additional funding to begin operations. Based on estimated construction schedule this facility would need approximately $900,000 for operations in FY 2010-11. Full operational funding for the subsequent biennium is approximately $8.6 million.

**Previous Appropriations for this Project**

$100,000 was provided in the 2005 bonding bill for predesign of this project.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. The department will seek the federal share of the project's total cost.

The Kandiyohi county area is a growing community with professional resources to support a new Veterans Home. Medical support in this immediate area provides two medical clinics, 31 dentists, 88 doctors, one hospital, and four nursing homes. In 2005, the census of a 50 mile area surrounding Willmar identified 32,456 veterans. The area had 19,915 veterans age 55 and older in 2005.

**Project Contact Person**

Christine Kiel, Legislative Liaison
Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 100 | 0 | 0 | 0 | 100 |
| 3. Design Fees | 0 | 1,051 | 0 | 0 | 1,051 |
| 4. Project Management | 0 | 894 | 0 | 0 | 894 |
| 5. Construction Costs | 0 | 13,637 | 0 | 0 | 13,637 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 3,249 | 0 | 0 | 3,249 |
| 9. Inflation | 0 | 3,654 | 0 | 0 | 3,654 |
| **TOTAL** | **100** | **22,585** | **0** | **0** | **22,685** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 100 | 7,905 | 0 | 0 | 8,005 |
| **State Funds Subtotal** | 100 | 7,905 | 0 | 0 | 8,005 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 14,680 | 0 | 0 | 14,680 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **100** | **22,585** | **0** | **0** | **22,685** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 602 | 10,293 | 10,895 |
| Other Program Related Expenses | 0 | 260 | 2,101 | 2,361 |
| Building Operating Expenses | 0 | 15 | 715 | 730 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 877 | 13,109 | 13,986 |
| Revenue Offsets | 0 | 0 | <4,483> | <4,483> |
| **TOTAL** | 0 | 877 | 8,626 | 9,503 |
| Change in F.T.E. Personnel | 0.0 | 4.3 | 87.2 | 91.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,905 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis Campus Security

**2008 STATE APPROPRIATION REQUEST:** $2,300,000

**AGENCY PROJECT PRIORITY:** 9 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Campus security - grounds and buildings
- Control traffic on campus during/after hours
- Provide walk in secure entry point after hours
- Lock/monitor all door entry/exit points
- May qualify for 65 percent federal VA reimbursement

## Project Description

This request is to install a fully developed and monitored security system for the Minneapolis campus.

This request would provide a security system, with cameras and monitors, for observation campus-wide. The entrances to the campus will have gate lift arms with card swipe to monitor vehicle traffic throughout the campus. Skilled nursing care buildings 6, 9, and 17 will have magnetic door locks installed, with card access for staff. Closed circuit cameras will be installed in all patient hallways and entrances to monitor activities recorded and accessible only by authorized supervisory staff.

## Impact on Agency Operating Budgets (Facilities Notes)

No new state funding would be required to meet the facilities operating needs per this request. The current security budget would sufficiently support this program.

## Previous Appropriations for this Project

None.

## Other Considerations

This project may be eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval and the need for security is urgent, the department is requesting the full amount and will seek reimbursement for the federal share provided the project meets federal criteria.

The Minneapolis campus is home to 353 veterans. A large majority of the residents on this campus have limitations and impairments making them vulnerable to security issues. The location of the Minneapolis campus adjoining Minnehaha Park also creates a security challenge.

The Minneapolis facility leadership conducted an in-depth strategic planning process, which identifies the need to upgrade security on this campus. Our mission is to provide high-quality, skilled health care services to veterans on a secure campus.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

## Project Contact Person

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Veterans Services Building
20 West 12th Street
Saint Paul, Minnesota 55155
Phone: (651) 757-1530
Fax: (651) 757-1537
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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 100 | 0 | 0 | 100 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,102 | 0 | 0 | 1,102 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 900 | 0 | 0 | 900 |
| 9. Inflation | 0 | 198 | 0 | 0 | 198 |
| **TOTAL** | **0** | **2,300** | **0** | **0** | **2,300** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,300 | 0 | 0 | 2,300 |
| **State Funds Subtotal** | 0 | 2,300 | 0 | 0 | 2,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,300** | **0** | **0** | **2,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,300 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis Building 17

**2008 STATE APPROPRIATION REQUEST:** $11,351,000

**AGENCY PROJECT PRIORITY:** 10 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Update, remodel space to meet Department of Health requirements
- Re-design and enlarge unit dining room space for resident use
- Update kitchen food preparation area and dining room
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to remodel all five resident units in building 17. It would also update the main kitchen with key replacements to refrigeration coolers, new serving counters, and dining room upgrades.

The current configuration does not provide the needed space for resident daily activity needs. The interior footprint would remove several resident rooms in the immediate area surrounding the unit dining rooms. This would allow for not only a larger space for dining activities but also provide multi-purpose space for resident activities on the units. This will provide a higher quality of life for residents. The interior will be code compliant and will include a new energy efficient mechanical system in this remodeled/expanded area to relieve the current HVAC building system.

Building 17 was opened in 1980 and has received minimal remodeling over the past 27 years. The building is home to 250 veterans in the current configuration. This request would reduce the census of this building to a total of 200.

**Impact on Agency Operating Budgets (Facilities Notes)**

To the extent the remodeling of building 17 changes the number of residents served, the facility's operating costs would be impacted. At this time, it is anticipated no new state funding would be required to meet the facility's operating needs.

**Previous Appropriations for the Project**

None.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

This request references a strategic plan completed in 2005. This plan recommended census reduction in this building from 250 to 125. The strategic plan also recommended a new building addition to accommodate a reduction in the census of building 17. The funding of this project would move census in the direction recommended by the strategic plan, by reducing it to 200.

The mission at the department is to provide high quality skilled health care services to veterans. In addition, the department has a high demand for beds on this campus and maintains an active waiting list, at times in excess of 300.

The Minneapolis campus is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

**Project Contact Person**

Christine Kiel, Legislative Liaison
Veterans Services Building
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Fax: (651) 757-1537
Email: Christine.kiel@state.mn.us

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 632 | 0 | 0 | 632 |
| 4. Project Management | 0 | 237 | 0 | 0 | 237 |
| 5. Construction Costs | 0 | 8,692 | 0 | 0 | 8,692 |
| 6. One Percent for Art | 0 | 79 | 0 | 0 | 79 |
| 7. Relocation Expenses | 0 | 79 | 0 | 0 | 79 |
| 8. Occupancy | 0 | 300 | 0 | 0 | 300 |
| 9. Inflation | 0 | 1,332 | 0 | 0 | 1,332 |
| **TOTAL** | **0** | **11,351** | **0** | **0** | **11,351** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 11,351 | 0 | 0 | 11,351 |
| **State Funds Subtotal** | 0 | 11,351 | 0 | 0 | 11,351 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **11,351** | **0** | **0** | **11,351** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 11,351 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Veterans Affairs, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Asset Preservation | 1 | $9,900 | $6,000 | $6,000 | $21,900 | $7,000 | $6,000 | $6,000 |
| Minneapolis Building 9 Demolition | 2 | 1,000 | 0 | 0 | 1,000 | 1,000 | 0 | 0 |
| Minneapolis New Nursing Building | 3 | 25,999 | 0 | 0 | 25,999 | 25,999 | 0 | 0 |
| Hastings Supportive Housing | 4 | 6,655 | 0 | 0 | 6,655 | 0 | 0 | 0 |
| Fergus Falls Special Care Unit | 5 | 9,970 | 0 | 0 | 9,970 | 0 | 0 | 0 |
| Silver Bay Master Plan Renovation | 6 | 3,800 | 0 | 0 | 3,800 | 227 | 0 | 0 |
| Minneapolis Campus HVAC Upgrade | 7 | 11,300 | 0 | 0 | 11,300 | 7,835 | 0 | 0 |
| Kandiyohi Veterans Home Construction | 8 | 7,905 | 0 | 0 | 7,905 | 0 | 0 | 0 |
| Minneapolis Campus Security | 9 | 2,300 | 0 | 0 | 2,300 | 0 | 0 | 0 |
| Minneapolis Building 17 | 10 | 11,351 | 0 | 0 | 11,351 | 0 | 0 | 0 |
| **Total Project Requests** | | $90,180 | $6,000 | $6,000 | $102,180 | $42,061 | $6,000 | $6,000 |

**Agency Profile At A Glance**

In FY 2006, Minnesota veterans received more than $162 in federal veterans' benefits as a direct result of the department's claims and outreach offices on campus.

Over 2,000 veterans and their families receive State Soldiers Assistance Benefits annually.

Veterans Assistance Offices on Campus are operational and assisted 593 veterans at Minnesota's higher education institutions.

Support Our Troops license plates have generated more than $450,000 for veterans programs.

Outreach offices have served approximately 1,500 veterans since 2004.

Manage five veterans homes statewide with 859 operating beds and a 98 percent occupancy.

**Agency Purpose**

The Department of Veterans Affairs mission and purpose is to serve the veterans of Minnesota, their dependents and survivors, in securing all benefits and services afforded by state and federal law. As well as provide the highest possible quality programs for housing, health and supportive services to veterans and their spouses.

Since its creation in 1943 (MS Chapter 196), the department has accomplished its mission of meeting the needs of Minnesota's veterans and their families by being a steadfast veteran-focused organization, functioning as a single, comprehensive provider of seamless service to the men and women who have served this great state and nation.

**Core Functions**

The Department of Veterans Affairs provides overall leadership and direction to the Veteran Community through collaboration with public and private service providers. The core functions of the Department of Veterans Affairs include

- Promotion of self-sufficiency and personal responsibility through a temporary safety net of benefits and services;
- Supplying representation to clients pursuing claims for federal veterans benefits;
- Ensuring a smooth transition for veterans from active military service to civilian life;
- Providing dignified and compassionate committal services at the Minnesota State Veterans Cemetery;
- Revising and building upon proven business practices to ensure the most timely, cost-effective delivery of benefits and services;
- Prudently managing all budgets, accounts, financial transactions, information technology, and human resources to meet departmental needs; and
- Provide nursing care, medical and social services to veterans and their spouses in the five state operated veterans homes.

**Operations**

The department serves over 464,968 Minnesota veterans, their dependents and survivors with the assistance of the eighty-seven men and women who comprise the corps of County Veterans Service Officers and representatives of Minnesota's congressionally chartered veterans' organizations. The department is comprised of three divisions: benefits, services, and departmental operations.

**Benefits** – The Veterans benefits program provides financial assistance through the State the State Soldiers Assistance Program, Veteran's Preference Enforcement, and rehabilitation services to all Minnesota veterans in need. Also included within this main program area is the veterans' and war orphans' educational benefits, and the homeless veterans' initiative.

**Services** - This area of the department provides claims representation in collaborative effort with the eighty-seven county veterans service officers as well as fiduciary guardianship services.

**Departmental Operations** – This function includes the commissioner's office (which is responsible for the overall management of the agency), oversight of the Minnesota State Veterans Cemetery, Veterans' Outreach Services, The Minnesota State Approving Agency, Information Technology, Higher Education Veterans Assistance Offices on Campus, Recently Separated Veterans Program, Support Our Troops License Plates, Grants to Counties, Disable American Veterans (DAV), Military Order of Purple Heart, and the VFW.

**Veterans Homes** - This area of the department provides operational assistance to the five state operated veterans nursing homes which includes financial management, human resources, quality management, corporate compliance, and legal issues. The Deputy Commissioner of Veteran Health Care has been hired and is responsible for all operational aspects of the homes.

**Budget**

FY 2006-07 agency activities are primarily funded through general fund appropriations, which account for 86.1 percent of total funding. Additional funding comes from departmental earnings and other revenue, 10.4 percent; and federal funds, 3.5 percent. The homes side of the budget operating resources comes from state appropriations, 53 percent; federal per diem payments, 23 percent; and resident patient pay, 24 percent. The department staff totals approximately 1,075 full-time equivalents (FTEs).

**Contact**

Department of Veterans Affairs
Veterans Service Building
20 West 12th Street
Saint Paul, Minnesota 55155

Home Page: www.mdva.state.mn.us
Department Results Page:
www.departmentresults.state.mn.us/vets/index.html

Clark Dyrud, Commissioner
Phone: (651) 296-2562
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**At A Glance: Agency Long-Range Strategic Goals**

- To serve the veterans of Minnesota as well as their dependents and survivors in securing all benefits and services afforded by state and federal law;
- To provide a therapeutic environment that encourages resident independence, respects individuality, promotes self-worth, well-being, and quality care;
- To be good stewards of physical assets to ensure all facilities are properly maintained and managed;
- To coordinate services and work cooperatively with medical communities;
- To develop new and innovate solutions in the delivery of long-term care;
- To provide quality programs to meet the long-term care needs of Minnesota's Veterans and their spouses; and
- To implement those findings of the Governor's Long Term Care Commission which are feasible.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

According to the United States Department of Veterans Affairs, 420,000 veterans currently reside in Minnesota. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow by nine percent from today's rates. At least 50 percent of the patients cared for in veteran's homes are between the ages of 75-84 and 21 percent over the age of 85. This is compared to private sector long-term care where approximately 31 percent are between the ages of 75-84 and 52 percent over 85.

Residents with Alzheimer's and/or dementia related illnesses comprise more than 50 percent of our inpatient population. In addition, as in the rest of the long term care industry, residents are being admitted later in life and with more complex medical and mental health diagnosis.

The Hastings Veterans Home currently operates a community based supportive housing program for residents that need supportive services to be successful in their goal of independent living. This facility also has plans to construct a new 60 bed supportive housing program on that campus to accommodate a larger number of veterans to achieve their goal for a more independent living arrangement.

Although the impact has not yet been seen at our facilities, a new group of eligible veterans are emerging from Desert Storm and Iraqi Freedom. Due to the nature of their injuries, veterans' homes across the state and nation could begin to see applications for admissions from veterans with multiple amputations, traumatic brain injuries, and post traumatic stress related injuries once they have completed their acute care phase of their treatment.

Nationally, state veterans home programs represent the largest provider of long term care in the United States with 24,827 operating beds in 48 states. The U.S Department of Veterans Affairs (VA) provides state home construction grants to supplement the construction of new and the renovation of existing state veterans' health care facilities. As part of our strategy, we have submitted our major projects to the VA for state home grant funding. All of our project submissions have been approved by the VA and are waiting state funding. If state funding were awarded, a final decision on federal funding is made during the beginning quarter of the following federal fiscal year.

Currently, the Minnesota State Veteran's Homes are licensed for:

| | Board and Care Beds | Skilled Care Beds |
|---|---|---|
| Minneapolis | 154* | 341 |
| Hastings | 200 | 0 |
| Silver Bay | 0 | 89 |
| Luverne | 0 | 85 |
| Fergus Falls | 0 | 85 |
| Total beds | 354 | 600 |

*61 operational

Our programs are specialized to our veterans' needs. We continue to evaluate our services on an ongoing basis to ensure that the care and services provided are appropriate to our mission and responsive to the changing special needs of the veterans' community.

As a result of factors such as age, gender, case mix, diagnosis, demographic changes, this agency is continually reevaluating its programs in an effort to meet the needs of the aging veteran population.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

An assessment of each facility follows:

**Minneapolis** – This is our oldest campus dating back to 1887. We continue to work on maintaining this 51 acre historic site. While major renovations have taken place over the past few years, work is still required to update various aspects of the buildings on site, which are reflected in the asset preservation project list as a part of the bonding request. Minneapolis maintains a waiting list of over 300 veterans seeking skilled care services.

**Hastings** – This site has completed a major campus renovation. Beginning with a major rework of the infrastructure, the renovations have included updates to the mechanical systems in the major patient care buildings, repair or replacement of tunnels, updates to the power plant, roof repairs or replacements, and other energy conservation items.

**Silver Bay** – This facility was originally an elementary school built in 1953. It was converted to a nursing home and a number of space and functional deficiencies remain. A new sloped metal roof project has been completed. This new roof not only will reduce life-cycle costs, but has already provided energy savings. A clinical update plan would bring the facility up to current nursing home construction standards and provide a better environment for providing patient care services.

**Luverne** – The project to add programming space to the Alzheimer's wing has broken ground this summer. Work to correct water runoff in the parking lots has been completed. This work eliminates a safety hazard, especially during the winter months. Luverne maintains a waiting list of approximately 40 individuals.

**Fergus Falls** – This is our newest facility and operates 86 skilled nursing beds and has a VA outpatient clinic co-located on site. A project proposed for this facility would add a 21 bed special care unit for Alzheimer's. Fergus Falls also has had a major waiting list for care, approximately 70 individuals, and the additional beds will help to alleviate that unmet demand.

**Agency Process Used to Arrive at These Capital Requests**

The agency's long-range strategic operating plans and capital budget goals are to ensure that each of our homes is able to provide the highest quality of care to our residents in a therapeutic, highly adaptive, and dignified environment.

In order to meet these goals, we must ensure that each veteran's home is in good operating condition. The agency has conducted a comprehensive strategic process to identify programmatic and facility needs, and these are reflected in our capital requests. If a home requires renovation or new construction, we have analyzed the need, reviewed the options, and requested the necessary funding. We have also completed predesigns on major requests in an effort to provide more detailed and accurate information. These requests have been reviewed, prioritized, and approved by the agency's Board of Directors. We have also commissioned studies to determine future demand for services, both from a qualitative and quantitative focus.

The current capital budget requests have been reviewed and recommended by the homes and the board. The priorities were reviewed using the following criteria:

⇒ **Quality patient care**. This includes both the services available to the residents and the environment in which residents reside.

⇒ **Maintenance and protection of the physical plant.** This includes correcting current deficiencies and maintaining the integrity of the physical plant.

⇒ **Adequate, viable infrastructure support**. This includes providing management with the tools necessary to ensure efficient operation of the homes.

The long-range planning study and the Historic Structures Report used to develop these requests contain a building-by-building evaluation of all

buildings at the Minneapolis and Hastings veterans' homes. These evaluations detail the condition of the buildings, the asbestos content, and the modification needed to comply with ADA standards. The study also includes long-range strategic plans for the Minneapolis and Hastings veterans' homes' renovations, remodeling, and new construction. These plans, if implemented, will not only bring the homes into compliance with current health care and safety standards, but will also improve the service delivery to our residents.

A study of the long-term care needs of veterans in Minnesota has helped the board shape these requests. There has been an active strategic planning process at the facility and agency level and strategic initiatives have been reviewed, prioritized, and approved by the Board of Directors.

**Major Capital Projects Authorized in 2006**

Asset Preservation - $6,000,000

Fergus Falls - $637,000 to design a 21 bed Alzheimer/dementia unit

Hastings Supportive Housing - $700,000 to design 30 units

Luverne - $599,000 to complete an Alzheimer/dementia area

Minneapolis - $2,457,000 for emergency power system upgrade

Silver Bay - $1,697,000 for the state share of a master plan renovation

**2008 STATE APPROPRIATION REQUEST:** $9,900,000

**AGENCY PROJECT PRIORITY:** 1 of 10

**PROJECT LOCATION:** 1200 East 18th Street, Hastings, 1300 North Kniss, Luverne, 1821 North Park Street, Fergus Falls, 45 Banks Boulevard, Silver Bay, 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Provides funding for upgrades to over 50 buildings statewide
- Continues to provide a safe environment to care for vulnerable adults
- Ensures continued full use of all physical assets
- Timely repair/replacement of building components eliminates future high costs
- Does not qualify for 65 percent federal VA reimbursement

**Project Description**

This request is for department-wide asset preservation. This request will address building repair items that go beyond the day-to-day maintenance needs of each facility. It will also ensure facilities used to care for over 900 residents are in good condition.

Examples of projects in this request include: replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, and updates to resident bathrooms and central showers. This request would update a variety of resident building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents at the homes.

There are also specific asset preservation needs at each facility. Projects for the Minneapolis campus provide repairs to exterior envelopes, and the replacement of windows and doors. The Hastings campus is in need of repairs on exterior envelopes, roofs, windows, doors, and sanitary/storm sewers. Parking lots are also in need of reengineering and upgrading. The out-state campuses at Luverne, Silver Bay, and Fergus Falls are in need of a variety of building repairs including, but not limited to, resident room door replacements, nurse call and phone system replacement, boiler burner parts replacement, and storage building repairs.

The amount identified in this asset preservation request reflects a backlog of asset preservation needs.

**Impact on Agency Operating Budgets (Facilities Notes)**

The nature of these asset preservation improvements should not have any significant impact on the ongoing operating costs of each facility and may correct inefficiencies in mechanical equipment, ultimately reducing operating costs.

**Previous Appropriations for this Project**

Past amounts appropriated for asset preservation include: $4 million in the 2005 bonding bill with an additional $2.2 million dedicated from federal reimbursement of past projects; and $6 million in the 2006 bonding bill. All of these accounts are being used with 95 percent of these funds encumbered for ongoing projects.

In 2007, the department received a total of $6.5 million for repair and betterment of facilities to be used in this biennium. These funds have been encumbered against improvement projects currently in process. This funding will help with maintenance and improve the overall condition of each facility. In the past, operational funds designated for repairs and betterment have largely been reprogrammed to address operating budget shortfalls. Because of this new funding, the department is better equipped to address upkeep at every facility.

**Other Considerations**

This project is not eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of a project's cost once the state has appropriated its share - 35 percent.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7 million for this project. Also included are budget planning estimates of $6 in 2010 and $6 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 902 | 624 | 624 | 2,150 |
| 4. Project Management | 0 | 304 | 210 | 210 | 724 |
| 5. Construction Costs | 0 | 7,478 | 5,166 | 5,166 | 17,810 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 1,216 | 0 | 0 | 1,216 |
| **TOTAL** | **0** | **9,900** | **6,000** | **6,000** | **21,900** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 9,900 | 6,000 | 6,000 | 21,900 |
| **State Funds Subtotal** | 0 | 9,900 | 6,000 | 6,000 | 21,900 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **9,900** | **6,000** | **6,000** | **21,900** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,900 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis Building 9 Demolition

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Demolishes a building on the Minneapolis campus due to problems with structural integrity
- May qualify for 65 percent federal VA reimbursement

## Project Description

This request is to demolish building 9 on the Minneapolis campus. The estimated cost to repair the structural deficiencies and restore the building integrity is approximately $13.3 million. Due to the significant cost of repair and the longer term service needs, the department has determined demolishing the building is preferable and allows for developing space for multiple resident care-centered uses.

Building 9 was built in 1937 using a post and beam design to structurally support the building. Reinforced concrete floors are supported on each of the three levels by steel beams.

An exterior tuck pointing project discovered severe rusting of the horizontal and lateral beams in October 2007. Subsequent inspections by structural engineers identified significant rusting of the building's steel supports. Moisture absorption through the exterior brick veneer was identified as a contributing factor to the structural deterioration of the metal sub-structure. The damage to the building significantly increased the possibility of a collapse. Based on the available information and possible danger, residents were relocated to building 17.

## Impact on Agency Operating Budgets (Facilities Notes)

The demolition of building 9 will not affect the operational budget.

## Previous Appropriations for this Project

None.

## Other Considerations

This project may be eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval, the department is requesting the full amount and will seek reimbursement for the federal share, provided the project meets federal criteria. A grant application for this request will be submitted prior to the April 15, 2008 deadline.

The Minneapolis Veterans Home campus is on the National Historic Register. Any renovation or demolition of buildings on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $1 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 928 | 0 | 0 | 928 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 72 | 0 | 0 | 72 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 0 | 0 | 1,000 |
| **State Funds Subtotal** | 0 | 1,000 | 0 | 0 | 1,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $25,999,000

**AGENCY PROJECT PRIORITY:** 3 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Construction of a new 100-bed nursing care building
- Incorporates a community/neighborhood concept in the floor configuration
- One resident per room, with individual bathroom
- Unit dining, resident common activity space with family lounge space available on each community unit
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to design, construct, furnish and equip a 100-bed nursing care facility on the Minneapolis campus. The facility would be built utilizing the space created by the demolition of building 9. This request represents 100 percent of the total project cost.

The new facility will incorporate designs that optimize resident-centered care. Communities of 16 residents will be created with each resident having a private room with bath. Each community will include common space for home-like living and dining activities. Each community will provide infrastructure capabilities for enhanced transfer, bathing, and care technologies.

The Minneapolis campus is home to 353 veterans. This request will add to the current nursing care services located in buildings 6 and 17. These buildings are configured to house two residents in each room. Building 17 is constructed to provide one bathroom per four residents, while in building 6 two residents share one bathroom. The new facility will be able to serve residents needing the highest level of care, and improve the overall quality of life for all residents on the campus.

**Impact on Agency Operating Budgets (Facilities Notes)**

Although the resident population at this campus is expected to stay the same, the maintenance/operation of this new building may alter budget configurations. A predesign will be completed to identify more precise financial implications.

**Previous Appropriations for this Project**

None.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost. A grant application for this request will be submitted prior to the April 15, 2008 deadline.

The mission at the Minneapolis Veterans Home is to provide high quality skilled health care services to veterans. In addition, the Minneapolis Veterans Home has a high demand for beds on this campus and maintains an active waiting list, at times in excess of 300.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $25.999 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 601 | 0 | 0 | 601 |
| 4. Project Management | 0 | 300 | 0 | 0 | 300 |
| 5. Construction Costs | 0 | 20,392 | 0 | 0 | 20,392 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 905 | 0 | 0 | 905 |
| 9. Inflation | 0 | 3,701 | 0 | 0 | 3,701 |
| **TOTAL** | **0** | **25,999** | **0** | **0** | **25,999** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 25,999 | 0 | 0 | 25,999 |
| **State Funds Subtotal** | 0 | 25,999 | 0 | 0 | 25,999 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **25,999** | **0** | **0** | **25,999** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 25,999 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Hastings Supportive Housing

**2008 STATE APPROPRIATION REQUEST:** $6,655,000

**AGENCY PROJECT PRIORITY:** 4 of 10

**PROJECT LOCATION:** 1200 East 18th Street, Hastings

**Project At A Glance**

- Improves programming for veterans ready for discharge
- Provides a supportive environment which increases the chance for success
- Provides a needed service which is in short supply in the Hastings area
- Increases the opportunity to serve more homeless veterans
- Does not currently qualify for 65 percent federal VA reimbursement

## Project Description

This request is to design, construct, furnish and equip 30 units of permanent supportive housing for veterans with disabilities on the Hastings campus. This housing will consist of 30 one-bedroom apartments for single adults. All veteran residents will have some disability, but are able to live on their own with supportive services. Staff of the home is expected to provide property management and supportive services for the housing unit.

The Hastings facility currently operates 200 domiciliary beds for veterans who require support with chronic medical problems, mental health diagnosis, substance abuse treatment, and transitional services to move veterans towards independent living. There is a significant shortage of low income housing in the Hastings area and it impedes the facility's ability to timely discharge residents. In addition, the success of discharge is dependent, to a large extent, on the supportive services available to assist veterans in their transition. The Hastings facility will complement the services already in place to incrementally provide the necessary service package to veterans in the housing units.

The original concept was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the department determined that remodeling existing space was too costly and presented challenges because residents would have difficulty accessing other services on the campus. By constructing an entirely new building, costs per square foot are lower and residents will have better access to the services and programming they need.

## Impact on Agency Operating Budgets (Facilities Notes)

This project would require an additional $235,000 per year to support operations in FY 2010-11. Residents would be required to participate in the payment of rent and rental assistance will be sought to cover other expenses. Supportive services will be coordinated with facility and community resources. Veterans would have access to the Veterans Administration Medical Center in Minneapolis daily for additional follow-up care on an outpatient basis.

## Previous Appropriations for this Project

$700,000 was approved for the design of this project in the 2006 bonding bill.

## Other Considerations

The U.S. Department of Veterans Affairs (VA) does not currently have a supportive housing program. As a result, this project may be eligible for funding under the federal State Home Construction Grant Program in the future. Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval, the department is requesting the full amount and will seek reimbursement for the federal share, provided the project meets federal criteria.

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction. In addition to following the B-3 state building compliance, this building will be "LEED" certified. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 575 | 0 | 0 | 0 | 575 |
| 4. Project Management | 125 | 0 | 0 | 0 | 125 |
| 5. Construction Costs | 0 | 5,744 | 0 | 0 | 5,744 |
| 6. One Percent for Art | 0 | 41 | 0 | 0 | 41 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 189 | 0 | 0 | 189 |
| 9. Inflation | 0 | 681 | 0 | 0 | 681 |
| **TOTAL** | **700** | **6,655** | **0** | **0** | **7,355** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 700 | 6,655 | 0 | 0 | 7,355 |
| **State Funds Subtotal** | 700 | 6,655 | 0 | 0 | 7,355 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **700** | **6,655** | **0** | **0** | **7,355** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 363 | 121 | 484 |
| Other Program Related Expenses | 0 | 12 | 4 | 16 |
| Building Operating Expenses | 0 | 67 | 23 | 90 |
| Building Repair and Replacement Expenses | 0 | 9 | 3 | 12 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 451 | 151 | 602 |
| Revenue Offsets | 0 | <216> | <72> | <288> |
| **TOTAL** | 0 | 235 | 79 | 314 |
| Change in F.T.E. Personnel | 0.0 | 2.8 | 1.0 | 3.8 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,655 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $9,970,000

**AGENCY PROJECT PRIORITY:** 5 of 10

**PROJECT LOCATION:** 1821 North Park Street, Fergus Falls

**Project At A Glance**

- Provides increased capacity to meet demand for special care beds
- Improves clinical space for those diagnosed with Alzheimer's/dementia
- Improves patient physical environments
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to construct, furnish and equip a 21-bed special care unit and additional clinical space. The unit will meet the demand for services and the particularly unique needs of residents with Alzheimer's/dementia, who comprise nearly 59 percent of the population at the facility. Though not all residents with Alzheimer's and dementia would benefit equally from a special care unit addition (early and late stage residents), it is estimated that up to half of the currently affected facility population will require these services in their lifetime.

The special care unit would add an additional 33,500 square feet to the facility. A "community concept" is incorporated in the design. The interior space will be divided in two with one community resident population of 11 and another of 10 divided by central services of dining, nursing station, and housekeeping served by a central elevator. This elevator will provide the ability to introduce meals, housekeeping, laundry, and other service amenities to this unit from the basement. The central location of this elevator will be non intrusive to the residents.

Also included is an expansion of space used by the U.S. Department of Veterans Affairs (VA) at the facility that provides clinical services. Through a shared use agreement, the VA now serves over 1,100 area veterans in the geographic area. In exchange for hosting the clinic, the facility is able to obtain nurse practitioner and other services for veterans at no cost. This proposal expands this arrangement by constructing a 2,550 square feet addition for their use. This proposed space was included after consultation with the local Veterans Service Integrated Network Director and, if accepted, will mark another first in delivering services to veterans.

This project will help to meet the sustained and increasing demands of the veteran population in this geographic area. Since the establishment of full census in September of 1998, the facility has been faced with increased demand for its services that it has been unable to meet. Waiting lists have grown to a maximum of 85 on the facility active waiting list and 205 on the inactive waiting list. Veterans on lists of this length could experience up to a 12-month delay before admission to this facility. This prevents the facility from effectively meeting current demand and precludes them from addressing any immediate post acute needs of veterans.

**Impact on Agency Operating Budgets (Facilities Notes)**

The phased April 2010 opening of the 21 beds would require the addition of 31 FTEs to perform nursing, direct support, and indirect support for the additional residents. Also, related dietary, drug, and, medical supplies will be required. Other plant operating costs will accrue due to the additional square footage. Partial costs will begin in FY 2010, totaling approximately $2 million in FY 2010-11.

**Previous Appropriations for this Project**

$637,000 was provided in the 2006 bonding bill for design of this project.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by VA. Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

The Fergus Falls Veterans Home has from its inception been a leader and innovator in long-term care for veterans. During its second year of operation it had the honor of becoming the first Nurse Practitioner Nursing Home Based VA Clinic in the nation.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 10 | 0 | 0 | 0 | 10 |
| 2. Predesign Fees | 42 | 0 | 0 | 0 | 42 |
| 3. Design Fees | 354 | 0 | 0 | 0 | 354 |
| 4. Project Management | 283 | 0 | 0 | 0 | 283 |
| 5. Construction Costs | 0 | 7,578 | 0 | 0 | 7,578 |
| 6. One Percent for Art | 0 | 62 | 0 | 0 | 62 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,230 | 0 | 0 | 1,230 |
| 9. Inflation | 0 | 1,100 | 0 | 0 | 1,100 |
| **TOTAL** | **689** | **9,970** | **0** | **0** | **10,659** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 637 | 9,970 | 0 | 0 | 10,607 |
| Misc Special Revenue | 52 | 0 | 0 | 0 | 52 |
| **State Funds Subtotal** | 689 | 9,970 | 0 | 0 | 10,659 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **689** | **9,970** | **0** | **0** | **10,659** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 2,438 | 1,254 | 3,692 |
| Other Program Related Expenses | 0 | 320 | 243 | 563 |
| Building Operating Expenses | 0 | 216 | 109 | 325 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 2,974 | 1,606 | 4,580 |
| Revenue Offsets | 0 | <958> | <731> | <1,689> |
| **TOTAL** | 0 | 2,016 | 875 | 2,891 |
| Change in F.T.E. Personnel | 0.0 | 31.0 | 0.0 | 31.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,970 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Silver Bay Master Plan Renovation

**2008 STATE APPROPRIATION REQUEST:** $3,800,000

**AGENCY PROJECT PRIORITY:** 6 of 10

**PROJECT LOCATION:** 45 Banks Boulevard, Silver Bay

**Project At A Glance**

- Provides improved clinical and program space
- Brings facility up to current skilled care space standards
- Provides improved physical environment to allow staff to better care for residents
- Community, household clustering for better patient care
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is for renovation of existing space and a structural building addition to the nursing care facility in Silver Bay.

This initiative would renovate select space within the facility to provide a resident environment with additional clinical space, with less institutional resident programming space, and also expand space for administration offices. A recent study of the clinical capacity at Silver Bay has shown that the facility is in need of modification.

Also, the facility's support functions do not have adequate space to provide proper support for resident care and recreation facilities. This expansion would separate these functions; giving residents more space to enjoy and while improving the efficiency of the site's operations.

**Impact on Agency Operating Budgets (Facilities Notes)**

The project will allow for savings from bulk purchases, as well as minimize the fire hazard liability potential. Adding storage space to this facility will be a direct benefit to residents because of the inconvenience having current programming space double as storage. As a result of increasing the size of the facility, there will be an increase in operating costs of approximately $45,000 in FY 2010-11.

**Previous Appropriations for this Project**

The 2006 bonding bill included $1.697 million, which represents the state portion needed to qualify for federal reimbursement. In 2004, $2.345 million was appropriated for a facility-wide project to install a new roof. The new roof was designed to accommodate the floor plan changes included in this request.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. While the state portion has already been appropriated, the remaining amount is being requested due to uncertainty of when VA approval will occur and to avoid further delays. The department will continue to seek reimbursement for the federal share of the project's total cost.

This nursing facility was originally constructed as an elementary school in 1953, and the overall quality of life will be enhanced for the residents by reducing the current institutional character of the facility.

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. An asphalt fire road would be installed surrounding the facility in addition to using this road for a drop off, shipping, and receiving location accessibility.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $227,000 for this project. Due to cost increases, the 2006 appropriation no longer meets the 35 percent state share. The recommended amount provides the additional funding to satisfy the state obligation. This project is expected to receive the federal portion in the upcoming award cycle in 2008.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 42 | 0 | 0 | 0 | 42 |
| 3. Design Fees | 156 | 303 | 0 | 0 | 459 |
| 4. Project Management | 44 | 83 | 0 | 0 | 127 |
| 5. Construction Costs | 1,393 | 2,699 | 0 | 0 | 4,092 |
| 6. One Percent for Art | 0 | 21 | 0 | 0 | 21 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 104 | 198 | 0 | 0 | 302 |
| 9. Inflation | 0 | 496 | 0 | 0 | 496 |
| **TOTAL** | **1,739** | **3,800** | **0** | **0** | **5,539** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1,697 | 3,800 | 0 | 0 | 5,497 |
| Misc Special Revenue | 42 | 0 | 0 | 0 | 42 |
| **State Funds Subtotal** | 1,739 | 3,800 | 0 | 0 | 5,539 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,739** | **3,800** | **0** | **0** | **5,539** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 45 | 53 | 98 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 45 | 53 | 98 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 45 | 53 | 98 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,800 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis Campus HVAC Upgrade

**2008 STATE APPROPRIATION REQUEST:** $11,300,000

**AGENCY PROJECT PRIORITY:** 7 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Campus-wide heating, ventilation, and air conditioning (HVAC) system upgrade
- Upgrades equipment for reliability, and to reduce utility cost and ongoing maintenance
- Provides enhanced monitoring equipment allowing pro-active daily maintenance (Direct Digital Controls)
- Advances the goal of lower power/equipment failures and lower on-site maintenance costs
- Qualifies for 65 percent federal VA reimbursement

## Project Description

This request is to replace/upgrade mechanical equipment at the Minneapolis campus. It would replace equipment that has exceeded its life expectancy and provide the campus with an updated, operationally efficient utility system.

The Minneapolis campus is home to 353 veteran residents. The skilled 24/7 nursing program operates by licensure that requires the interior temperature be maintained at a constant level throughout the year. Maintaining a reliable, updated heating-cooling system at this campus allows these mandates to be achieved. A recent study recommended replacement of all HVAC equipment exceeding life expectancy. This study also recommends installation of direct digital equipment used to monitor this equipment and provide utility efficiencies.

## Impact on Agency Operating Budgets (Facilities Notes)

No new state funding would be required to meet the facilities operating needs per this request. The new system may allow operational efficiencies giving maintenance staff more latitude to pro-actively maintain the campus.

## Previous Appropriations for this Project

None.

## Other Considerations

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty surrounding when VA approval will occur and the urgency of completing the project, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process in 2005, which identifies the need to upgrade utilities on this campus. Our mission is to provide high quality skilled environmentally stable health care services to veterans on this campus.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

## Project Contact Person

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7.835 million for this project. This amount is to upgrade the HVAC system for building 17, in order to maintain environmental conditions needed by nursing facility residents.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 1,200 | 0 | 0 | 1,200 |
| 4. Project Management | 0 | 200 | 0 | 0 | 200 |
| 5. Construction Costs | 0 | 8,409 | 0 | 0 | 8,409 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 200 | 0 | 0 | 200 |
| 9. Inflation | 0 | 1,291 | 0 | 0 | 1,291 |
| **TOTAL** | **0** | **11,300** | **0** | **0** | **11,300** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 11,300 | 0 | 0 | 11,300 |
| **State Funds Subtotal** | 0 | 11,300 | 0 | 0 | 11,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **11,300** | **0** | **0** | **11,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 11,300 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Kandiyohi Veterans Home Construction

**2008 STATE APPROPRIATION REQUEST:** $7,905,000

**AGENCY PROJECT PRIORITY:** 8 of 10

**PROJECT LOCATION:** Kandiyohi County

**Project At A Glance**

- Provides clinical and program nursing care space for veterans
- Provides current "community model" environment for patient care
- Predesign identifies opportunity for shared services with Rice Care Center
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to design, construct, furnish and equip a new 90-bed facility to provide skilled nursing services to veterans in Kandiyohi County. The total project cost to construct the 90-bed facility is $22.585 million. The amount requested is the required state match to qualify for funding under the federal State Home Grant Program.

A predesign was completed for this project in 2006. It included six 15-bed resident "community clusters" with nursing stations located at intersection between two communities. A community room kitchenette will be provided to prepare breakfasts and activity treats. The design includes a new power plant, central kitchen, in house pharmacy, and business office. A "town square" support services space has been designed in a central location near the front entrance to provide chapel, barber/beauty shop, multipurpose room, activities room and library. A physical and occupational therapy area will also be created and staffed to meet the resident's needs.

**Impact on Agency Operating Budgets (Facilities Notes)**

This project would need additional funding to begin operations. Based on estimated construction schedule this facility would need approximately $900,000 for operations in FY 2010-11. Full operational funding for the subsequent biennium is approximately $8.6 million.

**Previous Appropriations for this Project**

$100,000 was provided in the 2005 bonding bill for predesign of this project.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. The department will seek the federal share of the project's total cost.

The Kandiyohi county area is a growing community with professional resources to support a new Veterans Home. Medical support in this immediate area provides two medical clinics, 31 dentists, 88 doctors, one hospital, and four nursing homes. In 2005, the census of a 50 mile area surrounding Willmar identified 32,456 veterans. The area had 19,915 veterans age 55 and older in 2005.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 100 | 0 | 0 | 0 | 100 |
| 3. Design Fees | 0 | 1,051 | 0 | 0 | 1,051 |
| 4. Project Management | 0 | 894 | 0 | 0 | 894 |
| 5. Construction Costs | 0 | 13,637 | 0 | 0 | 13,637 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 3,249 | 0 | 0 | 3,249 |
| 9. Inflation | 0 | 3,654 | 0 | 0 | 3,654 |
| **TOTAL** | **100** | **22,585** | **0** | **0** | **22,685** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 100 | 7,905 | 0 | 0 | 8,005 |
| **State Funds Subtotal** | 100 | 7,905 | 0 | 0 | 8,005 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 14,680 | 0 | 0 | 14,680 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **100** | **22,585** | **0** | **0** | **22,685** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 602 | 10,293 | 10,895 |
| Other Program Related Expenses | 0 | 260 | 2,101 | 2,361 |
| Building Operating Expenses | 0 | 15 | 715 | 730 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 877 | 13,109 | 13,986 |
| Revenue Offsets | 0 | 0 | <4,483> | <4,483> |
| **TOTAL** | 0 | 877 | 8,626 | 9,503 |
| Change in F.T.E. Personnel | 0.0 | 4.3 | 87.2 | 91.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,905 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis Campus Security

**2008 STATE APPROPRIATION REQUEST:** $2,300,000

**AGENCY PROJECT PRIORITY:** 9 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Campus security - grounds and buildings
- Control traffic on campus during/after hours
- Provide walk in secure entry point after hours
- Lock/monitor all door entry/exit points
- May qualify for 65 percent federal VA reimbursement

## Project Description

This request is to install a fully developed and monitored security system for the Minneapolis campus.

This request would provide a security system, with cameras and monitors, for observation campus-wide. The entrances to the campus will have gate lift arms with card swipe to monitor vehicle traffic throughout the campus. Skilled nursing care buildings 6, 9, and 17 will have magnetic door locks installed, with card access for staff. Closed circuit cameras will be installed in all patient hallways and entrances to monitor activities recorded and accessible only by authorized supervisory staff.

## Impact on Agency Operating Budgets (Facilities Notes)

No new state funding would be required to meet the facilities operating needs per this request. The current security budget would sufficiently support this program.

## Previous Appropriations for this Project

None.

## Other Considerations

This project may be eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of VA approval and the need for security is urgent, the department is requesting the full amount and will seek reimbursement for the federal share provided the project meets federal criteria.

The Minneapolis campus is home to 353 veterans. A large majority of the residents on this campus have limitations and impairments making them vulnerable to security issues. The location of the Minneapolis campus adjoining Minnehaha Park also creates a security challenge.

The Minneapolis facility leadership conducted an in-depth strategic planning process, which identifies the need to upgrade security on this campus. Our mission is to provide high-quality, skilled health care services to veterans on a secure campus.

The Minneapolis Veterans Home is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 100 | 0 | 0 | 100 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,102 | 0 | 0 | 1,102 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 900 | 0 | 0 | 900 |
| 9. Inflation | 0 | 198 | 0 | 0 | 198 |
| **TOTAL** | **0** | **2,300** | **0** | **0** | **2,300** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,300 | 0 | 0 | 2,300 |
| **State Funds Subtotal** | 0 | 2,300 | 0 | 0 | 2,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,300** | **0** | **0** | **2,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,300 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minneapolis Building 17

**2008 STATE APPROPRIATION REQUEST:** $11,351,000

**AGENCY PROJECT PRIORITY:** 10 of 10

**PROJECT LOCATION:** 5101 Minnehaha Avenue South, Minneapolis

**Project At A Glance**

- Update, remodel space to meet Department of Health requirements
- Re-design and enlarge unit dining room space for resident use
- Update kitchen food preparation area and dining room
- Qualifies for 65 percent federal VA reimbursement

**Project Description**

This request is to remodel all five resident units in building 17. It would also update the main kitchen with key replacements to refrigeration coolers, new serving counters, and dining room upgrades.

The current configuration does not provide the needed space for resident daily activity needs. The interior footprint would remove several resident rooms in the immediate area surrounding the unit dining rooms. This would allow for not only a larger space for dining activities but also provide multi-purpose space for resident activities on the units. This will provide a higher quality of life for residents. The interior will be code compliant and will include a new energy efficient mechanical system in this remodeled/expanded area to relieve the current HVAC building system.

Building 17 was opened in 1980 and has received minimal remodeling over the past 27 years. The building is home to 250 veterans in the current configuration. This request would reduce the census of this building to a total of 200.

**Impact on Agency Operating Budgets (Facilities Notes)**

To the extent the remodeling of building 17 changes the number of residents served, the facility's operating costs would be impacted. At this time, it is anticipated no new state funding would be required to meet the facility's operating needs.

**Previous Appropriations for the Project**

None.

**Other Considerations**

This project is eligible for funding under the federal State Home Construction Grant Program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65 percent of the total cost once the state has appropriated its portion – 35 percent. Because of the uncertainty of when VA approval will occur, the department is requesting the full amount and will seek reimbursement for the federal share of the project's total cost.

This request references a strategic plan completed in 2005. This plan recommended census reduction in this building from 250 to 125. The strategic plan also recommended a new building addition to accommodate a reduction in the census of building 17. The funding of this project would move census in the direction recommended by the strategic plan, by reducing it to 200.

The mission at the department is to provide high quality skilled health care services to veterans. In addition, the department has a high demand for beds on this campus and maintains an active waiting list, at times in excess of 300.

The Minneapolis campus is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historical Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 632 | 0 | 0 | 632 |
| 4. Project Management | 0 | 237 | 0 | 0 | 237 |
| 5. Construction Costs | 0 | 8,692 | 0 | 0 | 8,692 |
| 6. One Percent for Art | 0 | 79 | 0 | 0 | 79 |
| 7. Relocation Expenses | 0 | 79 | 0 | 0 | 79 |
| 8. Occupancy | 0 | 300 | 0 | 0 | 300 |
| 9. Inflation | 0 | 1,332 | 0 | 0 | 1,332 |
| **TOTAL** | **0** | **11,351** | **0** | **0** | **11,351** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 11,351 | 0 | 0 | 11,351 |
| **State Funds Subtotal** | 0 | 11,351 | 0 | 0 | 11,351 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **11,351** | **0** | **0** | **11,351** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 11,351 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**At A Glance**

- Leads the state's Drive to Excellence government reform initiative.
- Coordinates state vehicle fleet activities as leader of the Governor's SmartFleet Committee.
- Oversees more than $1.8 billion in annual state purchases.
- Manages over 450 building projects valued at more than $260 million.
- Manages nearly 900 leases for 3.7 million square feet of space.
- Maintains the State Capitol and state buildings and grounds in the Capitol area.
- Provides population statistics, pyramids, and maps through the Datanet online information service.
- Processes more than 20 million pieces of mail and 3.3 million warrants and checks annually.
- Manages the acquisition, storage and disposal of surplus government property, generating $7.5 million in revenue for state and local government agencies in FY 2007.
- Serves as state government's in-house management consulting and training organization, and the state's central clearinghouse on data practices.
- Operates as the state's internal risk manager and insurance company, providing property and casualty insurance coverage.

**Agency purpose**

The mission of the Department of Administration (Admin) is to help its customers succeed. Admin assists agencies in achieving their organizational and strategic goals by offering valuable services, products, advice, and expertise. Admin strives to reduce costs by working across government, to be recognized for its innovation and efficiency, and to offer an environment in which people thrive and enjoy their work. Among its fundamental strategic objectives is developing and fostering an "enterprise" vision for state government as outlined in the state of Minnesota's Drive to Excellence government reform initiative.

The department operates under the principles of results-based management. Results-based management is an approach that integrates strategy, people, resources, processes, and measurements to improve decision-making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning and changing, and reporting performance. Details are available on the department's website at www.admin.state.mn.us/admin_operations_planning.

The department continues to evolve as the needs of its customers change. Reflecting the symbiotic relationship between the space needs of state agencies and the design and construction of those spaces, Admin in 2007 created the office of Real Estate and Construction Services through the merger of its Real Estate Management Division and the State Architect's Office. This streamlined and refocused component is responsible for enterprise-wide space planning, lease management, construction project management, and real property acquisition and disposal. The department also realigned its Surplus Services Unit with its Travel Management Division, forming Fleet and Surplus Services. This new organization streamlines the process of vehicle acquisition and disposal for state agencies and particularly smaller agencies and local governments with vehicles provided by Admin through a long-term lease program.

**Core functions**

Admin provides a diverse range of business management, administrative, and professional services, and a variety of resources to government agencies, local governments, and the public. The agency strives to assure that its customers have the facilities, tools, resources, and information necessary for achieving their objectives.

**Operations**

Admin's operations are categorized into three general areas:

***State Facilities Services*** oversees policy and direction with respect to the management of the state's real property, comprising land, buildings, and physical plant; provides services related to the construction, maintenance, and repair of approximately 30 million square feet of state-owned space; leases buildings; directly manages Capitol Complex facilities and parking; coordinates recycling and energy conservation efforts; mail processing; and serves as the state architect.

***State and Community Services*** includes a variety of services and information resources for state and local governments, the business community, and the public. These include vehicle leasing and fleet management; information policy analysis; demographic and census information; geographic information systems; the state archaeologist; and administrative support for the Environmental Quality Board.

***Admin Management Services*** consists of six business units. Materials Management provides leadership for the Drive to Excellence Strategic Sourcing Project through its work as the state's primary purchasing organization. Its specific duties include goods and services purchasing, professional/technical contracting oversight, and operations of Office Supply Connection, and Minnesota's Bookstore. Management Analysis and Development is state government's in-house business consultant. The Governor's Council on Developmental Disabilities advocates for persons with disabilities and families of persons with disabilities. The STAR Program helps Minnesotans with disabilities gain access to and acquire technology they need to live, learn, work, and play. Financial Management and Reporting is the agency's budgeting and accounting office and provides financial support services to a number of small boards and councils. Human Resources manages the agency's human capital needs and supports several other agencies, including the Office of Enterprise Technology. Management Services also encompasses the operations of the Office of Commissioner, including performance management, and legislative and communications functions.

**Key Performance Measures**

The agency has established four fundamental management goals:

- Reduce the cost of government services and products available to government agencies.
- Enhance customer relationships by reducing response times and increasing customer interaction.
- Increase the effectiveness and efficiency of services available through the agency.
- Provide services and products that demonstrate state government's commitment to effective environmental stewardship.

Details on how the agency is performing in relation to these goals are available on the governor's department results website, www.departmentresults.state.mn.us.

**Budget**

Admin is funded through a variety of sources including general, special revenue, federal, gift, and internal service/enterprise funds.

***Internal service/enterprise funds*** are the largest source of money for the agency. Internal service funds raise revenues through fees charged to users of primarily internal support services such as insurance, fleet management, consulting, office supplies, mail services, and facility leases. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds are generated through the purchase of goods and services by government entities and the public. They include the bookstore, surplus property, and purchasing cooperatives.

***General Funds*** are primarily used for operations with statewide significance including procurement, energy management, resource recovery, real estate and construction services, information policy analysis, geographic data coordination and documentation, central mail delivery, and pass-through grants.

***Special revenue funds*** are fee-based and include land management information services, parking, and the state employee commuter van service.

***Federal and gift funds*** comprise the smallest segment of the agency's funding. The Developmental Disabilities Council and the STAR Program secure federal funds through the U.S. Department of Health and Human Services and the U.S. Department of Education. Gift funds are donations accepted for the Governor's Residence Council.

**Contact**

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For information on how this agency measures whether it is meeting its statewide goals, please refer to: www.departmentresults.state.mn.us.

**At A Glance: Agency Long-Range Strategic Goals**

- Provide services, products, expertise, and advice that help state government fulfill its mission of serving citizens.
- Provide safe, secure facilities and space that, over its lifetime, efficiently and effectively serves customers, employees, and citizens.
- Protect the safety of employees and the public and guard the state's investment in facilities by ensuring timely, cost-effective maintenance, repairs, and renewal.
- Lead the cross agency Drive to Excellence Real Property team to improve the tracking, reporting, management, and decision-making for the state's 5,000-plus buildings and associated land.
- Leverage opportunities for acquiring property at the lowest possible cost.
- Provide functional, effective, and energy efficient work environments that enhance employee productivity, encourage agency co-location, and maximize opportunities for shared space.
- Promote commuting options that leverage existing and planned transportation systems, including light-rail transit and employee and public parking in the Capitol Complex.

The mission of Minnesota's Department of Administration (Admin) is to help its state-agency customers succeed in fulfilling their diverse missions of serving citizens. Among the department's strategic objectives are ensuring the wise use, allocation, and maintenance of existing structures; supporting sustainable investment in new facilities; and conserving natural and economic resources through resource recovery, the wise use of energy, and sustainable design.

Toward these objectives, Admin is the sponsoring agency of the Real Property project of the Drive to Excellence state-government reform initiative. The Drive to Excellence, launched by Governor Pawlenty in April 2005, envisions the evolution of state government from an organization of relatively independent agencies into an organization in which these individual components think and act as an enterprise. The multi-agency Real Property project team is currently working toward the development and implementation of an enterprise governance structure and web-based information system for managing the state's 5,000-plus buildings and associated land.

Although the state Executive Branch conducts an analysis of infrastructure needs through its Facilities Condition Audit, it currently lacks uniform real property information management methods and tools. The absence of this information presents significant challenges to policymakers' ability to analyze infrastructure needs and plan accordingly at an enterprise level.

The Real Property project will begin with modules that focus on consolidating and standardizing space management, facility condition assessment, and building operations. Once implemented, the system will enable policymakers to better conduct thorough analyses of the state's infrastructure needs, including comprehensively addressing an estimated $435 million in deferred maintenance for the facilities under the custodial control of state Executive Branch agencies (excluding Minnesota State Colleges and Universities).

**Facilities Management and Capital Project Planning and Budgeting**

In addition to its work in implementing the Real Property project, the following factors influence the department's approach to facilities management and capital project planning and budgeting:

- Deteriorating and/or failing infrastructure
- Life/safety and code compliance
- Sustainability and energy efficiency
- Capitol Complex land availability and optimum use
- Space/program requirements
- Central Corridor light-rail transit development
- Emergency repair and hazardous materials abatement

In fulfilling its mission, Admin offers a variety of services to ensure customers safe, secure, and efficient facilities and space. These services include space evaluation and design; construction project management; facility management, maintenance, repair, and renovation; lease management; property acquisition and disposal; and relocation. Recent examples include:

- Relocation of the Office of Administrative Hearings from leased space in downtown Minneapolis to the state-owned Stassen Building, lowering occupancy costs $4.5 million over 10 years.

- Disposal of surplus real estate, including Department of Human Services Regional Treatment Centers (RTC). This involved extensive community-based re-use planning for properties in Willmar, Brainerd, and Fergus Falls. Similar work is continuing at Ah-Gwah-Ching RTC in Walker.
- Planning, construction, and expedited delivery of a bio-safety level 3-ag laboratory facility for the Department of Agriculture at the State Lab building.
- Three-year, $8 million renovation of the Veterans Services Building, including the removal of hazardous materials and modernization of mechanical, communications, security systems, offices, and common spaces.
- The "Saving Energy" initiative, launched by Executive Order in 2005, calling for a 10 percent reduction in energy consumption in state-owned buildings, based on 2005 benchmarks. In 2006, agencies reduced energy consumption 4.8 percent in buildings subject to the Executive Order, avoiding $1.25 million in energy costs. Without additional financial investments, continued energy reduction opportunities are limited.

**Deteriorating and/or Failing Infrastructure**
Admin manages 22 buildings, 23 monuments/memorials and 28 parking facilities, located primarily in and near the Capitol Complex. Deferred maintenance at these facilities, based on the 2007 Facilities Condition Audit, is estimated at $190 million. Of particular concern to the department are:

The ***Department of Transportation Building on John Ireland Boulevard***, where the support system for the exterior granite panels has deteriorated to the point that the panels are compressed against one another and causing the edges to crack and spall. As this condition worsens, pieces may fall to the ground, endangering pedestrians and property. Continued deterioration could also lead to an entire panel falling from the building. Interim protective measures have been implemented, at a cost of $697,250, in response to a Department of Labor and Industry and city of Saint Paul, building code citation against the building (see the discussion of Life/Safety and Building Code Compliance, below).

The ***State Capitol***, which requires significant modernization of its heating, ventilation, and air conditioning (HVAC) plant; lighting; technological systems; security; and visitor facilities, including restrooms and accessibility compliance.

The ***Governor's*** **Residence**, donated to the state in 1965, which is in need of a comprehensive review to fully determine the suitability and improvements required of the building and grounds to meet programmatic needs.

**Life/Safety and Building Code Compliance**
Ensuring compliance with building codes, life/safety codes, and the Americans with Disabilities Act is an ongoing effort. Code compliance is a significant issue with the DOT building, the State Capitol and the Governor's Residence. On 5-18-2007, the city of St. Paul and the Department of Labor and Industry issued an order for the abatement of "the unsafe and potentially hazardous conditions pertaining to the granite exterior cladding" of the DOT building. Studies of the Capitol have determined that mechanical systems are at risk of catastrophic failure, air quality is marginal and areas of the building are inaccessible to persons with disabilities. Portions of the Governor's Residence are of limited use because of accessibility and code compliance issues.

The department continuously evaluates life/safety and security needs throughout the Capitol Complex, a process heightened following the events of 9-11-2001. In 2006, the Minnesota National Guard conducted Full Spectrum Integrated Vulnerability Assessments of all Capitol Complex facilities. These assessments now serve as a guide for addressing the most critical vulnerabilities, including standoff zones and vehicular and personal access, in Capitol Complex buildings.

**Sustainability and Energy Efficiency**
The 2001 Minnesota Legislature established a goal of reducing energy consumption in public buildings by 30 percent. Charged with implementing the legislation, the departments of Administration and Commerce initiated a conservation benchmarking program for the 10,000-plus public buildings in the state and developed the state's Sustainable Building Guidelines, which were updated in 2006. The designs for the new Andersen, Freeman, and State Lab buildings on the Capitol Complex utilized the "beta" versions of these guidelines, which included the 30 percent energy efficiency goal. In 2001, Admin also implemented sustainability guidelines for minor additions and renovation projects.

State government, as a major consumer of energy, can effectively reduce energy costs through an aggressive conservation strategy. In addition, the 2007 Legislature adopted significant targets for carbon emissions reduction. The Saving Energy program is realizing modest reductions in energy consumption, but has likely reached a threshold in which additional reductions aren't possible without commensurate investments.

**Capitol Complex Land Scarcity**
The 1998, 2000, and 2002 Minnesota Legislatures appropriated funds for the acquisition of land and options for land in the Capitol Complex for properties meeting current or future state development needs. Land available for this development in and surrounding the Capitol area is rare; furthermore, the state typically only considers land purchases when there is a willing seller. This scarcity of land can have a profound effect on state government's ability to serve citizens. One such parcel at 639 Jackson Street in Saint Paul, is the subject of a capital budget request for property acquisition.

**Space/Program Requirements**
Space and program requirements of state government have evolved from the old standard of equating office size, location, and amenities with the individual's position in the organization, to one that focuses on providing efficient space that supports job functions and the sharing of space.

Sustainable design is key to this new paradigm. Natural light, good indoor air quality, and comfortable ambient indoor air temperatures help reduce absenteeism and turnover, and increase productivity. Sustainable design is dynamic and addresses changing needs economically and efficiently. New building designs address the legislature's energy efficiency mandate, while Admin continues to seek opportunities for reducing energy consumption in existing facilities through retrofit projects.

**Central Corridor Light Rail Transit Development**
The proposed development of the Central Corridor Light Rail Transit (LRT) system along University Avenue and Robert Street potentially offers significant benefits for people who work in and visit the Capitol Complex. The design/construction of the Freeman Office Building and the State Lab Building anticipated LRT on Robert Street. Looking forward, the Central Corridor line also poses some unique challenges for the state. Admin has established three objectives regarding the relationship between the Central Corridor LRT and the Capitol Complex:

- Achieve full and seamless integration of the LRT system with Capitol Complex facilities.
- Develop operational strategies for employees and visitors that encourage the use of LRT.
- Identify facilities and land necessary to support the state's long-term staffing needs and program objectives as well as leverage LRT development.

**Emergency Repair and Hazardous Materials Abatement**
Although agencies typically anticipate asset preservation projects and seek funding through their agency's capital budgeting process, unforeseen events or conditions require immediate remediation. The Capital Asset Preservation and Repair Account (CAPRA), created in 1990, is a statewide program specifically for these situations. Until 2004, CAPRA also funded non-recurring, small repair and maintenance projects typically in the range of $25,000 to $350,000. Individual agencies now request funds directly for these small projects in their asset preservation requests.

**Agency Process Used to Arrive at These Capital Requests**
The department is concentrating its efforts on preserving state assets while watching for opportunities that would align with the state's *Strategic Plan for Locating State Agencies* as well as the program needs of state agencies.

For this budget cycle, Admin evaluated previous capital proposals, the state Facilities Condition Audit and other materials, and held discussions with other agencies regarding their capital needs. Admin also reviewed its CAPRA request with affected agencies. Projects were ranked based on the following priorities:

- Facilities with significant life/safety and/or code issues
- Facilities with a compelling need for repairs or maintenance
- Projects that offer long-term economic advantages for the state of Minnesota
- Requests that help realize Admin's mission of helping its customer succeed

**Admin Capital Projects Authorized in 2006 and 2007**

Asset Preservation – $5 million
CAPRA – $4 million

# Administration, Department of

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| DOT Building Exterior Restoration | 1 | THB | $18,197 | $0 | $0 | $18,197 | $0 | $0 |
| Property Acquisition | 2 | GO | 2,325 | 0 | 0 | 2,325 | 0 | 0 |
| State Capitol Building Restoration | 3 | GO | 63,900 | 89,800 | 86,200 | 15,400 | 75,000 | 75,000 |
| LRT Impact Study | 4 | GF | 350 | 0 | 0 | 0 | 0 | 0 |
| Energy Efficiency/Carbon Emission Reduction Initiatives | 5 | GO | 5,000 | 5,000 | 5,000 | 0 | 0 | 0 |
| Statewide CAPRA | 6 | GO | 6,000 | 6,000 | 6,000 | 3,000 | 3,000 | 3,000 |
| Capitol Complex Security Upgrades | 7 | GO | 750 | 0 | 0 | 0 | 0 | 0 |
| Predesign for State EOC and DPS/DOC bldg | 8 | GO | 1,000 | 0 | 0 | 500 | 0 | 0 |
| Agency Relocation | 9 | GF | 200 | 0 | 0 | 0 | 0 | 0 |
| Governor's Residence Predesign | 10 | GO | 75 | 0 | 0 | 0 | 0 | 0 |
| Environmental Campus Planning & Design | 11 | GO | 3,478 | 151,826 | 0 | 0 | 0 | 0 |
| OET Data Center Consolidation Predesign & Design | 12 | GO | 5,635 | 126,186 | 133,620 | 0 | 0 | 0 |
| Ford Building Renovation | | GO | 0 | 17,100 | 0 | 0 | 0 | 0 |
| History Center Window Replacement | | GO | 0 | 775 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $106,910 | $396,687 | $230,820 | $39,422 | $78,000 | $78,000 |
| General Obligation Bonding (GO) | $88,163 | $396,687 | $230,820 | $21,225 | $78,000 | $78,000 |
| General Fund Projects (GF) | $550 | $0 | $0 | $0 | $0 | $0 |
| Trunk Hwy Fund Bonding (THB) | $18,197 | $0 | $0 | $18,197 | $0 | $0 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# DOT Building Exterior Restoration

**2008 STATE APPROPRIATION REQUEST:** $18,197,000

**AGENCY PROJECT PRIORITY:** 1 of 12

**PROJECT LOCATION:** 395 John Ireland Boulevard, Saint Paul

**Project At A Glance**

$18.197 million to replace the structural support system for the 1,200-pound granite panels on the exterior of the Department of Transportation (DOT) building located in the Capitol Complex.

## Project Description

This request is for $18.197 million to replace the structural support system, and repair and re-anchor the façade, of the DOT building located at 395 John Ireland Boulevard on the Capitol Complex.

Deterioration of the support system for the granite panels on the exterior of the DOT building is a life-safety issue. Without repairs spalled pieces of granite and entire granite panels will fall. The panels sit on a steel angle, which has a welded rod fitting into a slot on the bottom of the panels. The rod, along with lateral stone anchors, holds the granite in place. The original angles were 3/8 inch thick; at this time the rusting has caused some of the angles to expand to almost an inch thick. This expansion is lifting each of the granite panels to the top of its retaining slot, adversely impacting the ability of the slot to hold the panel to the wall. The upward force is also compressing the top of the panel against the sill above, damaging the sill and causing the granite to crack and spall. In addition to the expansion caused by the rusting, it is estimated that up to 30 percent of the load-bearing capability of the angles has been lost.

The movement of the panels is greatest during the winter, when water behind the panels freezes and pushes on the panel. The Department of Administration (Admin) began monitoring the movement of 25 panels during the winter of 2004-2005. Despite a mild winter with little precipitation, the monitoring documented movement of the panels. This confirmed the failure of the system. The stone anchors located on both sides of the panels no longer provide lateral support, and, more significantly, the toe-rod welded to the horizontal leg of the shelf angle no longer engages the groove in the bottom of the panels.

Admin continued monitoring through the winter of 2005-2006. Additional panel movement was identified and although an immediate repair was not required, our consultant acknowledged that “the observed movements confirm that the façade panel supports do not provide adequate restraint to resist the environment forces and the force caused by the development of rust on the shelf angles. A restoration of the façade support system is required to prevent the eventual failure of a panel”. The most recent monitoring update, from 12-8-2006, indicates that:

- Spalling of panels has occurred at numerous locations.
- Formation of rust and delamination of the support angles has occurred throughout the façade.
- Sealant joints are no longer watertight.
- On the west elevation where exterior stone panels were removed, severely rusted vertical I-beams, which provide support for the curtain wall frame, were revealed.

Work to repair and secure the panels would involve removing them, replacing the angles and clips, installing additional flashing and weeps, repairing damage caused by the movement to adjacent sills and metal panels, and reinstalling the panels.

The biggest cost item is the removal and reinstallation of the three-inch thick, 1,200-pound panels. In an effort to minimize this, Admin reviewed a number of options, including working with the panels in place, cutting them in half to reduce the weight, and replacing them with another type of panel and recycling or selling the granite. Unfortunately, none of these options have proved to be more cost effective or feasible.

The state needs to do this work now, before a catastrophic failure and a panel or a piece of a panel falls. Each year of additional rusting and resulting shifting of the panels increases the risk they will fall. As a safety precaution, fencing has been installed at key pedestrian areas around the perimeter of

the building. In addition, cribbing and protective structures have been installed to protect the roof and the mechanical equipment on the roof from damage from the spalling granite.

Admin made the initial request to fund this project in the 2002 capital budget. Subsequent requests were made in 2004, 2005, 2006 and 2007. The 2006 transportation bill, and the 2007 bonding and transportation bills, each included funding for the project but did not become law.

**Impact on Agency Operating Budgets**

In as much as the DOT building is structurally sound and significant interior improvements have been made, the retention and preservation of this asset is appropriate stewardship of state resources. The net lease rate for DOT will not be affected since debt service on the improvements will be paid by the trunk highway fund.

**Previous Appropriations for this Project**

There has been considerable renovation work done to the interior of the DOT building. Between 1992 and 1998 approximately $44 million was appropriated to address life safety and environmental deficiencies, update electrical and mechanical systems to meet changing occupant needs, abate hazardous materials, and provide for technological improvements.

**Other Considerations**

Local fire/safety codes citations in the 1980s prompted significant appropriations for renovation of the DOT building over the past decade. Subsequent interior renovations have now corrected the infractions. Once those life/safety issues were addressed, the legislature appropriated funding in FY 1998 to tuck-point the exterior. It was during the course of that work that workers discovered the problems to be addressed by this request.

The condition of the angles continues to deteriorate. If the work contained in this request is not done in the near future, either an angle will fail, or water freezing behind the panels will push one of them off of its retaining slot. In either case, a 1,200-pound panel will fall. On 5-18-2007, the Department of Labor and Industry and the city of St. Paul issued a citation on the building, finding “unsafe conditions that in all probability will lead to hazardous conditions if not addressed,” and stating that it is not a question of whether they will become hazardous, but when. Abatement of the condition was formally ordered, “to ensure that the building can continue to be occupied and used in a safe condition.” Additionally, our basic and reinsurance policies on the building now exclude coverage for any event related to panel support failures.

The DOT building is a significant presence on the Capitol Complex. Its preservation is in keeping with the long-range strategic plan of both Admin and the Capitol Area Architectural and Planning Board. It is anticipated that completion of this work would allow the continued use of the building for the next 30 years.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB views this request as the most critical life-safety issue on the Capitol Complex. After five requests over six years unfunded, the CAAPB is gravely concerned over the DOT building's rapid exterior deterioration and unsafe conditions citation.

The CAAPB fully supports the urgency of the Administration Department's plans in the re-facing of the DOT building with the restored panels currently in place, after the necessary structural repairs are made.

**Governor's Recommendations**

The governor recommends trunk highway bonding of $18.197 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 556 | 0 | 0 | 556 |
| 4. Project Management | 0 | 20 | 0 | 0 | 20 |
| 5. Construction Costs | 44,108 | 16,980 | 0 | 0 | 61,088 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 641 | 0 | 0 | 641 |
| **TOTAL** | **44,108** | **18,197** | **0** | **0** | **62,305** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 44,108 | 18,197 | 0 | 0 | 62,305 |
| **State Funds Subtotal** | 44,108 | 18,197 | 0 | 0 | 62,305 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **44,108** | **18,197** | **0** | **0** | **62,305** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 2,314 | 2,314 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 2,314 | 2,314 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 2,314 | 2,314 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Property Acquisition

**2008 STATE APPROPRIATION REQUEST:** $2,325,000

**AGENCY PROJECT PRIORITY:** 2 of 12

**PROJECT LOCATION:** State Capitol Complex - 639 Jackson Street

**Project At A Glance**

This request is for $2.325 million, to be combined with existing appropriations, to acquire an available property in the Capitol Complex, located at 639 Jackson Street, to meet existing needs and for possible future state development.

**Project Description**

In 2006, the Central Park United Methodist Church notified the department of the intent to sell the property located at 639 Jackson Street, St. Paul. The state of Minnesota and Central Park United Methodist Church entered into a purchase agreement, subject to an appropriation which was sought during the 2007 Legislative session. The 2007 bonding bill was not enacted, but the state of Minnesota was able to obtain an extension of that purchase agreement in order to seek funding during the 2008 Legislative session.

This funding will allow the state to perform due diligence activities (i.e. environmental, title, inspections, etc.), acquire the property, demolish the existing building on the property and develop temporary parking.

The Office of Administrative Hearings relocated to the Stassen Building in 2007 and has a significant need for visitor parking. In addition, the Departments of Agriculture, Health and Revenue all require visitor parking in the immediate area. Acquiring the property at 639 Jackson Street will provide approximately 90 additional parking stalls for customers served by these agencies.

**Impact on Agency Operating Budgets**

The 90 new parking stalls would be metered to provide parking for customers served by agencies located in the surrounding area. Rates will be set to recover the cost of debt service.

**Previous Appropriations for this Project**

In 1998, 2000, and 2002 funds were appropriated for acquisition of land and to purchase options in order to hold properties that meet state development needs. Funds totaling $855,322 have been encumbered for this purchase agreement and other related contracts. All other funds provided by these previous appropriations have been expended.

**Other Considerations**

Land available for development in and surrounding the Capitol Area is limited, and there is only a small window to capitalize on strategic opportunities to maximize the state-owned infrastructure located in the Capitol Area. Regions Hospital currently leases office and storage space at 639 Jackson Street. If the state fails to elect to exercise its first right of refusal, this property will likely be sold to a third party.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB supports this request as a good "interim" use.

**Governor's Recommendations**

The governor recommends general obligation bonding of $2.325 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 809 | 1,787 | 0 | 0 | 2,596 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 46 | 0 | 0 | 0 | 46 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 538 | 0 | 0 | 538 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **855** | **2,325** | **0** | **0** | **3,180** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 855 | 2,325 | 0 | 0 | 3,180 |
| **State Funds Subtotal** | 855 | 2,325 | 0 | 0 | 3,180 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **855** | **2,325** | **0** | **0** | **3,180** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,325 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Capitol Building Restoration

**2008 STATE APPROPRIATION REQUEST:** $63,900,000

**AGENCY PROJECT PRIORITY:** 3 of 12

**PROJECT LOCATION:** State Capitol Complex

**Project At A Glance**

**The Department of Administration (Admin) requests the following funding from the 2008 Legislature: *$63.9 million for Phase I - North Vaults and South Stair Entry Construction*.** Phase I provides value-added improvements and is foundational to all subsequent phases. It includes new secure northeast and northwest underground mechanical vaults, a new south stair entry, expanded elevator service, dome tuck-pointing, and roof repair. Site work will include re-routing of Aurora Avenue and new landscaping on the northeast and northwest corners. It is also necessary that Phase I include tenant swing space design in order to prepare for dislocated tenants during the restoration work in future phases.

Pending a decision on swing space location, Admin anticipates requesting funding in an amount yet to be determined from the 2009 Legislature for the construction of swing space. Identification and design of the necessary tenant swing space will be determined during the early portion of Phase I. Construction of the swing space must be complete prior to the commencement of Phase II.

**Admin will request the following funding from the 2010 Legislature: *$89.8 million for Phase II - East Wing Restoration and Southeast Vault Construction*.** Phase II includes a new secure southeast underground mechanical vault, with tenant space above, to serve the east wing; the east leg of the new tunnel connection; and full restoration of the east wing. The restoration includes a comprehensive rehabilitation of all mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, elevators, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase II will utilize and build upon prior infrastructure construction from Phase I by completing the fit-out of the shell space under the south stair.

**Admin will request the following funding from the 2012 Legislature: *$86.2 million for Phase III - West Wing Restoration and Southwest Vault Construction.*** Phase III includes a new secure southwest underground mechanical vault, with tenant space above, to serve the west wing; completion of the new tunnel connection; and full restoration of the west wing. The restoration includes a comprehensive rehabilitation of all mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase III will utilize and build upon prior infrastructure construction from Phases I & II.

**Admin will request the following funding from the 2014 Legislature: *$68.0 million for Phase IV - North Wing and Rotunda Restoration.*** Phase IV includes full restoration of the north wing and Rotunda. The restoration includes a comprehensive rehabilitation of all elevators, mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase IV will utilize the vaults constructed in Phase I and build upon prior infrastructure construction from Phases I, II & III.

**Background**

The 2007 Legislature appointed the Legislative Coordinating Committee (LCC) to facilitate a Capitol Restoration Working Group. The task for this working group was to build consensus for a restoration strategy. Although priorities emerged from this group that included the need to address the aged infrastructure of the building, no consensus for an overall restoration was reached.

Admin recommends a phased approach to the Capitol restoration, extending project funding over legislative sessions from 2008 to 2014. These four phases would span a 10 year time frame as follows:

| Phase | Restoration Area | Cost | Timeline |
|---|---|---|---|
| Phase I | North Vaults and South Stair Entry | $63.9 M | 2009-11 |
| Phase II | East Wing Restoration and Southeast Vault Construction | $89.8 M | 2011-13 |
| Phase III | West Wing Restoration and Southwest Vault Construction | $86.2 M | 2013-15 |
| Phase IV | North Wing and Rotunda Restoration | $68.0 M | 2015-17 |
| **Total** | | **$307.9M** | |

**Project Description**

The Minnesota State Capitol 2001 Predesign Study and the 2007 Predesign Update concluded that the Capitol lacks modern building infrastructure, and is deficient in security requirements and code compliance. The Capitol does not contain sufficient space to support the basic needs of the public and its current tenants. The 2001 Predesign Study of the Capitol recommended moving many of the current tenants into a new building or converted space that could accommodate more spacious hearing rooms and offices. The 2007 Predesign Update had a narrower mandate. Initial funding for that update included rider language that stated, "The design may not include any building outside the Capitol." (Laws 2005, Chap. 20, Art. 1, Sec. 14)

The 2007 Predesign Update led to the current four phase plan. Phase I, the foundational phase of the project, provides funding for completion of schematic design and design development for all phases; and construction of Phase I scope. It includes funding of professional services for architectural, engineering and specialty consultants and for the services of a construction manager to work with the design team to develop scheduling and costing.

The current funding request will provide documentation for establishing the Guaranteed Maximum Price for Phase I, the bidding of the project components and owner's costs associated with the management and implementation of this process. Phase I ensures continuity of the design effort for all phases.

The requested Phase I funding will provide for a modest but critically needed building expansion. The new construction of the north underground vaults will include secure drop-off and parking, secure loading dock facilities, improved site security, new landscaping and a rainwater cistern for irrigation. The south stair entry construction will provide a secure, handicapped accessible entry, visitor services including accessible restrooms, gathering area/welcome lobby, gift shop, security desk, and classroom/presentation space, and preparatory work for future tenant functions that may include additional office space and the shell for a multi-use 500 seat auditorium.

Phase I will also include urgent conservation work and asset preservation. This work will include dome tuck-pointing and roof replacement to address water infiltration, window replacement, repair of deteriorating balconies and stairs, replacement of air handling units at risk of imminent failure and lighting improvements. Capitol complex-related design work only, for swing space, tunnel security, and parking will also be included in Phase I.

The proposed project delivery method and schedule offer good investment value to the state, a minimum level of risk, and an organized construction process that solves current building deficiencies and prepares the Capitol for its next 100 years of use.

Most of the nation's Capitols are of similar age and face the same issue – existing mechanical systems are obsolete and well past their useful life. The Minnesota Capitol's heating, ventilation and air conditioning (HVAC) systems are grossly inefficient and do not provide an adequate number of fresh-air exchanges for a healthy work environment. In addition, balancing air for heating, cooling, and humidity is inconsistent and inadequate throughout the building. This proposal calls for replacing these systems in their entirety during Phases II, III, & IV. Lighting components are also failing at a rate that is cost-prohibitive compared to the cost of replacing this infrastructure.

Since 9/11, there is a heightened emphasis on security for building tenants, the public and the building itself. The Capitol, Minnesota's most public of state buildings, is no exception. Security improvements must be made for the building, its occupants, and visitors. The infrastructure and technology within the building, which provides the linkage for all state services, is extremely vulnerable.

The 2007 Predesign Update identified critical deficiencies and future needs of the building's infrastructure, handicapped adaptability, and code compliance. Code deficiencies that must be addressed include life-safety,

exiting, fire/smoke alarm, fire sprinklers, fresh air requirements, and restroom quantity.

**Impact on Agency Operating Budgets**

The design team, working with Admin, Capitol Area Architectural and Planning Board (CAAPB), local estimators, and the construction industry, reviewed concept plans and developed an estimated project budget and schedule. Using the proposed phased approach, the full comprehensive scope of the Capitol restoration is estimated to be approximately $223 million (in 2007 dollars); when extended, with construction starting in 2009 through mid-point of 2017 and with escalation factored in, it totals $308 million.

The design will address how to accomplish the restoration efficiently, with minimal disruption, while achieving the greatest value for the dollar. Cost and time efficiencies would be achieved by pursuing aggressive sequencing of the construction. Other states have proven that aggressive sequencing reduces costs. In fact, states that have attempted to break down their Capitol project programs into small phases have experienced dramatically increased budgets. Staggered construction over many more years loses virtually any cost efficiencies while increasing "construction fatigue" for both occupants and the public. This results in increased costs and jeopardizes team continuity.

The cost of this project would increase lease rates in FY 2012 and would affect state agency and in-lieu of rent appropriations. The department is in the process of calculating the impact of the project on the square-foot lease rate.

**Previous Appropriations for this Project**

In 2000, $300,000 was appropriated for the Capitol predesign. In 2005, appropriations were $1.2 million for schematic design for the full interior restoration of the Capitol, and $1.17 million for restoration of the paint, plaster, and other surfaces of the public corridors of the third floor. In 2006, $2.4 million was appropriated for continued design efforts, waterproofing of the exterior dome, and repainting of interior surfaces affected by water damage. In 2007, $250,000 was appropriated to the Legislative Coordinating Commission to facilitate the working group process.

Overall funding appropriated for the Capitol over the past two decades totals just over $47 million, at least half of which was committed to the exterior stabilization and security needs.

**Other Considerations**

This budget request is based on the current conceptual cost estimate and the conceptual design option. The cost numbers will be verified at numerous times throughout the project process. A "construction manager at risk" (CM at risk) project delivery method is recommended for the Capitol restoration project. With this delivery method, the construction manager, or CM, provides a Guaranteed Maximum Price (GMP) prior to initiating construction. This will provide the state a guaranteed cost for the project while minimizing risk. The CM will provide an updated cost estimate and the GMP for Phase I at the end of design development, which is scheduled to occur in early summer of 2009. Construction of Phase I is scheduled to begin in late fall of 2009. A phased project of this complexity will benefit from CM services that allow the construction process to move forward as efficiently as possible and mitigate price escalation, which can add approximately 7.7 percent of the project cost per year. If bonds are appropriated consistently every two years from 2008 to 2014, each step of construction can move forward smoothly and the state may seek cost advantage through the early pre-purchasing of materials whenever possible.

Continued operation of the Minnesota Capitol in its current condition is a constant threat to the building's integrity and life. Other states have acknowledged their state capitol buildings' needs for major restoration projects. The cost of these projects has ranged from $140 million to over $500 million (in 2007 dollars). Texas addressed restoration needs of their historic Capitol and also expanded into an annex, spending $287 million while vacating the building during construction. Other examples of Capitol project costs (with cost escalated to today's dollars for comparable mid-point construction) include:

- Kansas underway: $162 million **($248 million)**
- Michigan completed 1992: $58 million **($215.4 million)**
- Ohio completed 1996: $129 million **($355.4 million)**
- Texas completed 1993: $200 million **($610 million)**
- Utah underway: $210 million **($307 million)**

- Virginia underway: $83 million **($140 million)**
- Wisconsin completed 2001: $145 million **($286.5 million)**

This historic building is a matter of pride in the hearts and minds of Minnesotans. Thousands of citizens participated in the 2005 centennial celebration events. The centennial also noted the public's response to the visible deterioration of the building. While private sector support of the 2005 celebration activities was over $2 million, corporations and foundations also sent a clear message to organizers: future private funding would follow the lead of the governor and legislature in committing to the completion of the Capitol's restoration. Private funding of Capitol amenities or furnishings is highly dependent on the significance of the state's commitment to the full restoration program.

The Capitol is in critical need of repair and comprehensive rehabilitation. A plan exists to make these comprehensive repairs; address visitor access and amenities; attend to code deficiencies, inadequate fresh air and scarce restroom facilities; correct exiting deficiencies; and provide the additional space required for a functional government business. If unaddressed, the condition will affect how the people of the state participate in the government of their state.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB fully supports this request as one of the most comprehensive approaches to fully address the needs of the State Capitol Building and the people of the State of Minnesota for the next century.

The CAAPB sees this request as absolutely critical, and would view anything short of such a comprehensive approach as just more of the same "band-aid" response to emergencies the state has appropriated over the past twenty-five years, which now threatens the core integrity of the building and its ability to continue to serve the people for many more years.

**Governor's Recommendations**

The governor recommends general obligation bonding of $13.4 million for critical preventive maintenance projects in the Capitol and $2 million for continued design and planning for the full restoration of the building. The predesign/design work would include analysis of additional options for moving some office space to alternative locations, which was not explored in the current plan. Also included are budget planning estimates of $75 million in 2010 and $75 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 95 | 0 | 0 | 0 | 95 |
| 3. Design Fees | 2,465 | 8,985 | 6,406 | 5,573 | 23,429 |
| 4. Project Management | 40 | 2,279 | 5,302 | 4,565 | 12,186 |
| 5. Construction Costs | 1,000 | 42,804 | 53,385 | 46,438 | 143,627 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 175 | 3,203 | 2,786 | 6,164 |
| 9. Inflation | 0 | 9,657 | 21,504 | 26,838 | 57,999 |
| **TOTAL** | **3,600** | **63,900** | **89,800** | **86,200** | **243,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,600 | 63,900 | 89,800 | 86,200 | 243,500 |
| **State Funds Subtotal** | 3,600 | 63,900 | 89,800 | 86,200 | 243,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,600** | **63,900** | **89,800** | **86,200** | **243,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 63,900 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# LRT Impact Study

**2008 STATE APPROPRIATION REQUEST:** $350,000

**AGENCY PROJECT PRIORITY:** 4 of 12

**PROJECT LOCATION:** State Capitol Complex

**Project At A Glance**

Study the impact and implications of the proposed Central Corridor LRT and associated land-use plans on access and Capitol Complex real estate (employees, visitors and vehicles), and develop a long range strategic plan for Capitol Complex facilities which fully leverages the opportunities created by these changes.

## Project Description

The Department of Administration (Admin) is requesting funds to prepare a long range strategic plan for Capitol Complex facilities which incorporates the known and anticipated changes which will result from the construction of Light Rail Transit (LRT) line and the associated land use revisions along the University Avenue corridor.

## Background

Admin previously contracted with URS Corporation in late 2001 for a Transportation Alternatives Study for the Capitol Complex. The purpose of the study was to devise alternative transportation strategies aimed at reducing the overall demand for parking on the Capitol Complex. The study, conducted in the fall of 2001, makes no reference, however, to the Hiawatha LRT line (opened in summer 2004) or the potential for the construction of the University Avenue LRT.

## New Challenges and Opportunities

There are a number of projects currently in the planning stages which, when implemented, will have a profound impact on the Capitol Complex and the surrounding area.

- Subject to receiving the required funding from the legislature, the Metropolitan Council is prepared to initiate formal design of the Central Corridor LRT line which will link downtown St. Paul, via University Avenue, with the University of Minnesota and downtown Minneapolis.
- The city of St. Paul has been working aggressively for over a year with the help of a consultant to formulate a Central Corridor Development Strategy. That document establishes the city's vision and a set of strategies for how the Central Corridor should grow and change over the next 25-30 years in the response to the LRT investment.
- A major restoration project for the State Capitol is under consideration, which could potentially be taking place concurrently with the construction of the LRT line.

In light of these projects and their anticipated impact on the Capitol Complex, it is essential that a comprehensive study be undertaken to ensure the state:

- Achieves full and seamless integration of the LRT system with Capitol Complex facilities
- Develops operational strategies which encourage the use of LRT for employees and visitors
- Identifies facilities and land that will be needed to support long term staffing needs and program objectives

## Project Contact Person

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB fully supports the current LRT plans serving the Capitol Complex and other parts of Saint Paul. Any strategic plan needs to be extensively coordinated with the CAAPB's *Comprehensive Plan for the Minnesota State Capitol Area* and provisions should be made to allow for compensation to the CAAPB should such work become extensive, as required by statute (Minnesota Statutes, chapter 15B).

In addition, as plans to respond to LRT in the Capitol Area advance, it would be one goal of the CAAPB to carefully examine parking in the Capitol Area, resulting in reduction and consolidation of surface lots so common in the area with properly sited and designed parking structures fully integrated into the campus.

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 350 | 0 | 0 | 350 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **350** | **0** | **0** | **350** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 0 | 0 | 0 | 0 |
| General Fund Projects | 0 | 350 | 0 | 0 | 350 |
| **State Funds Subtotal** | 0 | 350 | 0 | 0 | 350 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **350** | **0** | **0** | **350** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Energy Efficiency/Carbon Emission Reduction Initiatives

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 5 of 12

**PROJECT LOCATION:** State-owned facilties throughout Minnesota

**Project At A Glance**

The Department of Administration is requesting $5 million to create a source pool for funding capital projects that will generate energy efficiencies and/or reduce carbon emissions.

## Project Description

State government is a major consumer of energy. Energy conservation is an effective means for reducing state costs related to increases in energy prices. In addition, legislation passed in the 2007 Session sets very aggressive targets for carbon emission reduction.

Long-term success in achieving expected reductions in both consumption and emissions will require capital investment in facility design, building systems and equipment, and operating processes and procedures.

As with past funding requests for statewide initiatives such as CAPRA (Capital Asset Preservation and Replacement Account) and building re-commissioning programs, this capital request involves the creation of a pooled source of funds to be used for energy efficiency/carbon emission reduction projects. High return projects and initiatives will be solicited from all agencies of state government and an evaluation process will be designed for use in assessing the value of each project both on absolute value and in relation to other competing projects.

The program will be jointly administered by the Department of Administration and the Department of Commerce.

Examples of the types of projects to be funded from an energy conservation capital pool include:

- Conversion of Direct Expansion (DX) cooling to chilled water. The impact would be to increase cooling efficiency, reduce electrical consumption, and reduce the cost of maintenance on existing DX cooling equipment.
- Establish or expand electrical metering capabilities.
- Conversion of stand alone pneumatic variable air volume controls to direct digital control (DDC) and incorporate into building automation systems. This would result in higher operational efficiency by having the ability to monitor, adjust, and schedule individual building spaces.
- Install energy efficient lighting and lighting control.

## Impact on Agency Operating Budgets

A favorable impact is anticipated for participating agencies' operating budgets. Actual cost savings will depend upon the projects selected.

## Previous Appropriations for this Project

There have not been any previous appropriations for this project.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| **State Funds Subtotal** | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Statewide CAPRA

**2008 STATE APPROPRIATION REQUEST:** $6,000,000

**AGENCY PROJECT PRIORITY:** 6 of 12

**PROJECT LOCATION:** State-owned facilities throughout Minnesota

**Project At A Glance**

- Capital Asset Preservation and Replacement Account (CAPRA): $6 million in general obligation bond funds to support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

## Project Description

CAPRA, established under M.S. 16A.632, is a statewide fund centrally managed by Admin for use by all state agencies. CAPRA funds support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

*Please note: Individual state agencies make asset preservation capital budget requests to address known facility repair and maintenance needs of the facilities under their custodial control. Those should not be confused with this request. Higher Education Asset Preservation and Replacement, or HEAPR, funding is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and also should not be confused with this request.*

Projects that received CAPRA funding when the program started fell into three categories:

- Emergencies of all kinds
- Hazardous material abatement
- Non-recurring, small repair and maintenance projects ranging in cost from $25,000 to $350,000

As facility repair and maintenance needs outgrew the ability to be adequately funded by CAPRA, individual agencies began making capital budget requests for asset preservation. Projects done with these asset preservation funds were the same types of projects done with CAPRA funds, but generally had project costs of over $350,000.

Given the parallel nature of the asset preservation and CAPRA programs, the need to more efficiently plan, manage, and complete projects and the potential cost savings opportunities to bundle projects together, a decision was made in 2004 to limit the types of projects funded by CAPRA to only emergency and immediate needs, including unanticipated abatement. Agency asset preservation requests now fund eligible repair and maintenance projects costing between $25,000 and $350,000. The decision to limit the types of projects funded by CAPRA has decreased the amount of funding requested for CAPRA, and increased the amount of funding requested by agencies for asset preservation projects.

State agencies served by the CAPRA program in the past include Corrections, Employment and Economic Development, Human Services, Military Affairs, Minnesota Historical Society, Minnesota State Academies, Minnesota Zoological Gardens, Natural Resources, Perpich Center for Arts Education, Veterans Home Board, and Administration.

## Impact on Agency Operating Budgets

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated abatement needs. This keeps agency funds available for ongoing operations and helps mitigate additional damage.

## Previous Appropriations for this Project

Since the program was created in 1990, $79.9 million has been appropriated for CAPRA projects in state bonding bills.

Recent appropriations, of $3 million in 2005 and $4 million in 2006, are approximately 90 percent expended as of 9-30-07.

**Other Considerations**

This CAPRA request does not fund known agency repair and maintenance projects. Those types of projects are included in agency asset preservation requests, which are also important to fund. The amount of this request is based on historical spending as well as anticipated needs. Asset renewal continues to be an issue, and adequately maintaining state facilities is imperative to support the delivery of service to our customers, the taxpayers and citizens of Minnesota.

Although Admin has been projecting biennial CAPRA requests of $5 million which is based on historical emergency needs, we are requesting $6 million in 2008 due to recent requirements for significant funding related to the emergency work at the DOT building, the flooding in southeast Minnesota, and hazardous material abatement at the Moose Lake Correctional Facility.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 79,900 | 6,000 | 6,000 | 6,000 | 97,900 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **79,900** | **6,000** | **6,000** | **6,000** | **97,900** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 79,900 | 6,000 | 6,000 | 6,000 | 97,900 |
| **State Funds Subtotal** | 79,900 | 6,000 | 6,000 | 6,000 | 97,900 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **79,900** | **6,000** | **6,000** | **6,000** | **97,900** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Capitol Complex Security Upgrades

**2008 STATE APPROPRIATION REQUEST:** $750,000

**AGENCY PROJECT PRIORITY:** 7 of 12

**PROJECT LOCATION:** State Capitol Complex

**Project At A Glance**

Security events around the country, coupled with the findings of the recently completed vulnerability assessments of the Capitol complex facilities conducted by the Minnesota National Guard, emphasize the need for greater security and control throughout the Capitol complex.

This request focuses on identification of design solutions and implementation of the highest priority vulnerabilities from the assessments, and seeks:

- $750,000 - Capitol Complex Security Upgrades
- $125,000 - Increase Capitol Complex Security Staffing

## Project Description

The Department of Administration is requesting funds to support the design and implementation of access controls to enhance security at the State Capitol and the Centennial, Freeman, Health/Ag Lab buildings and the National Guard Armory complex. These plans respond to vulnerabilities identified by the Minnesota National Guard in their recently completed Vulnerability Assessment reports.

***Background:***
Following the events of 9-11-2001, numerous enhancements to the overall security and control of the Capitol Complex facilities were implemented. These actions, while effective, were not all encompassing. Beginning in early 2006, the Minnesota National Guard conducted full spectrum integrated vulnerability assessments of all Capitol complex facilities.

Each report contains structural, infrastructure, and emergency management assessments which provide a series of specific findings that fall into one of two categories:

*Vulnerability:* A situation or circumstance that, if left unchanged, may result in the loss of life or damage to mission-essential resources. Vulnerabilities are identified with respect to the characteristics of a system that cause it to suffer a definite degradation (incapability to perform the designated mission) as a result of having been subjected to natural or manmade events.

*Recommendation:* A description of a possible course of action that may be taken to reduce risk.

This capital request focuses on implementation of the highest priority "vulnerability" findings. Work funded by this request will include:

- Creating accurate exclusive and non-exclusive standoff zones for the State Capitol, parking Lots N and O, Senate Parking Lot B and the Centennial Office building (COB) parking ramp and adjacent vehicular lanes.
- Installing vehicular security gates and guard shacks (COB only). Access to these lots will be controlled either by use of the employee's identification badge or by a uniformed Capitol Security guard where provided. In addition, where access to such facilities is required by non-state employee vehicles (van pool vehicles, delivery vehicles, buses, etc.) when a guard is not present, Closed-Circuit-TV controls will be included.
- This request also seeks operating funding for Capitol Security guards (4.5 FTE) for the last six months of FY 2009, and assumes the Department of Public Safety will seek ongoing operating funding for these positions beginning in FY 2010.

## Impact on Agency Operating Budgets

The cost of the Capitol complex security upgrades would be collected through the established rent process, with interest recovered over 20 years and depreciation over 10 years. Admin estimates that the lease rate in the State Capitol would increase by $.25 per square foot and the lease rates in the Centennial Office building, Freeman Office building and Agriculture/Health Laboratory would increase by $.09 per square foot.

The Department of Public Safety will seek ongoing operating budget authorization beginning in FY 2010.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

While the CAAPB fully supports the goals of this request in assuring safety for all who use or come to the State Capitol Complex, there will likely need to be extensive review and cooperation between the Administration Department, other implementers, and the CAAPB in any plans for implementation that have a physical impact on the campus, or even more critical, on the State Capitol Building itself.

Provisions should be made to allow for compensation to the CAAPB should such review work become extensive, as required by Minnesota Statutes, chapter 15B.

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 20 | 0 | 0 | 20 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 730 | 0 | 0 | 730 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **750** | **0** | **0** | **750** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 750 | 0 | 0 | 750 |
| **State Funds Subtotal** | 0 | 750 | 0 | 0 | 750 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **750** | **0** | **0** | **750** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 125 | 500 | 500 | 1,125 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 125 | 500 | 500 | 1,125 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 125 | 500 | 500 | 1,125 |
| Change in F.T.E. Personnel | 4.5 | 0.0 | 0.0 | 4.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 750 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Predesign for State EOC and DPS/DOC bldg

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 8 of 12

**PROJECT LOCATION:** Metro Area

**Project At A Glance**

- A new joint State Emergency Operations Center and Department of Military Affairs facility to better coordinate the response to emergencies and disasters in a secure environment meeting the requirements of the U.S. Department of Homeland Security.
- Co-location of Department of Public Safety and Department of Corrections to help meet the increased demands for public safety and achieve efficiencies through co-location and shared services.

**Project Description**

The Department of Administration (Admin) is requesting funding to complete a predesign to address critical space needs for the Departments of Corrections (DOC), Military Affairs (DMA) and Public Safety (DPS).

The State Emergency Operations Center (SEOC) is currently housed in leased space in an office building located in downtown St. Paul. At present, many shortcomings exist in the suitability of this location for emergency management functions. The federal requirements for emergency operation centers include, but are not limited to, being located:

- Outside known risk areas, e.g. not near major rail lines that carry significant hazardous materials, in flood plains, or near hazardous chemical facilities, port security.
- 80 feet away from parking facilities.
- Not close to high rise or mid rise structures.
- Not in the midst of a congested area where traffic could impede response and recovery operations.

The current SEOC location does not meet any of these requirements.

Because of the events of 9-11-2001 and the predictable occurrence of natural and other disasters of major size and destructiveness, and in order to ensure that the state's preparations will be adequate to deal with disasters, protect the public peace, health, and safety, and preserve the lives and property of the people of the state, it has become even more important for the state to have an adequate facility for emergency management functions, in order to be able to coordinate responses to events to the maximum extent across federal, state, and local units of government.

There is already a high level of interaction between the DPS Homeland Security and Emergency Management Division (HSEM) and DMA related to emergency management functions. DMA is currently located in state-owned facilities on the Capitol complex. This request includes completion of a detailed study of the program and operational benefits to co-location of the HSEM and DMA.

DPS and DOC are currently housed in leased space in downtown St. Paul and at Energy Park, respectively. Increased demands related to public safety require a high level of interaction between DPS and DOC. Being housed in two separate locations makes it harder for these agencies to share ideas and meet basic work commitments, or innovate to meet future needs. Geographic separation provides a tangible barrier to cutting across agency "silos" to better meet the public safety needs and manage resources efficiently.

Other potential benefits to co-location include:

- Meets the state's strategic goal of increasing facility ownership to maintain long term cost control and acquire equity in the buildings that the state occupies.
- Meets the state's strategic goal to locate agencies in close proximity to each other which might benefit from sharing of resources, equipment, and space.
- Improves technology infrastructure and provides opportunity to more efficiently and effectively deliver programs and services through the use of technology.

- Provides opportunity to implement sustainable design strategies to improve building performance and reduce short-term and long-term operating and maintenance costs while mitigating adverse effects of the building on the environment.

From an operational standpoint, it may be desirable for all divisions of DPS to be co-located. However, because of the specific requirements of the U.S. Department of Homeland Security related to Emergency Operations Centers, the predesign study will evaluate both a combined facility and two separate facilities to determine the best approach to meeting the space requirements for the agencies.

**Impact on Agency Operating Budgets (Facilities Notes)**

Admin anticipates that long-term cost savings associated with housing state agencies in state-owned buildings and increasing opportunities for shared services will be realized. Admin also expects that the impact on participating state and local agency operating budgets will be a reduction in costs following construction, outfitting, and relocation.

**Other Considerations**

The U.S. Department of Homeland Security provides emergency preparedness grants to states and urban areas based on risk and their ability to implement the State Homeland Security Strategy to support the National Preparedness Goal. Implementation requires that states meet certain priorities and target capabilities. Two of these are Interoperable Communications and the Emergency Operations Center. The current SEOC is inadequate and cannot meet either of these capabilities. This inability could negatively impact the level of federal grant funding Minnesota receives in future years.

DMA is scheduled to receive $3.536 million in the FY 2008 Defense Construction Appropriation for directed design of a National Guard Joint Force Headquarter and Emergency Operations Center, to be located in Arden Hills, Minnesota. This funding is limited to meeting the requirements of the military for a National Guard Joint Force Headquarters and Emergency Operations Center. Predesign funding is required to consider the potential benefits of co-locating the SEOC with a new National Guard Joint Force Headquarters and Emergency Operation Center.

In FY 2007, due to upcoming lease expirations in their existing space, Admin and DPS conducted an RFP process for leased space. The goal was to lease space in a location that met federal requirements for HSEM and to create efficiencies for DPS through better utilization of space and adjacencies. The 2007 Legislature also appropriated $885,000 to cover a portion of the relocation expenses for DPS. After review of the proposals, the evaluation team determined that none of the proposals met the financial considerations of DPS and/or the security and communication requirements of HSEM, and the relocation funds appropriated for this purpose were not used.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends $500,000 for predesign for a new State Emergency Operations Center (SEOC). If alternate funding is available for the predesign of the SEOC building, this funding should be made available for the predesign of a co-located headquarters for the Departments of Public Safety and Corrections.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 1,000 | 0 | 0 | 1,000 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 0 | 0 | 1,000 |
| **State Funds Subtotal** | 0 | 1,000 | 0 | 0 | 1,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Administration, Department of — Project Narrative

## Agency Relocation

**2008 STATE APPROPRIATION REQUEST:** $200,000

**AGENCY PROJECT PRIORITY:** 9 of 12

**PROJECT LOCATION:** State agency locations throughout Minnesota

**Project At A Glance**

This request is for $200,000 in general fund dollars for agency relocation funding to move state operations from existing locations when it improves agency operations, yields budget benefits, and/or facilitates better service to customers.

This request is for needs not covered under other capital requests.

**Project Description**

Funds are needed to relocate agencies where an unanticipated situation occurs that requires an agency to relocate. Examples of these situations are: a landlord not renewing an agency's lease at its expiration; a facility being sold; an agency needing to reduce space; a reorganization needing to be implemented; remodeling needs to be accomplished; or when an agency can substantially reduce its rent by moving.

Recent projects where relocation funding was required include:

- Veterans Service building remodeling and reorganization
- Commerce, Weights and Measures lease relocation
- Administration building abatement project

Agencies use relocation funding to pay for moving furniture, equipment, and telecommunication (voice and data) equipment.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 200 | 0 | 0 | 200 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **200** | **0** | **0** | **200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 200 | 0 | 0 | 200 |
| **State Funds Subtotal** | 0 | 200 | 0 | 0 | 200 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **200** | **0** | **0** | **200** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Governor's Residence Predesign

**2008 STATE APPROPRIATION REQUEST:** $75,000

**AGENCY PROJECT PRIORITY:** 10 of 12

**PROJECT LOCATION:** Governor's Residence - Saint Paul

**Project At A Glance**

The Department of Administration (Admin) is requesting funds for a predesign of the Governor's Residence that will determine cost, scope, and schedule for preservation of the Residence, in addition to addressing operational needs. The predesign would also analyze the costs of continuing to maintain the existing residence compared to other alternatives.

## Project Description

Admin is submitting this request to address facility preservation and operational issues of the Governor's Residence. At present, many shortcomings exist in the condition and suitability of this facility. Preservation issues that need to be explored include:

- Egress from the 3rd floor to meet code requirements
- Extension of the existing elevator from 1st floor to 3rd floor to provide required accessibility
- Mechanical, electrical, technical, and security systems improvements
- Remodeling of the kitchen for commercial use
- Providing separation between public (ceremonial meeting rooms) and private (residential) areas
- Masonry restoration on the Residence and carriage house
- Repair/replacement of the perimeter fence and stone balusters
- Repair/replacement of the front walkway
- Installation of energy efficient windows and other infrastructure components

The Governor's Residence Council updated the master plan for the residence in 1997 with input from architects versed in historical preservation, as well as operational personnel from the Admin. The work noted above is consistent with this plan.

The home and grounds were donated to the state of Minnesota for use as a residence for the governor and first family in 1965. Some remodeling has occurred in public areas and the carriage house. The upper floors in the Residence have not received much work since the state acquired the Residence.

Operational issues have never been studied in detail. These would determine the suitability of the building and grounds for meeting the required operations. In addition, there are code related issues on accessibility that currently prevent full use the Residence. Operational issues include:

- Remodeling to create guest suite for visiting dignitaries
- Separation of public and private areas
- Addressing security needs

## Impact on Agency Operating Budgets

The cost of the Governor's Residence predesign would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. Admin estimates that the lease rate would increase by $19 per square foot.

## Previous Appropriations for this Project

In 2006, Admin received asset preservation funds, $105,000 of which was dedicated to upgrading the fire alarm system at the Governor's Residence.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 75 | 0 | 0 | 75 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **75** | **0** | **0** | **75** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 75 | 0 | 0 | 75 |
| **State Funds Subtotal** | 0 | 75 | 0 | 0 | 75 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **75** | **0** | **0** | **75** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 75 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Environmental Campus Planning & Design

**2008 STATE APPROPRIATION REQUEST:** $3,478,000

**AGENCY PROJECT PRIORITY:** 11 of 12

**PROJECT LOCATION:** not yet determined

**Project At A Glance**

- Facility housing DNR, PCA, DLI, and BWSR
- Providing strategic environmental leadership in holistic manner
- Showcasing urban sustainable strategies
- Collaboration of the environmental agencies living their mission

**Project Description**

The Department of Natural Resources (DNR), the Pollution Control Agency (PCA), the Board of Water and Soil Resources (BWSR), and the Department of Labor and Industry (DOLI) are seeking to demonstrate their environmental leadership by headquartering together in a state-owned, highly energy efficient building, sited in a way to take advantage of existing infrastructure while preserving the natural landscape.

Living their missions to protect, reflect the values of, and conserve natural resources is of high importance to all of these agencies. Opportunities for sharing space will minimize the footprint of the building. Pursuing Minnesota Sustainable Building Guidelines (B3) and LEED certification will maximize energy savings. Planting a sustainable landscape and managing storm water will showcase good site management and carbon sequestration.

All of the agencies are currently located in leased space. Not only does this keep the state from realizing the long-term cost savings associated with building ownership, it also leaves the agencies with little or no opportunity to pursue renewable energy saving strategies, showcase leading edge “green building” practices, or demonstrate a leadership role in urban sustainable land management designed to reduce global warming.

This request is for funds for both predesign and design for a state-owned facility. The predesign will determine the project scope, cost and schedule. Proceeding right into design in this biennium will reduce the FY 2010 capital budget request for construction funding by $6–$8 million and move the mid-point of construction up by a year.

**Projects**

Opportunities for cohesive environmental leadership, demonstration of sustainable practices in design and construction, “one-stop” service for citizens with environmental issues or permitting needs, and the significant long-term cost savings of ownership combine to make this project extremely viable and pertinent for today and the future.

The environmental agencies have a long-standing practice of partnership, including the BWSR Board, the Clean Water Council, the Interagency Water Resources Team, and the Interagency Wetland Committee among others. Co-location will facilitate the agencies’ move to a new level of holistic and strategic leadership in the sustainable arena, demonstrating their interest in speaking with a single voice on issues relating to the environment.

All four of the agencies also have clientele in common, such as local governmental units, property owners seeking permits for work on lakeshores, and various environmental groups. Co-location will facilitate the ability to further integrate and consolidate licensing, permitting, and financial assistance application processes, thereby reducing the burden on customers with needs touching several of the agencies.

A “green” environmental campus will provide a multi-dimensional demonstration of sustainable development practices that goes beyond providing citizen customers with answers and information for today by educating and motivating them to move to the next level of environmental stewardship. Sustainable opportunities include green roofs, renewable energy sources, water management on site, and conservation within the building.

**Impact on Agency Operating Budgets**

It is anticipated that the impact on agency operating budgets will be a reduction in costs over time due to:

- The long-term benefits of ownership over leasing
- A reduction in heating, lighting, and cooling costs
- A reduction in sewer access charges
- A reduction in site maintenance costs

It is also anticipated that, in keeping with national studies, the high quality of the indoor air and lighting will decrease employee absenteeism and increase employee productivity and reduce turnover.

If this facility is constructed, the cost of the predesign and design would be collected through the established rent process with bond interest collected over 20 years and depreciation over 75 years. Admin estimates that the annual rent would include $151,557 to collect the cost of the design and predesign.

**Previous Appropriations for this Project**

There have not been any previous appropriations for this project.

**Other Considerations**

Having the DOLI included in this project provides a unique opportunity for partnership with the Building Trades and for the advancement of sustainable construction methods that will have a positive long-term change in how buildings and sites are developed and constructed in the future.

DOLI will work with the design team to facilitate the integration of building and energy code compliance with green building technology in this campus. The affirmation of the compatibility of the regulatory aspects of code regulation with the goals of the B3 guidelines will help to inform all participants on the scope and achievable features of green building technology and produce a model campus on the forefront of response to concerns of sustainability and functionality.

The agencies expect to increase their effectiveness in service delivery in the new facility. They already share responsibilities for preserving the state's natural lands, air and waters; strategic location of staff within shared space will greatly increase the opportunities for both planned and serendipitous synergies.

This proposal is in keeping with the vision, principles and recommendations of the *Strategic Plan for Locating State Agencies*, particularly:

- When practical, increase the amount of state-owned space to control long term costs and to acquire equity in the buildings that the state occupies
- Locate agencies in close proximity to each other which might benefit from sharing resources, equipment, and space
- Design facilities with the flexibility to respond to rapid technological advances
- Take a leadership role in environmental concern

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 1,242 | 0 | 0 | 1,242 |
| 3. Design Fees | 0 | 2,236 | 5,219 | 0 | 7,455 |
| 4. Project Management | 0 | 0 | 3,777 | 0 | 3,777 |
| 5. Construction Costs | 0 | 0 | 95,252 | 0 | 95,252 |
| 6. One Percent for Art | 0 | 0 | 100 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 14,081 | 0 | 14,081 |
| 9. Inflation | 0 | 0 | 33,397 | 0 | 33,397 |
| **TOTAL** | **0** | **3,478** | **151,826** | **0** | **155,304** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,478 | 151,826 | 0 | 155,304 |
| **State Funds Subtotal** | 0 | 3,478 | 151,826 | 0 | 155,304 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,478** | **151,826** | **0** | **155,304** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,478 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# OET Data Center Consolidation Predesign & Design

**2008 STATE APPROPRIATION REQUEST:** $5,635,000

**AGENCY PROJECT PRIORITY:** 12 of 12

**PROJECT LOCATION:** locations in Metro Area and in greater MInnesota

**Project At A Glance**

- Provide high security, redundant data centers for state operations. One facility to be located in the metro area and one to be located out-state (locations to be determined).
- Provide backup disaster recovery capability for agencies, higher education, and local government.
- Distribute computing burden for greater stability and reliability.
- Support consolidation of multiple existing agency data centers for greater efficiency.

**Project Description**

The Office of Enterprise Technology (OET) will develop two Tier III data centers to service the state and other public agencies and levels of government. These data centers will provide load-balancing capability for high-security disaster recovery "hot sites" and service centers for clients. They will also allow for data center consolidation and/or co-location of executive branch data centers, many of which lack the security and redundancy to protect state information assets and program operations.

"Tier III" is an industry classification signifying a highly secure and well-supported data center appropriate for a state or corporate enterprise data center. Currently only a very few of the newest data centers in the state are rated as high as Tier I or II.

One of the data centers will be located in greater Minnesota and the other, which will replace the current Centennial Office Building data center, in the metro area. Separating the sites from one another and from the Capitol Complex will enhance security and reduce the impact of a catastrophic event on operations.

The sites will replace most of the current contracted "hot," "warm" (a location that is already equipped and running and to which data can be transferred), and "cold" (a location that available, but must be made operational in an emergency) sites used by various agencies and other entities. The new, consolidated data centers will provide economical "failover" and disaster recovery capability for agencies currently lacking that function. For other entities using the facilities, service level agreements and use contracts will govern the costs and services.

The state will need a staged implementation and migration plan over multiple years. This funding request covers the predesign and initial design phase of this effort, and will develop the specific site requirements and possible locations for the new data centers. Given that that the two centers will have nearly identical requirements and capabilities, design costs will be kept to a minimum.

Authority for this disaster recovery responsibility is provided by M.S. Chapter 16E and by Executive Orders for disaster recovery and state information management.

The argument for consolidation of many small data centers was made in the Drive to Excellence business case (2004), and advanced in the Enterprise Master Plan for Information Management (February 2007), and in a more detailed consolidation business case prepared by a steering team of agency CIOs (September 2007). National public and private sector best practices in this area affirm the recommended direction. Preliminary discussions with higher education systems and with county governments indicate support for contractual arrangements that will allow these organizations to use the sites for their own disaster recovery purposes.

Objectives of this project:

- Improved security for data centers, equipment, and information
- Creation of a state "hot site" for business continuity for agency, state, and related computer systems
- Improved reliability and access on 24x7 basis
- Common infrastructure architecture

- Reduced facilities and operational costs for staff, services
- Reduced acquisition cost for capacity and equipment
- Provision of load balancing and redundancy
- Improved interoperability of applications and data
- Availability for sharing with other jurisdictions and levels of government

Information has always been the core of all government operations. Now, as more and more agencies move their essential services to the Internet, the need for secure, reliable 24x7x365 operations to maintain and protect that information is absolutely critical.

Protecting data involves both the strong capability to continue or restore operations whenever such situations arise, and sufficient redundancy to sustain uninterrupted operations during routine maintenance and upgrades.

**The Current Situation and Need**

According to a recent survey of 35 Minnesota state entities, current information management resources are dispersed across 70 locations. In addition to the inefficiencies and duplication associated with operating these multiple data centers, most of the existing data centers lack adequate security, disaster recovery, business continuation preparedness, back-up, power, or cooling resources, and are therefore unprepared to effectively protect the data entrusted to their care.

As a foundation to enterprise security, the state's data facilities must be managed to high cyber security standards, including the ongoing upgrade of protection and detection capabilities on all servers.

Government applications with little or no tolerance for disruption require a data center equipped to minimize downtime, ranging from the failure of a device or power, to the catastrophic loss of a facility. The data center, as well as each failure point within it, needs failover or disaster recovery capability.

- Only 10 percent of state locations are attended 24x7x365
- 90 percent of the state's servers and critical data are in facilities with substandard availability and security
- Very few have a back-up location for continuing operation in the case of a disaster without serious interruption of services
- None of the data centers and few applications offer automatic failover to another location in case of a local disaster

Currently, fewer than 30 percent of the state's data centers have business continuation plans, and of those, only a few have tested these plans, or have identified a "hot site" (a backup location that is running 24/7/365) that will enable them to continue operations. The cost for such services is beyond the financial capacity of most agencies. In practical terms, this means data is backed up, but there is no immediate arrangement for restoring it and continuing operations without significant interruptions.

This proposal is to consolidate the request for the predesign study for the two data centers with funding for design of both of two essentially identical data center facilities in an accelerated process.

**The Need for Predesign and Design Funding**

Under traditional Predesign/Design/Build processes in successive capital budget sessions, a calendar for final completion and implementation of the Data Center project could easily be delayed until FY 2018. During this extended time frame, the state will be at continued risk of significant financial and operational losses due to business interruption under any number of scenarios for natural or manmade events. Combining the requests for predesign and design accomplishes several positive outcomes:

- Reduces the window of risk exposure by a minimum of two years and conceivably up to six years, depending on legislative decisions.
- Leverages the investment in program knowledge and special engineering consulting to complete design for both of the identical data centers to reduce design costs.
- Ensures proper accountability for project direction and outcomes by a unitary approach to project governance and development.
- Reduces by as much as $12 million (or 30 percent) the inflation factor for total project cost with conventional sequencing.
- Allows for acceleration of the financial and operational benefits of consolidation of data center operations by up to four years.
- Takes advantage of current market conditions if purchase of property is necessary.

Similar advantages could occur under a design/build project method, and even more by combining and accelerating the process. However, the cost and complexity of this project suggest that the recommended course of action, which preserves the decision point before construction, is the more successful and responsible approach.

**Impact on Agency Operating Budgets**

It is anticipated that the long-term cost savings associated with ownership and increased opportunities for shared services will be realized, and the impact on participating state and local agency operating budgets will be a reduction in costs following construction, outfitting, and relocation.

**Other Considerations**

In addition to the security, business continuation, capacity and data center consolidation benefits, this initiative will allow a significant amount of space in Centennial Office Building to be converted to the more appropriate office uses for which it was designed.

The greater Minnesota location will provide a number of technology jobs at that location for data center operation, equipment and software maintenance, and site management. The metro site staffing will largely be relocated from the Centennial building and from current agency data centers.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 1,250 | 500 | 0 | 1,750 |
| 2. Predesign Fees | 0 | 600 | 0 | 0 | 600 |
| 3. Design Fees | 0 | 3,405 | 4,107 | 702 | 8,214 |
| 4. Project Management | 0 | 380 | 3,097 | 2,717 | 6,194 |
| 5. Construction Costs | 0 | 0 | 48,629 | 48,629 | 97,258 |
| 6. One Percent for Art | 0 | 0 | 150 | 150 | 300 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 45,692 | 45,692 | 91,384 |
| 9. Inflation | 0 | 0 | 24,011 | 35,730 | 59,741 |
| **TOTAL** | **0** | **5,635** | **126,186** | **133,620** | **265,441** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,635 | 126,186 | 133,620 | 265,441 |
| **State Funds Subtotal** | 0 | 5,635 | 126,186 | 133,620 | 265,441 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,635** | **126,186** | **133,620** | **265,441** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,635 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Administration, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| DOT Building Exterior Restoration | 1 | $18,197 | $0 | $0 | $18,197 | $18,197 | $0 | $0 |
| Property Acquisition | 2 | 2,325 | 0 | 0 | 2,325 | 2,325 | 0 | 0 |
| State Capitol Building Restoration | 3 | 63,900 | 89,800 | 86,200 | 239,900 | 15,400 | 75,000 | 75,000 |
| LRT Impact Study | 4 | 350 | 0 | 0 | 350 | 0 | 0 | 0 |
| Energy Efficiency/Carbon Emission Reduction Initiatives | 5 | 5,000 | 5,000 | 5,000 | 15,000 | 0 | 0 | 0 |
| Statewide CAPRA | 6 | 6,000 | 6,000 | 6,000 | 18,000 | 3,000 | 3,000 | 3,000 |
| Capitol Complex Security Upgrades | 7 | 750 | 0 | 0 | 750 | 0 | 0 | 0 |
| Predesign for State EOC and DPS/DOC bldg | 8 | 1,000 | 0 | 0 | 1,000 | 500 | 0 | 0 |
| Agency Relocation | 9 | 200 | 0 | 0 | 200 | 0 | 0 | 0 |
| Governor's Residence Predesign | 10 | 75 | 0 | 0 | 75 | 0 | 0 | 0 |
| Environmental Campus Planning & Design | 11 | 3,478 | 151,826 | 0 | 155,304 | 0 | 0 | 0 |
| OET Data Center Consolidation Predesign & Design | 12 | 5,635 | 126,186 | 133,620 | 265,441 | 0 | 0 | 0 |
| Ford Building Renovation | | 0 | 17,100 | 0 | 17,100 | 0 | 0 | 0 |
| History Center Window Replacement | | 0 | 775 | 0 | 775 | 0 | 0 | 0 |
| **Total Project Requests** | | $106,910 | $396,687 | $230,820 | $734,417 | $39,422 | $78,000 | $78,000 |

**At A Glance**

- Leads the state's Drive to Excellence government reform initiative.
- Coordinates state vehicle fleet activities as leader of the Governor's SmartFleet Committee.
- Oversees more than $1.8 billion in annual state purchases.
- Manages over 450 building projects valued at more than $260 million.
- Manages nearly 900 leases for 3.7 million square feet of space.
- Maintains the State Capitol and state buildings and grounds in the Capitol area.
- Provides population statistics, pyramids, and maps through the Datanet online information service.
- Processes more than 20 million pieces of mail and 3.3 million warrants and checks annually.
- Manages the acquisition, storage and disposal of surplus government property, generating $7.5 million in revenue for state and local government agencies in FY 2007.
- Serves as state government's in-house management consulting and training organization, and the state's central clearinghouse on data practices.
- Operates as the state's internal risk manager and insurance company, providing property and casualty insurance coverage.

**Agency purpose**

The mission of the Department of Administration (Admin) is to help its customers succeed. Admin assists agencies in achieving their organizational and strategic goals by offering valuable services, products, advice, and expertise. Admin strives to reduce costs by working across government, to be recognized for its innovation and efficiency, and to offer an environment in which people thrive and enjoy their work. Among its fundamental strategic objectives is developing and fostering an "enterprise" vision for state government as outlined in the state of Minnesota's Drive to Excellence government reform initiative.

The department operates under the principles of results-based management. Results-based management is an approach that integrates strategy, people, resources, processes, and measurements to improve decision-making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning and changing, and reporting performance. Details are available on the department's website at www.admin.state.mn.us/admin_operations_planning.

The department continues to evolve as the needs of its customers change. Reflecting the symbiotic relationship between the space needs of state agencies and the design and construction of those spaces, Admin in 2007 created the office of Real Estate and Construction Services through the merger of its Real Estate Management Division and the State Architect's Office. This streamlined and refocused component is responsible for enterprise-wide space planning, lease management, construction project management, and real property acquisition and disposal. The department also realigned its Surplus Services Unit with its Travel Management Division, forming Fleet and Surplus Services. This new organization streamlines the process of vehicle acquisition and disposal for state agencies and particularly smaller agencies and local governments with vehicles provided by Admin through a long-term lease program.

**Core functions**

Admin provides a diverse range of business management, administrative, and professional services, and a variety of resources to government agencies, local governments, and the public. The agency strives to assure that its customers have the facilities, tools, resources, and information necessary for achieving their objectives.

**Operations**

Admin's operations are categorized into three general areas:

***State Facilities Services*** oversees policy and direction with respect to the management of the state's real property, comprising land, buildings, and physical plant; provides services related to the construction, maintenance, and repair of approximately 30 million square feet of state-owned space; leases buildings; directly manages Capitol Complex facilities and parking; coordinates recycling and energy conservation efforts; mail processing; and serves as the state architect.

***State and Community Services*** includes a variety of services and information resources for state and local governments, the business community, and the public. These include vehicle leasing and fleet management; information policy analysis; demographic and census information; geographic information systems; the state archaeologist; and administrative support for the Environmental Quality Board.

***Admin Management Services*** consists of six business units. Materials Management provides leadership for the Drive to Excellence Strategic Sourcing Project through its work as the state's primary purchasing organization. Its specific duties include goods and services purchasing, professional/technical contracting oversight, and operations of Office Supply Connection, and Minnesota's Bookstore. Management Analysis and Development is state government's in-house business consultant. The Governor's Council on Developmental Disabilities advocates for persons with disabilities and families of persons with disabilities. The STAR Program helps Minnesotans with disabilities gain access to and acquire technology they need to live, learn, work, and play. Financial Management and Reporting is the agency's budgeting and accounting office and provides financial support services to a number of small boards and councils. Human Resources manages the agency's human capital needs and supports several other agencies, including the Office of Enterprise Technology. Management Services also encompasses the operations of the Office of Commissioner, including performance management, and legislative and communications functions.

**Key Performance Measures**

The agency has established four fundamental management goals:

- Reduce the cost of government services and products available to government agencies.
- Enhance customer relationships by reducing response times and increasing customer interaction.
- Increase the effectiveness and efficiency of services available through the agency.
- Provide services and products that demonstrate state government's commitment to effective environmental stewardship.

Details on how the agency is performing in relation to these goals are available on the governor's department results website, www.departmentresults.state.mn.us.

**Budget**

Admin is funded through a variety of sources including general, special revenue, federal, gift, and internal service/enterprise funds.

***Internal service/enterprise funds*** are the largest source of money for the agency. Internal service funds raise revenues through fees charged to users of primarily internal support services such as insurance, fleet management, consulting, office supplies, mail services, and facility leases. These activities prepare annual business plans and develop rate structures for product and service offerings. Enterprise funds are generated through the purchase of goods and services by government entities and the public. They include the bookstore, surplus property, and purchasing cooperatives.

***General Funds*** are primarily used for operations with statewide significance including procurement, energy management, resource recovery, real estate and construction services, information policy analysis, geographic data coordination and documentation, central mail delivery, and pass-through grants.

***Special revenue funds*** are fee-based and include land management information services, parking, and the state employee commuter van service.

***Federal and gift funds*** comprise the smallest segment of the agency's funding. The Developmental Disabilities Council and the STAR Program secure federal funds through the U.S. Department of Health and Human Services and the U.S. Department of Education. Gift funds are donations accepted for the Governor's Residence Council.

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For information on how this agency measures whether it is meeting its statewide goals, please refer to: www.departmentresults.state.mn.us.

**At A Glance: Agency Long-Range Strategic Goals**

- Provide services, products, expertise, and advice that help state government fulfill its mission of serving citizens.
- Provide safe, secure facilities and space that, over its lifetime, efficiently and effectively serves customers, employees, and citizens.
- Protect the safety of employees and the public and guard the state's investment in facilities by ensuring timely, cost-effective maintenance, repairs, and renewal.
- Lead the cross agency Drive to Excellence Real Property team to improve the tracking, reporting, management, and decision-making for the state's 5,000-plus buildings and associated land.
- Leverage opportunities for acquiring property at the lowest possible cost.
- Provide functional, effective, and energy efficient work environments that enhance employee productivity, encourage agency co-location, and maximize opportunities for shared space.
- Promote commuting options that leverage existing and planned transportation systems, including light-rail transit and employee and public parking in the Capitol Complex.

The mission of Minnesota's Department of Administration (Admin) is to help its state-agency customers succeed in fulfilling their diverse missions of serving citizens. Among the department's strategic objectives are ensuring the wise use, allocation, and maintenance of existing structures; supporting sustainable investment in new facilities; and conserving natural and economic resources through resource recovery, the wise use of energy, and sustainable design.

Toward these objectives, Admin is the sponsoring agency of the Real Property project of the Drive to Excellence state-government reform initiative. The Drive to Excellence, launched by Governor Pawlenty in April 2005, envisions the evolution of state government from an organization of relatively independent agencies into an organization in which these individual components think and act as an enterprise. The multi-agency Real Property project team is currently working toward the development and implementation of an enterprise governance structure and web-based information system for managing the state's 5,000-plus buildings and associated land.

Although the state Executive Branch conducts an analysis of infrastructure needs through its Facilities Condition Audit, it currently lacks uniform real property information management methods and tools. The absence of this information presents significant challenges to policymakers' ability to analyze infrastructure needs and plan accordingly at an enterprise level.

The Real Property project will begin with modules that focus on consolidating and standardizing space management, facility condition assessment, and building operations. Once implemented, the system will enable policymakers to better conduct thorough analyses of the state's infrastructure needs, including comprehensively addressing an estimated $435 million in deferred maintenance for the facilities under the custodial control of state Executive Branch agencies (excluding Minnesota State Colleges and Universities).

**Facilities Management and Capital Project Planning and Budgeting**

In addition to its work in implementing the Real Property project, the following factors influence the department's approach to facilities management and capital project planning and budgeting:

- Deteriorating and/or failing infrastructure
- Life/safety and code compliance
- Sustainability and energy efficiency
- Capitol Complex land availability and optimum use
- Space/program requirements
- Central Corridor light-rail transit development
- Emergency repair and hazardous materials abatement

In fulfilling its mission, Admin offers a variety of services to ensure customers safe, secure, and efficient facilities and space. These services include space evaluation and design; construction project management; facility management, maintenance, repair, and renovation; lease management; property acquisition and disposal; and relocation. Recent examples include:

- Relocation of the Office of Administrative Hearings from leased space in downtown Minneapolis to the state-owned Stassen Building, lowering occupancy costs $4.5 million over 10 years.

- Disposal of surplus real estate, including Department of Human Services Regional Treatment Centers (RTC). This involved extensive community-based re-use planning for properties in Willmar, Brainerd, and Fergus Falls. Similar work is continuing at Ah-Gwah-Ching RTC in Walker.
- Planning, construction, and expedited delivery of a bio-safety level 3-ag laboratory facility for the Department of Agriculture at the State Lab building.
- Three-year, $8 million renovation of the Veterans Services Building, including the removal of hazardous materials and modernization of mechanical, communications, security systems, offices, and common spaces.
- The "Saving Energy" initiative, launched by Executive Order in 2005, calling for a 10 percent reduction in energy consumption in state-owned buildings, based on 2005 benchmarks. In 2006, agencies reduced energy consumption 4.8 percent in buildings subject to the Executive Order, avoiding $1.25 million in energy costs. Without additional financial investments, continued energy reduction opportunities are limited.

**Deteriorating and/or Failing Infrastructure**
Admin manages 22 buildings, 23 monuments/memorials and 28 parking facilities, located primarily in and near the Capitol Complex. Deferred maintenance at these facilities, based on the 2007 Facilities Condition Audit, is estimated at $190 million. Of particular concern to the department are:

The ***Department of Transportation Building on John Ireland Boulevard***, where the support system for the exterior granite panels has deteriorated to the point that the panels are compressed against one another and causing the edges to crack and spall. As this condition worsens, pieces may fall to the ground, endangering pedestrians and property. Continued deterioration could also lead to an entire panel falling from the building. Interim protective measures have been implemented, at a cost of $697,250, in response to a Department of Labor and Industry and city of Saint Paul, building code citation against the building (see the discussion of Life/Safety and Building Code Compliance, below).

The ***State Capitol***, which requires significant modernization of its heating, ventilation, and air conditioning (HVAC) plant; lighting; technological systems; security; and visitor facilities, including restrooms and accessibility compliance.

The ***Governor's*** **Residence**, donated to the state in 1965, which is in need of a comprehensive review to fully determine the suitability and improvements required of the building and grounds to meet programmatic needs.

**Life/Safety and Building Code Compliance**
Ensuring compliance with building codes, life/safety codes, and the Americans with Disabilities Act is an ongoing effort. Code compliance is a significant issue with the DOT building, the State Capitol and the Governor's Residence. On 5-18-2007, the city of St. Paul and the Department of Labor and Industry issued an order for the abatement of "the unsafe and potentially hazardous conditions pertaining to the granite exterior cladding" of the DOT building. Studies of the Capitol have determined that mechanical systems are at risk of catastrophic failure, air quality is marginal and areas of the building are inaccessible to persons with disabilities. Portions of the Governor's Residence are of limited use because of accessibility and code compliance issues.

The department continuously evaluates life/safety and security needs throughout the Capitol Complex, a process heightened following the events of 9-11-2001. In 2006, the Minnesota National Guard conducted Full Spectrum Integrated Vulnerability Assessments of all Capitol Complex facilities. These assessments now serve as a guide for addressing the most critical vulnerabilities, including standoff zones and vehicular and personal access, in Capitol Complex buildings.

**Sustainability and Energy Efficiency**
The 2001 Minnesota Legislature established a goal of reducing energy consumption in public buildings by 30 percent. Charged with implementing the legislation, the departments of Administration and Commerce initiated a conservation benchmarking program for the 10,000-plus public buildings in the state and developed the state's Sustainable Building Guidelines, which were updated in 2006. The designs for the new Andersen, Freeman, and State Lab buildings on the Capitol Complex utilized the "beta" versions of these guidelines, which included the 30 percent energy efficiency goal. In 2001, Admin also implemented sustainability guidelines for minor additions and renovation projects.

State government, as a major consumer of energy, can effectively reduce energy costs through an aggressive conservation strategy. In addition, the 2007 Legislature adopted significant targets for carbon emissions reduction. The Saving Energy program is realizing modest reductions in energy consumption, but has likely reached a threshold in which additional reductions aren't possible without commensurate investments.

**Capitol Complex Land Scarcity**
The 1998, 2000, and 2002 Minnesota Legislatures appropriated funds for the acquisition of land and options for land in the Capitol Complex for properties meeting current or future state development needs. Land available for this development in and surrounding the Capitol area is rare; furthermore, the state typically only considers land purchases when there is a willing seller. This scarcity of land can have a profound effect on state government's ability to serve citizens. One such parcel at 639 Jackson Street in Saint Paul, is the subject of a capital budget request for property acquisition.

**Space/Program Requirements**
Space and program requirements of state government have evolved from the old standard of equating office size, location, and amenities with the individual's position in the organization, to one that focuses on providing efficient space that supports job functions and the sharing of space.

Sustainable design is key to this new paradigm. Natural light, good indoor air quality, and comfortable ambient indoor air temperatures help reduce absenteeism and turnover, and increase productivity. Sustainable design is dynamic and addresses changing needs economically and efficiently. New building designs address the legislature's energy efficiency mandate, while Admin continues to seek opportunities for reducing energy consumption in existing facilities through retrofit projects.

**Central Corridor Light Rail Transit Development**
The proposed development of the Central Corridor Light Rail Transit (LRT) system along University Avenue and Robert Street potentially offers significant benefits for people who work in and visit the Capitol Complex. The design/construction of the Freeman Office Building and the State Lab Building anticipated LRT on Robert Street. Looking forward, the Central Corridor line also poses some unique challenges for the state. Admin has established three objectives regarding the relationship between the Central Corridor LRT and the Capitol Complex:

- Achieve full and seamless integration of the LRT system with Capitol Complex facilities.
- Develop operational strategies for employees and visitors that encourage the use of LRT.
- Identify facilities and land necessary to support the state's long-term staffing needs and program objectives as well as leverage LRT development.

**Emergency Repair and Hazardous Materials Abatement**
Although agencies typically anticipate asset preservation projects and seek funding through their agency's capital budgeting process, unforeseen events or conditions require immediate remediation. The Capital Asset Preservation and Repair Account (CAPRA), created in 1990, is a statewide program specifically for these situations. Until 2004, CAPRA also funded non-recurring, small repair and maintenance projects typically in the range of $25,000 to $350,000. Individual agencies now request funds directly for these small projects in their asset preservation requests.

**Agency Process Used to Arrive at These Capital Requests**
The department is concentrating its efforts on preserving state assets while watching for opportunities that would align with the state's *Strategic Plan for Locating State Agencies* as well as the program needs of state agencies.

For this budget cycle, Admin evaluated previous capital proposals, the state Facilities Condition Audit and other materials, and held discussions with other agencies regarding their capital needs. Admin also reviewed its CAPRA request with affected agencies. Projects were ranked based on the following priorities:

- Facilities with significant life/safety and/or code issues
- Facilities with a compelling need for repairs or maintenance
- Projects that offer long-term economic advantages for the state of Minnesota
- Requests that help realize Admin's mission of helping its customer succeed

**Admin Capital Projects Authorized in 2006 and 2007**

Asset Preservation – $5 million
CAPRA – $4 million

**2008 STATE APPROPRIATION REQUEST:** $18,197,000

**AGENCY PROJECT PRIORITY:** 1 of 12

**PROJECT LOCATION:** 395 John Ireland Boulevard, Saint Paul

**Project At A Glance**

$18.197 million to replace the structural support system for the 1,200-pound granite panels on the exterior of the Department of Transportation (DOT) building located in the Capitol Complex.

**Project Description**

This request is for $18.197 million to replace the structural support system, and repair and re-anchor the façade, of the DOT building located at 395 John Ireland Boulevard on the Capitol Complex.

Deterioration of the support system for the granite panels on the exterior of the DOT building is a life-safety issue. Without repairs spalled pieces of granite and entire granite panels will fall. The panels sit on a steel angle, which has a welded rod fitting into a slot on the bottom of the panels. The rod, along with lateral stone anchors, holds the granite in place. The original angles were 3/8 inch thick; at this time the rusting has caused some of the angles to expand to almost an inch thick. This expansion is lifting each of the granite panels to the top of its retaining slot, adversely impacting the ability of the slot to hold the panel to the wall. The upward force is also compressing the top of the panel against the sill above, damaging the sill and causing the granite to crack and spall. In addition to the expansion caused by the rusting, it is estimated that up to 30 percent of the load-bearing capability of the angles has been lost.

The movement of the panels is greatest during the winter, when water behind the panels freezes and pushes on the panel. The Department of Administration (Admin) began monitoring the movement of 25 panels during the winter of 2004-2005. Despite a mild winter with little precipitation, the monitoring documented movement of the panels. This confirmed the failure of the system. The stone anchors located on both sides of the panels no longer provide lateral support, and, more significantly, the toe-rod welded to the horizontal leg of the shelf angle no longer engages the groove in the bottom of the panels.

Admin continued monitoring through the winter of 2005-2006. Additional panel movement was identified and although an immediate repair was not required, our consultant acknowledged that “the observed movements confirm that the façade panel supports do not provide adequate restraint to resist the environment forces and the force caused by the development of rust on the shelf angles. A restoration of the façade support system is required to prevent the eventual failure of a panel”. The most recent monitoring update, from 12-8-2006, indicates that:

- Spalling of panels has occurred at numerous locations.
- Formation of rust and delamination of the support angles has occurred throughout the façade.
- Sealant joints are no longer watertight.
- On the west elevation where exterior stone panels were removed, severely rusted vertical I-beams, which provide support for the curtain wall frame, were revealed.

Work to repair and secure the panels would involve removing them, replacing the angles and clips, installing additional flashing and weeps, repairing damage caused by the movement to adjacent sills and metal panels, and reinstalling the panels.

The biggest cost item is the removal and reinstallation of the three-inch thick, 1,200-pound panels. In an effort to minimize this, Admin reviewed a number of options, including working with the panels in place, cutting them in half to reduce the weight, and replacing them with another type of panel and recycling or selling the granite. Unfortunately, none of these options have proved to be more cost effective or feasible.

The state needs to do this work now, before a catastrophic failure and a panel or a piece of a panel falls. Each year of additional rusting and resulting shifting of the panels increases the risk they will fall. As a safety precaution, fencing has been installed at key pedestrian areas around the perimeter of

the building. In addition, cribbing and protective structures have been installed to protect the roof and the mechanical equipment on the roof from damage from the spalling granite.

Admin made the initial request to fund this project in the 2002 capital budget. Subsequent requests were made in 2004, 2005, 2006 and 2007. The 2006 transportation bill, and the 2007 bonding and transportation bills, each included funding for the project but did not become law.

**Impact on Agency Operating Budgets**

In as much as the DOT building is structurally sound and significant interior improvements have been made, the retention and preservation of this asset is appropriate stewardship of state resources. The net lease rate for DOT will not be affected since debt service on the improvements will be paid by the trunk highway fund.

**Previous Appropriations for this Project**

There has been considerable renovation work done to the interior of the DOT building. Between 1992 and 1998 approximately $44 million was appropriated to address life safety and environmental deficiencies, update electrical and mechanical systems to meet changing occupant needs, abate hazardous materials, and provide for technological improvements.

**Other Considerations**

Local fire/safety codes citations in the 1980s prompted significant appropriations for renovation of the DOT building over the past decade. Subsequent interior renovations have now corrected the infractions. Once those life/safety issues were addressed, the legislature appropriated funding in FY 1998 to tuck-point the exterior. It was during the course of that work that workers discovered the problems to be addressed by this request.

The condition of the angles continues to deteriorate. If the work contained in this request is not done in the near future, either an angle will fail, or water freezing behind the panels will push one of them off of its retaining slot. In either case, a 1,200-pound panel will fall. On 5-18-2007, the Department of Labor and Industry and the city of St. Paul issued a citation on the building, finding “unsafe conditions that in all probability will lead to hazardous conditions if not addressed,” and stating that it is not a question of whether they will become hazardous, but when. Abatement of the condition was formally ordered, “to ensure that the building can continue to be occupied and used in a safe condition.” Additionally, our basic and reinsurance policies on the building now exclude coverage for any event related to panel support failures.

The DOT building is a significant presence on the Capitol Complex. Its preservation is in keeping with the long-range strategic plan of both Admin and the Capitol Area Architectural and Planning Board. It is anticipated that completion of this work would allow the continued use of the building for the next 30 years.

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB views this request as the most critical life-safety issue on the Capitol Complex. After five requests over six years unfunded, the CAAPB is gravely concerned over the DOT building's rapid exterior deterioration and unsafe conditions citation.

The CAAPB fully supports the urgency of the Administration Department's plans in the re-facing of the DOT building with the restored panels currently in place, after the necessary structural repairs are made.

**Governor's Recommendations**

The governor recommends trunk highway bonding of $18.197 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 556 | 0 | 0 | 556 |
| 4. Project Management | 0 | 20 | 0 | 0 | 20 |
| 5. Construction Costs | 44,108 | 16,980 | 0 | 0 | 61,088 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 641 | 0 | 0 | 641 |
| **TOTAL** | **44,108** | **18,197** | **0** | **0** | **62,305** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| Trunk Hwy Fund Bonding | 44,108 | 18,197 | 0 | 0 | 62,305 |
| **State Funds Subtotal** | 44,108 | 18,197 | 0 | 0 | 62,305 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **44,108** | **18,197** | **0** | **0** | **62,305** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 2,314 | 2,314 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 2,314 | 2,314 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 2,314 | 2,314 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Property Acquisition

**2008 STATE APPROPRIATION REQUEST:** $2,325,000

**AGENCY PROJECT PRIORITY:** 2 of 12

**PROJECT LOCATION:** State Capitol Complex - 639 Jackson Street

**Project At A Glance**

This request is for $2.325 million, to be combined with existing appropriations, to acquire an available property in the Capitol Complex, located at 639 Jackson Street, to meet existing needs and for possible future state development.

**Project Description**

In 2006, the Central Park United Methodist Church notified the department of the intent to sell the property located at 639 Jackson Street, St. Paul. The state of Minnesota and Central Park United Methodist Church entered into a purchase agreement, subject to an appropriation which was sought during the 2007 Legislative session. The 2007 bonding bill was not enacted, but the state of Minnesota was able to obtain an extension of that purchase agreement in order to seek funding during the 2008 Legislative session.

This funding will allow the state to perform due diligence activities (i.e. environmental, title, inspections, etc.), acquire the property, demolish the existing building on the property and develop temporary parking.

The Office of Administrative Hearings relocated to the Stassen Building in 2007 and has a significant need for visitor parking. In addition, the Departments of Agriculture, Health and Revenue all require visitor parking in the immediate area. Acquiring the property at 639 Jackson Street will provide approximately 90 additional parking stalls for customers served by these agencies.

**Impact on Agency Operating Budgets**

The 90 new parking stalls would be metered to provide parking for customers served by agencies located in the surrounding area. Rates will be set to recover the cost of debt service.

**Previous Appropriations for this Project**

In 1998, 2000, and 2002 funds were appropriated for acquisition of land and to purchase options in order to hold properties that meet state development needs. Funds totaling $855,322 have been encumbered for this purchase agreement and other related contracts. All other funds provided by these previous appropriations have been expended.

**Other Considerations**

Land available for development in and surrounding the Capitol Area is limited, and there is only a small window to capitalize on strategic opportunities to maximize the state-owned infrastructure located in the Capitol Area. Regions Hospital currently leases office and storage space at 639 Jackson Street. If the state fails to elect to exercise its first right of refusal, this property will likely be sold to a third party.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB supports this request as a good "interim" use.

**Governor's Recommendations**

The governor recommends general obligation bonding of $2.325 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 809 | 1,787 | 0 | 0 | 2,596 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 46 | 0 | 0 | 0 | 46 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 538 | 0 | 0 | 538 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **855** | **2,325** | **0** | **0** | **3,180** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 855 | 2,325 | 0 | 0 | 3,180 |
| **State Funds Subtotal** | 855 | 2,325 | 0 | 0 | 3,180 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **855** | **2,325** | **0** | **0** | **3,180** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,325 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $63,900,000

**AGENCY PROJECT PRIORITY:** 3 of 12

**PROJECT LOCATION:** State Capitol Complex

**Project At A Glance**

**The Department of Administration (Admin) requests the following funding from the 2008 Legislature: *$63.9 million for Phase I - North Vaults and South Stair Entry Construction*.** Phase I provides value-added improvements and is foundational to all subsequent phases. It includes new secure northeast and northwest underground mechanical vaults, a new south stair entry, expanded elevator service, dome tuck-pointing, and roof repair. Site work will include re-routing of Aurora Avenue and new landscaping on the northeast and northwest corners. It is also necessary that Phase I include tenant swing space design in order to prepare for dislocated tenants during the restoration work in future phases.

Pending a decision on swing space location, Admin anticipates requesting funding in an amount yet to be determined from the 2009 Legislature for the construction of swing space. Identification and design of the necessary tenant swing space will be determined during the early portion of Phase I. Construction of the swing space must be complete prior to the commencement of Phase II.

**Admin will request the following funding from the 2010 Legislature: *$89.8 million for Phase II - East Wing Restoration and Southeast Vault Construction*.** Phase II includes a new secure southeast underground mechanical vault, with tenant space above, to serve the east wing; the east leg of the new tunnel connection; and full restoration of the east wing. The restoration includes a comprehensive rehabilitation of all mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, elevators, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase II will utilize and build upon prior infrastructure construction from Phase I by completing the fit-out of the shell space under the south stair.

**Admin will request the following funding from the 2012 Legislature: *$86.2 million for Phase III - West Wing Restoration and Southwest Vault Construction.*** Phase III includes a new secure southwest underground mechanical vault, with tenant space above, to serve the west wing; completion of the new tunnel connection; and full restoration of the west wing. The restoration includes a comprehensive rehabilitation of all mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase III will utilize and build upon prior infrastructure construction from Phases I & II.

**Admin will request the following funding from the 2014 Legislature: *$68.0 million for Phase IV - North Wing and Rotunda Restoration.*** Phase IV includes full restoration of the north wing and Rotunda. The restoration includes a comprehensive rehabilitation of all elevators, mechanical, security, fire/smoke alarm and life-safety systems, and upgrades for the electrical system, technology, offices, hearing rooms, additional exit stairs, renovated office space, modernized security facilities and plant management areas. Phase IV will utilize the vaults constructed in Phase I and build upon prior infrastructure construction from Phases I, II & III.

**Background**

The 2007 Legislature appointed the Legislative Coordinating Committee (LCC) to facilitate a Capitol Restoration Working Group. The task for this working group was to build consensus for a restoration strategy. Although priorities emerged from this group that included the need to address the aged infrastructure of the building, no consensus for an overall restoration was reached.

Admin recommends a phased approach to the Capitol restoration, extending project funding over legislative sessions from 2008 to 2014. These four phases would span a 10 year time frame as follows:

| Phase | Restoration Area | Cost | Timeline |
|---|---|---|---|
| Phase I | North Vaults and South Stair Entry | $63.9 M | 2009-11 |
| Phase II | East Wing Restoration and Southeast Vault Construction | $89.8 M | 2011-13 |
| Phase III | West Wing Restoration and Southwest Vault Construction | $86.2 M | 2013-15 |
| Phase IV | North Wing and Rotunda Restoration | $68.0 M | 2015-17 |
| **Total** | | **$307.9M** | |

**Project Description**

The Minnesota State Capitol 2001 Predesign Study and the 2007 Predesign Update concluded that the Capitol lacks modern building infrastructure, and is deficient in security requirements and code compliance. The Capitol does not contain sufficient space to support the basic needs of the public and its current tenants. The 2001 Predesign Study of the Capitol recommended moving many of the current tenants into a new building or converted space that could accommodate more spacious hearing rooms and offices. The 2007 Predesign Update had a narrower mandate. Initial funding for that update included rider language that stated, "The design may not include any building outside the Capitol." (Laws 2005, Chap. 20, Art. 1, Sec. 14)

The 2007 Predesign Update led to the current four phase plan. Phase I, the foundational phase of the project, provides funding for completion of schematic design and design development for all phases; and construction of Phase I scope. It includes funding of professional services for architectural, engineering and specialty consultants and for the services of a construction manager to work with the design team to develop scheduling and costing.

The current funding request will provide documentation for establishing the Guaranteed Maximum Price for Phase I, the bidding of the project components and owner's costs associated with the management and implementation of this process. Phase I ensures continuity of the design effort for all phases.

The requested Phase I funding will provide for a modest but critically needed building expansion. The new construction of the north underground vaults will include secure drop-off and parking, secure loading dock facilities, improved site security, new landscaping and a rainwater cistern for irrigation. The south stair entry construction will provide a secure, handicapped accessible entry, visitor services including accessible restrooms, gathering area/welcome lobby, gift shop, security desk, and classroom/presentation space, and preparatory work for future tenant functions that may include additional office space and the shell for a multi-use 500 seat auditorium.

Phase I will also include urgent conservation work and asset preservation. This work will include dome tuck-pointing and roof replacement to address water infiltration, window replacement, repair of deteriorating balconies and stairs, replacement of air handling units at risk of imminent failure and lighting improvements. Capitol complex-related design work only, for swing space, tunnel security, and parking will also be included in Phase I.

The proposed project delivery method and schedule offer good investment value to the state, a minimum level of risk, and an organized construction process that solves current building deficiencies and prepares the Capitol for its next 100 years of use.

Most of the nation's Capitols are of similar age and face the same issue – existing mechanical systems are obsolete and well past their useful life. The Minnesota Capitol's heating, ventilation and air conditioning (HVAC) systems are grossly inefficient and do not provide an adequate number of fresh-air exchanges for a healthy work environment. In addition, balancing air for heating, cooling, and humidity is inconsistent and inadequate throughout the building. This proposal calls for replacing these systems in their entirety during Phases II, III, & IV. Lighting components are also failing at a rate that is cost-prohibitive compared to the cost of replacing this infrastructure.

Since 9/11, there is a heightened emphasis on security for building tenants, the public and the building itself. The Capitol, Minnesota's most public of state buildings, is no exception. Security improvements must be made for the building, its occupants, and visitors. The infrastructure and technology within the building, which provides the linkage for all state services, is extremely vulnerable.

The 2007 Predesign Update identified critical deficiencies and future needs of the building's infrastructure, handicapped adaptability, and code compliance. Code deficiencies that must be addressed include life-safety,

exiting, fire/smoke alarm, fire sprinklers, fresh air requirements, and restroom quantity.

**Impact on Agency Operating Budgets**

The design team, working with Admin, Capitol Area Architectural and Planning Board (CAAPB), local estimators, and the construction industry, reviewed concept plans and developed an estimated project budget and schedule. Using the proposed phased approach, the full comprehensive scope of the Capitol restoration is estimated to be approximately $223 million (in 2007 dollars); when extended, with construction starting in 2009 through mid-point of 2017 and with escalation factored in, it totals $308 million.

The design will address how to accomplish the restoration efficiently, with minimal disruption, while achieving the greatest value for the dollar. Cost and time efficiencies would be achieved by pursuing aggressive sequencing of the construction. Other states have proven that aggressive sequencing reduces costs. In fact, states that have attempted to break down their Capitol project programs into small phases have experienced dramatically increased budgets. Staggered construction over many more years loses virtually any cost efficiencies while increasing "construction fatigue" for both occupants and the public. This results in increased costs and jeopardizes team continuity.

The cost of this project would increase lease rates in FY 2012 and would affect state agency and in-lieu of rent appropriations. The department is in the process of calculating the impact of the project on the square-foot lease rate.

**Previous Appropriations for this Project**

In 2000, $300,000 was appropriated for the Capitol predesign. In 2005, appropriations were $1.2 million for schematic design for the full interior restoration of the Capitol, and $1.17 million for restoration of the paint, plaster, and other surfaces of the public corridors of the third floor. In 2006, $2.4 million was appropriated for continued design efforts, waterproofing of the exterior dome, and repainting of interior surfaces affected by water damage. In 2007, $250,000 was appropriated to the Legislative Coordinating Commission to facilitate the working group process.

Overall funding appropriated for the Capitol over the past two decades totals just over $47 million, at least half of which was committed to the exterior stabilization and security needs.

**Other Considerations**

This budget request is based on the current conceptual cost estimate and the conceptual design option. The cost numbers will be verified at numerous times throughout the project process. A "construction manager at risk" (CM at risk) project delivery method is recommended for the Capitol restoration project. With this delivery method, the construction manager, or CM, provides a Guaranteed Maximum Price (GMP) prior to initiating construction. This will provide the state a guaranteed cost for the project while minimizing risk. The CM will provide an updated cost estimate and the GMP for Phase I at the end of design development, which is scheduled to occur in early summer of 2009. Construction of Phase I is scheduled to begin in late fall of 2009. A phased project of this complexity will benefit from CM services that allow the construction process to move forward as efficiently as possible and mitigate price escalation, which can add approximately 7.7 percent of the project cost per year. If bonds are appropriated consistently every two years from 2008 to 2014, each step of construction can move forward smoothly and the state may seek cost advantage through the early pre-purchasing of materials whenever possible.

Continued operation of the Minnesota Capitol in its current condition is a constant threat to the building's integrity and life. Other states have acknowledged their state capitol buildings' needs for major restoration projects. The cost of these projects has ranged from $140 million to over $500 million (in 2007 dollars). Texas addressed restoration needs of their historic Capitol and also expanded into an annex, spending $287 million while vacating the building during construction. Other examples of Capitol project costs (with cost escalated to today's dollars for comparable mid-point construction) include:

- Kansas underway: $162 million **($248 million)**
- Michigan completed 1992: $58 million **($215.4 million)**
- Ohio completed 1996: $129 million **($355.4 million)**
- Texas completed 1993: $200 million **($610 million)**
- Utah underway: $210 million **($307 million)**

- Virginia underway: $83 million **($140 million)**
- Wisconsin completed 2001: $145 million **($286.5 million)**

This historic building is a matter of pride in the hearts and minds of Minnesotans. Thousands of citizens participated in the 2005 centennial celebration events. The centennial also noted the public's response to the visible deterioration of the building. While private sector support of the 2005 celebration activities was over $2 million, corporations and foundations also sent a clear message to organizers: future private funding would follow the lead of the governor and legislature in committing to the completion of the Capitol's restoration. Private funding of Capitol amenities or furnishings is highly dependent on the significance of the state's commitment to the full restoration program.

The Capitol is in critical need of repair and comprehensive rehabilitation. A plan exists to make these comprehensive repairs; address visitor access and amenities; attend to code deficiencies, inadequate fresh air and scarce restroom facilities; correct exiting deficiencies; and provide the additional space required for a functional government business. If unaddressed, the condition will affect how the people of the state participate in the government of their state.

**Project Contact Person**

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB fully supports this request as one of the most comprehensive approaches to fully address the needs of the State Capitol Building and the people of the State of Minnesota for the next century.

The CAAPB sees this request as absolutely critical, and would view anything short of such a comprehensive approach as just more of the same "band-aid" response to emergencies the state has appropriated over the past twenty-five years, which now threatens the core integrity of the building and its ability to continue to serve the people for many more years.

**Governor's Recommendations**

The governor recommends general obligation bonding of $13.4 million for critical preventive maintenance projects in the Capitol and $2 million for continued design and planning for the full restoration of the building. The predesign/design work would include analysis of additional options for moving some office space to alternative locations, which was not explored in the current plan. Also included are budget planning estimates of $75 million in 2010 and $75 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 95 | 0 | 0 | 0 | 95 |
| 3. Design Fees | 2,465 | 8,985 | 6,406 | 5,573 | 23,429 |
| 4. Project Management | 40 | 2,279 | 5,302 | 4,565 | 12,186 |
| 5. Construction Costs | 1,000 | 42,804 | 53,385 | 46,438 | 143,627 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 175 | 3,203 | 2,786 | 6,164 |
| 9. Inflation | 0 | 9,657 | 21,504 | 26,838 | 57,999 |
| **TOTAL** | **3,600** | **63,900** | **89,800** | **86,200** | **243,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,600 | 63,900 | 89,800 | 86,200 | 243,500 |
| **State Funds Subtotal** | 3,600 | 63,900 | 89,800 | 86,200 | 243,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,600** | **63,900** | **89,800** | **86,200** | **243,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 63,900 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# LRT Impact Study

**2008 STATE APPROPRIATION REQUEST:** $350,000

**AGENCY PROJECT PRIORITY:** 4 of 12

**PROJECT LOCATION:** State Capitol Complex

**Project At A Glance**

Study the impact and implications of the proposed Central Corridor LRT and associated land-use plans on access and Capitol Complex real estate (employees, visitors and vehicles), and develop a long range strategic plan for Capitol Complex facilities which fully leverages the opportunities created by these changes.

**Project Description**

The Department of Administration (Admin) is requesting funds to prepare a long range strategic plan for Capitol Complex facilities which incorporates the known and anticipated changes which will result from the construction of Light Rail Transit (LRT) line and the associated land use revisions along the University Avenue corridor.

**Background**

Admin previously contracted with URS Corporation in late 2001 for a Transportation Alternatives Study for the Capitol Complex. The purpose of the study was to devise alternative transportation strategies aimed at reducing the overall demand for parking on the Capitol Complex. The study, conducted in the fall of 2001, makes no reference, however, to the Hiawatha LRT line (opened in summer 2004) or the potential for the construction of the University Avenue LRT.

**New Challenges and Opportunities**

There are a number of projects currently in the planning stages which, when implemented, will have a profound impact on the Capitol Complex and the surrounding area.

- Subject to receiving the required funding from the legislature, the Metropolitan Council is prepared to initiate formal design of the Central Corridor LRT line which will link downtown St. Paul, via University Avenue, with the University of Minnesota and downtown Minneapolis.
- The city of St. Paul has been working aggressively for over a year with the help of a consultant to formulate a Central Corridor Development Strategy. That document establishes the city's vision and a set of strategies for how the Central Corridor should grow and change over the next 25-30 years in the response to the LRT investment.
- A major restoration project for the State Capitol is under consideration, which could potentially be taking place concurrently with the construction of the LRT line.

In light of these projects and their anticipated impact on the Capitol Complex, it is essential that a comprehensive study be undertaken to ensure the state:

- Achieves full and seamless integration of the LRT system with Capitol Complex facilities
- Develops operational strategies which encourage the use of LRT for employees and visitors
- Identifies facilities and land that will be needed to support long term staffing needs and program objectives

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

The CAAPB fully supports the current LRT plans serving the Capitol Complex and other parts of Saint Paul. Any strategic plan needs to be extensively coordinated with the CAAPB's *Comprehensive Plan for the Minnesota State Capitol Area* and provisions should be made to allow for compensation to the CAAPB should such work become extensive, as required by statute (Minnesota Statutes, chapter 15B).

In addition, as plans to respond to LRT in the Capitol Area advance, it would be one goal of the CAAPB to carefully examine parking in the Capitol Area, resulting in reduction and consolidation of surface lots so common in the area with properly sited and designed parking structures fully integrated into the campus.

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 350 | 0 | 0 | 350 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **350** | **0** | **0** | **350** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 0 | 0 | 0 | 0 |
| General Fund Projects | 0 | 350 | 0 | 0 | 350 |
| **State Funds Subtotal** | 0 | 350 | 0 | 0 | 350 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **350** | **0** | **0** | **350** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Energy Efficiency/Carbon Emission Reduction Initiatives

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 5 of 12

**PROJECT LOCATION:** State-owned facilties throughout Minnesota

**Project At A Glance**

The Department of Administration is requesting $5 million to create a source pool for funding capital projects that will generate energy efficiencies and/or reduce carbon emissions.

**Project Description**

State government is a major consumer of energy. Energy conservation is an effective means for reducing state costs related to increases in energy prices. In addition, legislation passed in the 2007 Session sets very aggressive targets for carbon emission reduction.

Long-term success in achieving expected reductions in both consumption and emissions will require capital investment in facility design, building systems and equipment, and operating processes and procedures.

As with past funding requests for statewide initiatives such as CAPRA (Capital Asset Preservation and Replacement Account) and building re-commissioning programs, this capital request involves the creation of a pooled source of funds to be used for energy efficiency/carbon emission reduction projects. High return projects and initiatives will be solicited from all agencies of state government and an evaluation process will be designed for use in assessing the value of each project both on absolute value and in relation to other competing projects.

The program will be jointly administered by the Department of Administration and the Department of Commerce.

Examples of the types of projects to be funded from an energy conservation capital pool include:

- Conversion of Direct Expansion (DX) cooling to chilled water. The impact would be to increase cooling efficiency, reduce electrical consumption, and reduce the cost of maintenance on existing DX cooling equipment.
- Establish or expand electrical metering capabilities.
- Conversion of stand alone pneumatic variable air volume controls to direct digital control (DDC) and incorporate into building automation systems. This would result in higher operational efficiency by having the ability to monitor, adjust, and schedule individual building spaces.
- Install energy efficient lighting and lighting control.

**Impact on Agency Operating Budgets**

A favorable impact is anticipated for participating agencies' operating budgets. Actual cost savings will depend upon the projects selected.

**Previous Appropriations for this Project**

There have not been any previous appropriations for this project.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| **State Funds Subtotal** | 0 | 5,000 | 5,000 | 5,000 | 15,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,000** | **5,000** | **5,000** | **15,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $6,000,000

**AGENCY PROJECT PRIORITY:** 6 of 12

**PROJECT LOCATION:** State-owned facilities throughout Minnesota

**Project At A Glance**

- Capital Asset Preservation and Replacement Account (CAPRA): $6 million in general obligation bond funds to support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

**Project Description**

CAPRA, established under M.S. 16A.632, is a statewide fund centrally managed by Admin for use by all state agencies. CAPRA funds support emergency repairs and unanticipated hazardous material abatement needs for state agency facilities.

*Please note: Individual state agencies make asset preservation capital budget requests to address known facility repair and maintenance needs of the facilities under their custodial control. Those should not be confused with this request. Higher Education Asset Preservation and Replacement, or HEAPR, funding is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and also should not be confused with this request.*

Projects that received CAPRA funding when the program started fell into three categories:

- Emergencies of all kinds
- Hazardous material abatement
- Non-recurring, small repair and maintenance projects ranging in cost from $25,000 to $350,000

As facility repair and maintenance needs outgrew the ability to be adequately funded by CAPRA, individual agencies began making capital budget requests for asset preservation. Projects done with these asset preservation funds were the same types of projects done with CAPRA funds, but generally had project costs of over $350,000.

Given the parallel nature of the asset preservation and CAPRA programs, the need to more efficiently plan, manage, and complete projects and the potential cost savings opportunities to bundle projects together, a decision was made in 2004 to limit the types of projects funded by CAPRA to only emergency and immediate needs, including unanticipated abatement. Agency asset preservation requests now fund eligible repair and maintenance projects costing between $25,000 and $350,000. The decision to limit the types of projects funded by CAPRA has decreased the amount of funding requested for CAPRA, and increased the amount of funding requested by agencies for asset preservation projects.

State agencies served by the CAPRA program in the past include Corrections, Employment and Economic Development, Human Services, Military Affairs, Minnesota Historical Society, Minnesota State Academies, Minnesota Zoological Gardens, Natural Resources, Perpich Center for Arts Education, Veterans Home Board, and Administration.

**Impact on Agency Operating Budgets**

CAPRA funding provides rapid financial assistance to agencies for emergencies and unanticipated abatement needs. This keeps agency funds available for ongoing operations and helps mitigate additional damage.

**Previous Appropriations for this Project**

Since the program was created in 1990, $79.9 million has been appropriated for CAPRA projects in state bonding bills.

Recent appropriations, of $3 million in 2005 and $4 million in 2006, are approximately 90 percent expended as of 9-30-07.

**Other Considerations**

This CAPRA request does not fund known agency repair and maintenance projects. Those types of projects are included in agency asset preservation requests, which are also important to fund. The amount of this request is based on historical spending as well as anticipated needs. Asset renewal continues to be an issue, and adequately maintaining state facilities is imperative to support the delivery of service to our customers, the taxpayers and citizens of Minnesota.

Although Admin has been projecting biennial CAPRA requests of $5 million which is based on historical emergency needs, we are requesting $6 million in 2008 due to recent requirements for significant funding related to the emergency work at the DOT building, the flooding in southeast Minnesota, and hazardous material abatement at the Moose Lake Correctional Facility.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 79,900 | 6,000 | 6,000 | 6,000 | 97,900 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **79,900** | **6,000** | **6,000** | **6,000** | **97,900** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 79,900 | 6,000 | 6,000 | 6,000 | 97,900 |
| **State Funds Subtotal** | 79,900 | 6,000 | 6,000 | 6,000 | 97,900 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **79,900** | **6,000** | **6,000** | **6,000** | **97,900** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $750,000

**AGENCY PROJECT PRIORITY:** 7 of 12

**PROJECT LOCATION:** State Capitol Complex

**Project At A Glance**

Security events around the country, coupled with the findings of the recently completed vulnerability assessments of the Capitol complex facilities conducted by the Minnesota National Guard, emphasize the need for greater security and control throughout the Capitol complex.

This request focuses on identification of design solutions and implementation of the highest priority vulnerabilities from the assessments, and seeks:

- $750,000 - Capitol Complex Security Upgrades
- $125,000 - Increase Capitol Complex Security Staffing

**Project Description**

The Department of Administration is requesting funds to support the design and implementation of access controls to enhance security at the State Capitol and the Centennial, Freeman, Health/Ag Lab buildings and the National Guard Armory complex. These plans respond to vulnerabilities identified by the Minnesota National Guard in their recently completed Vulnerability Assessment reports.

***Background:***
Following the events of 9-11-2001, numerous enhancements to the overall security and control of the Capitol Complex facilities were implemented. These actions, while effective, were not all encompassing. Beginning in early 2006, the Minnesota National Guard conducted full spectrum integrated vulnerability assessments of all Capitol complex facilities.

Each report contains structural, infrastructure, and emergency management assessments which provide a series of specific findings that fall into one of two categories:

*Vulnerability:* A situation or circumstance that, if left unchanged, may result in the loss of life or damage to mission-essential resources. Vulnerabilities are identified with respect to the characteristics of a system that cause it to suffer a definite degradation (incapability to perform the designated mission) as a result of having been subjected to natural or manmade events.

*Recommendation:* A description of a possible course of action that may be taken to reduce risk.

This capital request focuses on implementation of the highest priority "vulnerability" findings. Work funded by this request will include:

- Creating accurate exclusive and non-exclusive standoff zones for the State Capitol, parking Lots N and O, Senate Parking Lot B and the Centennial Office building (COB) parking ramp and adjacent vehicular lanes.
- Installing vehicular security gates and guard shacks (COB only). Access to these lots will be controlled either by use of the employee's identification badge or by a uniformed Capitol Security guard where provided. In addition, where access to such facilities is required by non-state employee vehicles (van pool vehicles, delivery vehicles, buses, etc.) when a guard is not present, Closed-Circuit-TV controls will be included.
- This request also seeks operating funding for Capitol Security guards (4.5 FTE) for the last six months of FY 2009, and assumes the Department of Public Safety will seek ongoing operating funding for these positions beginning in FY 2010.

**Impact on Agency Operating Budgets**

The cost of the Capitol complex security upgrades would be collected through the established rent process, with interest recovered over 20 years and depreciation over 10 years. Admin estimates that the lease rate in the State Capitol would increase by $.25 per square foot and the lease rates in the Centennial Office building, Freeman Office building and Agriculture/Health Laboratory would increase by $.09 per square foot.

The Department of Public Safety will seek ongoing operating budget authorization beginning in FY 2010.

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**Capitol Area Architectural and Planning Board (CAAPB) Review:**

While the CAAPB fully supports the goals of this request in assuring safety for all who use or come to the State Capitol Complex, there will likely need to be extensive review and cooperation between the Administration Department, other implementers, and the CAAPB in any plans for implementation that have a physical impact on the campus, or even more critical, on the State Capitol Building itself.

Provisions should be made to allow for compensation to the CAAPB should such review work become extensive, as required by Minnesota Statutes, chapter 15B.

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 20 | 0 | 0 | 20 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 730 | 0 | 0 | 730 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **750** | **0** | **0** | **750** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 750 | 0 | 0 | 750 |
| **State Funds Subtotal** | 0 | 750 | 0 | 0 | 750 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **750** | **0** | **0** | **750** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 125 | 500 | 500 | 1,125 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 125 | 500 | 500 | 1,125 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 125 | 500 | 500 | 1,125 |
| Change in F.T.E. Personnel | 4.5 | 0.0 | 0.0 | 4.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 750 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Predesign for State EOC and DPS/DOC bldg

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 8 of 12

**PROJECT LOCATION:** Metro Area

**Project At A Glance**

- A new joint State Emergency Operations Center and Department of Military Affairs facility to better coordinate the response to emergencies and disasters in a secure environment meeting the requirements of the U.S. Department of Homeland Security.
- Co-location of Department of Public Safety and Department of Corrections to help meet the increased demands for public safety and achieve efficiencies through co-location and shared services.

**Project Description**

The Department of Administration (Admin) is requesting funding to complete a predesign to address critical space needs for the Departments of Corrections (DOC), Military Affairs (DMA) and Public Safety (DPS).

The State Emergency Operations Center (SEOC) is currently housed in leased space in an office building located in downtown St. Paul. At present, many shortcomings exist in the suitability of this location for emergency management functions. The federal requirements for emergency operation centers include, but are not limited to, being located:

- Outside known risk areas, e.g. not near major rail lines that carry significant hazardous materials, in flood plains, or near hazardous chemical facilities, port security.
- 80 feet away from parking facilities.
- Not close to high rise or mid rise structures.
- Not in the midst of a congested area where traffic could impede response and recovery operations.

The current SEOC location does not meet any of these requirements.

Because of the events of 9-11-2001 and the predictable occurrence of natural and other disasters of major size and destructiveness, and in order to ensure that the state's preparations will be adequate to deal with disasters, protect the public peace, health, and safety, and preserve the lives and property of the people of the state, it has become even more important for the state to have an adequate facility for emergency management functions, in order to be able to coordinate responses to events to the maximum extent across federal, state, and local units of government.

There is already a high level of interaction between the DPS Homeland Security and Emergency Management Division (HSEM) and DMA related to emergency management functions. DMA is currently located in state-owned facilities on the Capitol complex. This request includes completion of a detailed study of the program and operational benefits to co-location of the HSEM and DMA.

DPS and DOC are currently housed in leased space in downtown St. Paul and at Energy Park, respectively. Increased demands related to public safety require a high level of interaction between DPS and DOC. Being housed in two separate locations makes it harder for these agencies to share ideas and meet basic work commitments, or innovate to meet future needs. Geographic separation provides a tangible barrier to cutting across agency "silos" to better meet the public safety needs and manage resources efficiently.

Other potential benefits to co-location include:

- Meets the state's strategic goal of increasing facility ownership to maintain long term cost control and acquire equity in the buildings that the state occupies.
- Meets the state's strategic goal to locate agencies in close proximity to each other which might benefit from sharing of resources, equipment, and space.
- Improves technology infrastructure and provides opportunity to more efficiently and effectively deliver programs and services through the use of technology.

- Provides opportunity to implement sustainable design strategies to improve building performance and reduce short-term and long-term operating and maintenance costs while mitigating adverse effects of the building on the environment.

From an operational standpoint, it may be desirable for all divisions of DPS to be co-located. However, because of the specific requirements of the U.S. Department of Homeland Security related to Emergency Operations Centers, the predesign study will evaluate both a combined facility and two separate facilities to determine the best approach to meeting the space requirements for the agencies.

**Impact on Agency Operating Budgets (Facilities Notes)**

Admin anticipates that long-term cost savings associated with housing state agencies in state-owned buildings and increasing opportunities for shared services will be realized. Admin also expects that the impact on participating state and local agency operating budgets will be a reduction in costs following construction, outfitting, and relocation.

**Other Considerations**

The U.S. Department of Homeland Security provides emergency preparedness grants to states and urban areas based on risk and their ability to implement the State Homeland Security Strategy to support the National Preparedness Goal. Implementation requires that states meet certain priorities and target capabilities. Two of these are Interoperable Communications and the Emergency Operations Center. The current SEOC is inadequate and cannot meet either of these capabilities. This inability could negatively impact the level of federal grant funding Minnesota receives in future years.

DMA is scheduled to receive $3.536 million in the FY 2008 Defense Construction Appropriation for directed design of a National Guard Joint Force Headquarter and Emergency Operations Center, to be located in Arden Hills, Minnesota. This funding is limited to meeting the requirements of the military for a National Guard Joint Force Headquarters and Emergency Operations Center. Predesign funding is required to consider the potential benefits of co-locating the SEOC with a new National Guard Joint Force Headquarters and Emergency Operation Center.

In FY 2007, due to upcoming lease expirations in their existing space, Admin and DPS conducted an RFP process for leased space. The goal was to lease space in a location that met federal requirements for HSEM and to create efficiencies for DPS through better utilization of space and adjacencies. The 2007 Legislature also appropriated $885,000 to cover a portion of the relocation expenses for DPS. After review of the proposals, the evaluation team determined that none of the proposals met the financial considerations of DPS and/or the security and communication requirements of HSEM, and the relocation funds appropriated for this purpose were not used.

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**Governor's Recommendations**

The governor recommends $500,000 for predesign for a new State Emergency Operations Center (SEOC). If alternate funding is available for the predesign of the SEOC building, this funding should be made available for the predesign of a co-located headquarters for the Departments of Public Safety and Corrections.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 1,000 | 0 | 0 | 1,000 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 0 | 0 | 1,000 |
| **State Funds Subtotal** | 0 | 1,000 | 0 | 0 | 1,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **0** | **0** | **1,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Agency Relocation

**2008 STATE APPROPRIATION REQUEST:** $200,000

**AGENCY PROJECT PRIORITY:** 9 of 12

**PROJECT LOCATION:** State agency locations throughout Minnesota

**Project At A Glance**

This request is for $200,000 in general fund dollars for agency relocation funding to move state operations from existing locations when it improves agency operations, yields budget benefits, and/or facilitates better service to customers.

This request is for needs not covered under other capital requests.

**Project Description**

Funds are needed to relocate agencies where an unanticipated situation occurs that requires an agency to relocate. Examples of these situations are: a landlord not renewing an agency's lease at its expiration; a facility being sold; an agency needing to reduce space; a reorganization needing to be implemented; remodeling needs to be accomplished; or when an agency can substantially reduce its rent by moving.

Recent projects where relocation funding was required include:

- Veterans Service building remodeling and reorganization
- Commerce, Weights and Measures lease relocation
- Administration building abatement project

Agencies use relocation funding to pay for moving furniture, equipment, and telecommunication (voice and data) equipment.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 200 | 0 | 0 | 200 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **200** | **0** | **0** | **200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| General Fund Projects | 0 | 200 | 0 | 0 | 200 |
| **State Funds Subtotal** | 0 | 200 | 0 | 0 | 200 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **200** | **0** | **0** | **200** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Governor's Residence Predesign

**2008 STATE APPROPRIATION REQUEST:** $75,000

**AGENCY PROJECT PRIORITY:** 10 of 12

**PROJECT LOCATION:** Governor's Residence - Saint Paul

**Project At A Glance**

The Department of Administration (Admin) is requesting funds for a predesign of the Governor's Residence that will determine cost, scope, and schedule for preservation of the Residence, in addition to addressing operational needs. The predesign would also analyze the costs of continuing to maintain the existing residence compared to other alternatives.

## Project Description

Admin is submitting this request to address facility preservation and operational issues of the Governor's Residence. At present, many shortcomings exist in the condition and suitability of this facility. Preservation issues that need to be explored include:

- Egress from the 3rd floor to meet code requirements
- Extension of the existing elevator from 1st floor to 3rd floor to provide required accessibility
- Mechanical, electrical, technical, and security systems improvements
- Remodeling of the kitchen for commercial use
- Providing separation between public (ceremonial meeting rooms) and private (residential) areas
- Masonry restoration on the Residence and carriage house
- Repair/replacement of the perimeter fence and stone balusters
- Repair/replacement of the front walkway
- Installation of energy efficient windows and other infrastructure components

The Governor's Residence Council updated the master plan for the residence in 1997 with input from architects versed in historical preservation, as well as operational personnel from the Admin. The work noted above is consistent with this plan.

The home and grounds were donated to the state of Minnesota for use as a residence for the governor and first family in 1965. Some remodeling has occurred in public areas and the carriage house. The upper floors in the Residence have not received much work since the state acquired the Residence.

Operational issues have never been studied in detail. These would determine the suitability of the building and grounds for meeting the required operations. In addition, there are code related issues on accessibility that currently prevent full use the Residence. Operational issues include:

- Remodeling to create guest suite for visiting dignitaries
- Separation of public and private areas
- Addressing security needs

## Impact on Agency Operating Budgets

The cost of the Governor's Residence predesign would be collected through the established rent process, with interest recovered over 20 years and depreciation over 30 years. Admin estimates that the lease rate would increase by $19 per square foot.

## Previous Appropriations for this Project

In 2006, Admin received asset preservation funds, $105,000 of which was dedicated to upgrading the fire alarm system at the Governor's Residence.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 75 | 0 | 0 | 75 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **75** | **0** | **0** | **75** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 75 | 0 | 0 | 75 |
| **State Funds Subtotal** | 0 | 75 | 0 | 0 | 75 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **75** | **0** | **0** | **75** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 75 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Environmental Campus Planning & Design

**2008 STATE APPROPRIATION REQUEST:** $3,478,000

**AGENCY PROJECT PRIORITY:** 11 of 12

**PROJECT LOCATION:** not yet determined

**Project At A Glance**

- Facility housing DNR, PCA, DLI, and BWSR
- Providing strategic environmental leadership in holistic manner
- Showcasing urban sustainable strategies
- Collaboration of the environmental agencies living their mission

**Project Description**

The Department of Natural Resources (DNR), the Pollution Control Agency (PCA), the Board of Water and Soil Resources (BWSR), and the Department of Labor and Industry (DOLI) are seeking to demonstrate their environmental leadership by headquartering together in a state-owned, highly energy efficient building, sited in a way to take advantage of existing infrastructure while preserving the natural landscape.

Living their missions to protect, reflect the values of, and conserve natural resources is of high importance to all of these agencies. Opportunities for sharing space will minimize the footprint of the building. Pursuing Minnesota Sustainable Building Guidelines (B3) and LEED certification will maximize energy savings. Planting a sustainable landscape and managing storm water will showcase good site management and carbon sequestration.

All of the agencies are currently located in leased space. Not only does this keep the state from realizing the long-term cost savings associated with building ownership, it also leaves the agencies with little or no opportunity to pursue renewable energy saving strategies, showcase leading edge “green building” practices, or demonstrate a leadership role in urban sustainable land management designed to reduce global warming.

This request is for funds for both predesign and design for a state-owned facility. The predesign will determine the project scope, cost and schedule. Proceeding right into design in this biennium will reduce the FY 2010 capital budget request for construction funding by $6–$8 million and move the mid-point of construction up by a year.

**Projects**

Opportunities for cohesive environmental leadership, demonstration of sustainable practices in design and construction, “one-stop” service for citizens with environmental issues or permitting needs, and the significant long-term cost savings of ownership combine to make this project extremely viable and pertinent for today and the future.

The environmental agencies have a long-standing practice of partnership, including the BWSR Board, the Clean Water Council, the Interagency Water Resources Team, and the Interagency Wetland Committee among others. Co-location will facilitate the agencies’ move to a new level of holistic and strategic leadership in the sustainable arena, demonstrating their interest in speaking with a single voice on issues relating to the environment.

All four of the agencies also have clientele in common, such as local governmental units, property owners seeking permits for work on lakeshores, and various environmental groups. Co-location will facilitate the ability to further integrate and consolidate licensing, permitting, and financial assistance application processes, thereby reducing the burden on customers with needs touching several of the agencies.

A “green” environmental campus will provide a multi-dimensional demonstration of sustainable development practices that goes beyond providing citizen customers with answers and information for today by educating and motivating them to move to the next level of environmental stewardship. Sustainable opportunities include green roofs, renewable energy sources, water management on site, and conservation within the building.

**Impact on Agency Operating Budgets**

It is anticipated that the impact on agency operating budgets will be a reduction in costs over time due to:

- The long-term benefits of ownership over leasing
- A reduction in heating, lighting, and cooling costs
- A reduction in sewer access charges
- A reduction in site maintenance costs

It is also anticipated that, in keeping with national studies, the high quality of the indoor air and lighting will decrease employee absenteeism and increase employee productivity and reduce turnover.

If this facility is constructed, the cost of the predesign and design would be collected through the established rent process with bond interest collected over 20 years and depreciation over 75 years. Admin estimates that the annual rent would include $151,557 to collect the cost of the design and predesign.

**Previous Appropriations for this Project**

There have not been any previous appropriations for this project.

**Other Considerations**

Having the DOLI included in this project provides a unique opportunity for partnership with the Building Trades and for the advancement of sustainable construction methods that will have a positive long-term change in how buildings and sites are developed and constructed in the future.

DOLI will work with the design team to facilitate the integration of building and energy code compliance with green building technology in this campus. The affirmation of the compatibility of the regulatory aspects of code regulation with the goals of the B3 guidelines will help to inform all participants on the scope and achievable features of green building technology and produce a model campus on the forefront of response to concerns of sustainability and functionality.

The agencies expect to increase their effectiveness in service delivery in the new facility. They already share responsibilities for preserving the state's natural lands, air and waters; strategic location of staff within shared space will greatly increase the opportunities for both planned and serendipitous synergies.

This proposal is in keeping with the vision, principles and recommendations of the *Strategic Plan for Locating State Agencies*, particularly:

- When practical, increase the amount of state-owned space to control long term costs and to acquire equity in the buildings that the state occupies
- Locate agencies in close proximity to each other which might benefit from sharing resources, equipment, and space
- Design facilities with the flexibility to respond to rapid technological advances
- Take a leadership role in environmental concern

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 1,242 | 0 | 0 | 1,242 |
| 3. Design Fees | 0 | 2,236 | 5,219 | 0 | 7,455 |
| 4. Project Management | 0 | 0 | 3,777 | 0 | 3,777 |
| 5. Construction Costs | 0 | 0 | 95,252 | 0 | 95,252 |
| 6. One Percent for Art | 0 | 0 | 100 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 14,081 | 0 | 14,081 |
| 9. Inflation | 0 | 0 | 33,397 | 0 | 33,397 |
| **TOTAL** | **0** | **3,478** | **151,826** | **0** | **155,304** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,478 | 151,826 | 0 | 155,304 |
| **State Funds Subtotal** | 0 | 3,478 | 151,826 | 0 | 155,304 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,478** | **151,826** | **0** | **155,304** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,478 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $5,635,000

**AGENCY PROJECT PRIORITY:** 12 of 12

**PROJECT LOCATION:** locations in Metro Area and in greater MInnesota

**Project At A Glance**

- Provide high security, redundant data centers for state operations. One facility to be located in the metro area and one to be located out-state (locations to be determined).
- Provide backup disaster recovery capability for agencies, higher education, and local government.
- Distribute computing burden for greater stability and reliability.
- Support consolidation of multiple existing agency data centers for greater efficiency.

**Project Description**

The Office of Enterprise Technology (OET) will develop two Tier III data centers to service the state and other public agencies and levels of government. These data centers will provide load-balancing capability for high-security disaster recovery "hot sites" and service centers for clients. They will also allow for data center consolidation and/or co-location of executive branch data centers, many of which lack the security and redundancy to protect state information assets and program operations.

"Tier III" is an industry classification signifying a highly secure and well-supported data center appropriate for a state or corporate enterprise data center. Currently only a very few of the newest data centers in the state are rated as high as Tier I or II.

One of the data centers will be located in greater Minnesota and the other, which will replace the current Centennial Office Building data center, in the metro area. Separating the sites from one another and from the Capitol Complex will enhance security and reduce the impact of a catastrophic event on operations.

The sites will replace most of the current contracted "hot," "warm" (a location that is already equipped and running and to which data can be transferred), and "cold" (a location that available, but must be made operational in an emergency) sites used by various agencies and other entities. The new, consolidated data centers will provide economical "failover" and disaster recovery capability for agencies currently lacking that function. For other entities using the facilities, service level agreements and use contracts will govern the costs and services.

The state will need a staged implementation and migration plan over multiple years. This funding request covers the predesign and initial design phase of this effort, and will develop the specific site requirements and possible locations for the new data centers. Given that that the two centers will have nearly identical requirements and capabilities, design costs will be kept to a minimum.

Authority for this disaster recovery responsibility is provided by M.S. Chapter 16E and by Executive Orders for disaster recovery and state information management.

The argument for consolidation of many small data centers was made in the Drive to Excellence business case (2004), and advanced in the Enterprise Master Plan for Information Management (February 2007), and in a more detailed consolidation business case prepared by a steering team of agency CIOs (September 2007). National public and private sector best practices in this area affirm the recommended direction. Preliminary discussions with higher education systems and with county governments indicate support for contractual arrangements that will allow these organizations to use the sites for their own disaster recovery purposes.

Objectives of this project:

- Improved security for data centers, equipment, and information
- Creation of a state "hot site" for business continuity for agency, state, and related computer systems
- Improved reliability and access on 24x7 basis
- Common infrastructure architecture

- Reduced facilities and operational costs for staff, services
- Reduced acquisition cost for capacity and equipment
- Provision of load balancing and redundancy
- Improved interoperability of applications and data
- Availability for sharing with other jurisdictions and levels of government

Information has always been the core of all government operations. Now, as more and more agencies move their essential services to the Internet, the need for secure, reliable 24x7x365 operations to maintain and protect that information is absolutely critical.

Protecting data involves both the strong capability to continue or restore operations whenever such situations arise, and sufficient redundancy to sustain uninterrupted operations during routine maintenance and upgrades.

**The Current Situation and Need**

According to a recent survey of 35 Minnesota state entities, current information management resources are dispersed across 70 locations. In addition to the inefficiencies and duplication associated with operating these multiple data centers, most of the existing data centers lack adequate security, disaster recovery, business continuation preparedness, back-up, power, or cooling resources, and are therefore unprepared to effectively protect the data entrusted to their care.

As a foundation to enterprise security, the state's data facilities must be managed to high cyber security standards, including the ongoing upgrade of protection and detection capabilities on all servers.

Government applications with little or no tolerance for disruption require a data center equipped to minimize downtime, ranging from the failure of a device or power, to the catastrophic loss of a facility. The data center, as well as each failure point within it, needs failover or disaster recovery capability.

- Only 10 percent of state locations are attended 24x7x365
- 90 percent of the state's servers and critical data are in facilities with substandard availability and security
- Very few have a back-up location for continuing operation in the case of a disaster without serious interruption of services
- None of the data centers and few applications offer automatic failover to another location in case of a local disaster

Currently, fewer than 30 percent of the state's data centers have business continuation plans, and of those, only a few have tested these plans, or have identified a "hot site" (a backup location that is running 24/7/365) that will enable them to continue operations. The cost for such services is beyond the financial capacity of most agencies. In practical terms, this means data is backed up, but there is no immediate arrangement for restoring it and continuing operations without significant interruptions.

This proposal is to consolidate the request for the predesign study for the two data centers with funding for design of both of two essentially identical data center facilities in an accelerated process.

**The Need for Predesign and Design Funding**

Under traditional Predesign/Design/Build processes in successive capital budget sessions, a calendar for final completion and implementation of the Data Center project could easily be delayed until FY 2018. During this extended time frame, the state will be at continued risk of significant financial and operational losses due to business interruption under any number of scenarios for natural or manmade events. Combining the requests for predesign and design accomplishes several positive outcomes:

- Reduces the window of risk exposure by a minimum of two years and conceivably up to six years, depending on legislative decisions.
- Leverages the investment in program knowledge and special engineering consulting to complete design for both of the identical data centers to reduce design costs.
- Ensures proper accountability for project direction and outcomes by a unitary approach to project governance and development.
- Reduces by as much as $12 million (or 30 percent) the inflation factor for total project cost with conventional sequencing.
- Allows for acceleration of the financial and operational benefits of consolidation of data center operations by up to four years.
- Takes advantage of current market conditions if purchase of property is necessary.

Similar advantages could occur under a design/build project method, and even more by combining and accelerating the process. However, the cost and complexity of this project suggest that the recommended course of action, which preserves the decision point before construction, is the more successful and responsible approach.

**Impact on Agency Operating Budgets**

It is anticipated that the long-term cost savings associated with ownership and increased opportunities for shared services will be realized, and the impact on participating state and local agency operating budgets will be a reduction in costs following construction, outfitting, and relocation.

**Other Considerations**

In addition to the security, business continuation, capacity and data center consolidation benefits, this initiative will allow a significant amount of space in Centennial Office Building to be converted to the more appropriate office uses for which it was designed.

The greater Minnesota location will provide a number of technology jobs at that location for data center operation, equipment and software maintenance, and site management. The metro site staffing will largely be relocated from the Centennial building and from current agency data centers.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 1,250 | 500 | 0 | 1,750 |
| 2. Predesign Fees | 0 | 600 | 0 | 0 | 600 |
| 3. Design Fees | 0 | 3,405 | 4,107 | 702 | 8,214 |
| 4. Project Management | 0 | 380 | 3,097 | 2,717 | 6,194 |
| 5. Construction Costs | 0 | 0 | 48,629 | 48,629 | 97,258 |
| 6. One Percent for Art | 0 | 0 | 150 | 150 | 300 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 45,692 | 45,692 | 91,384 |
| 9. Inflation | 0 | 0 | 24,011 | 35,730 | 59,741 |
| **TOTAL** | **0** | **5,635** | **126,186** | **133,620** | **265,441** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,635 | 126,186 | 133,620 | 265,441 |
| **State Funds Subtotal** | 0 | 5,635 | 126,186 | 133,620 | 265,441 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,635** | **126,186** | **133,620** | **265,441** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,635 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

Minnesota has approximately 51 million total land acres.

**Public Lands and Waters Administered by DNR**

- 5.5 million acres of land owned by the state of Minnesota, including 4.8 million acres of state-administered forest land
- 12 million acres of land managed for mineral rights
- Eight million acres of surface rights and mineral rights managed for horticultural peat, industrial minerals, and construction materials
- 58 State Forests
- 11,842 lakes
- 69,000 miles of rivers and streams

**Facilities Administered by DNR**

- 66 State Parks and seven State Recreation Areas
- 1,575 state water accesses
- More than 1.2 million acres of Wildlife Management Areas and 37,294 acres of Aquatic Management Areas
- 144 Scientific and Natural Areas
- Over 3,400 miles of canoe and boating routes plus 155 miles of Lake Superior Kayak Trail
- 1,288 miles of multi-use state trails and 536 miles of state bicycle trails
- 1,066 miles of cross country ski trails (DNR & Grant-in-Aid)
- 1,708 miles of off-highway vehicle trails (DNR & Grant-in-Aid)
- 21,635 miles of snowmobile trails (DNR & Grant-in-Aid)

**Agency Purpose**

The Minnesota Department of Natural Resources (DNR) "works with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life."

**Core Functions**

The DNR is charged in statute to provide opportunities for hunting and fishing, other recreational opportunities, and economic development, as well as to preserve important features of our natural heritage. Multiple interests must be managed in order to protect the long-term sustainability of our natural resources while meeting the economic and recreational needs of Minnesota citizens.

**Key DNR Policy Principles:**

- Protect the long-term health of the state's natural resources;
- Deliver sustainable levels of products and services that support Minnesota's natural resources-based economies;
- Provide a variety of outdoor recreation opportunities for Minnesota's citizens; and
- Guard the integrity of dedicated funds and ensure financial accountability.

These management principles guide DNR's work:

- Conserve and Manage the states natural resources;
- Provide for sustainable economic use of our natural resources; place immediate focus on enhancing the state's forest-based economy;
- Provide access to Minnesota's natural resources;
- Promote increased participation in outdoor recreation by removing constraints through improved access, safety, availability, education, marketing, and partnerships/coalitions;
- Cooperate with other agencies, local units of government, citizens, and stakeholders to manage and sustain natural resources effectively;
- Enhance communication and working relationships with core natural resource constituents, with particular attention to hunters and anglers;
- Model the sustainable use of natural resources and energy efficiency in our work;
- Make resource and land use decisions at the local level; and
- Communicate our work in terms of measurable outcomes.

## Operations

The DNR works directly with citizens, stakeholder groups, and all levels of government in setting priorities, managing diverse natural resources, and providing scientific and technical expertise. The DNR administers 12 million acres of mineral rights and 5.5 million acres of land for state forests, wildlife management areas, parks, recreation areas, scientific and natural areas, state trails, and public water access sites. The agency is organized into four geographic regions, eight operating divisions, and four support bureaus. Staff work out of 182 field offices that are located statewide.

- Lands and Minerals Division manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- Waters Division regulates all phases of the hydrologic cycle, including managing impacts on wetlands, lake, river, and groundwater phases of the hydrologic cycle.
- Forestry Division protects citizens and property from wildfire and strives for the sustainable yield of timber resources for forest products while managing state forests for wildlife habitat and recreation.
- Parks & Recreation Division operates a system of state park and forest campgrounds that conserves and manages natural, scenic and cultural resources, and offers opportunities for recreation and education.
- Trails and Waterways Division provides public access to lakes, rivers and streams; designates boating routes; and maintains a statewide network of recreation trails.
- Fish and Wildlife Division conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- Ecological Resources Division works to advance healthy, resilient ecosystems through research on native plant and animal communities, regulation and environmental review; provides extensive public information; and maintains the state's Scientific and Natural Areas.
- Enforcement Division enforces laws related to game and fish; wetlands; aquatic plants; and the operation of watercraft, snowmobiles, all-terrain vehicles (ATVs) and other recreational vehicles; and provides a series of conservation and safety education programs.
- Operations Support includes the Commissioner's Office, four bureaus and regional operations that provide administrative leadership and support services to all DNR divisions and geographic regions (northwest, northeast, central and southern) as well as provide direct services to the public.

## Budget

Direct, open, and statutory appropriations total $697 million for the FY 2008-09 biennium: 35 percent is from the general fund, 27 percent from the game and fish fund, 23 percent from the natural resources fund, six percent from federal funds, and the remaining from other funding sources.

## Contact

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**At A Glance: Agency Long-Range Strategic Goals**

- Provide for the conservation of, and citizen access to, our natural resources
- Provide for the sustainable economic use of our natural resources
- Provide for the sustainable recreational use of our natural resources
- Protect the health and safety of Minnesota citizens
- Preserve and rehabilitate department capital assets and incorporate energy technologies that advance conservation goals

The mission of the Minnesota Department of Natural Resources (DNR) is to work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

DNR is responsible for 94 percent of all state-owned land administered by state agencies. This includes ownership of 12 million acres in mineral rights and 5.5 million acres of land for parks, wildlife areas, public water accesses, scientific and natural areas, state trails, and state forests. These lands provide wildlife habitat and recreational opportunities and play an important role in supporting resource industries.

DNR creates safe opportunities for sustainable, economic use of natural resources. We work with other public agencies to provide wildfire protection to billions of dollars worth of private and public timber as well as other property across the state on 45 million acres of land. DNR develops and disseminates information on outdoor recreational opportunities. We provide assistance to local government, organizations, and individuals on natural resource issues, such as forest management, wildlife habitat improvement, and trail development.

DNR regulates activities associated with hunting, trapping, and fishing, motorized recreation, mining, public waters, and shoreland development. We permit and license private game farms, fish hatcheries, and open burning.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Through its ***Strategic Conservation Agenda,*** DNR identifies critical trends that directly affect natural resources and the demand for DNR facilities, capital programs, and services. These trends require action to prevent significant natural resource degradation, meet citizen expectations, and avoid future problems and associated expenses.

- Prairie Wetland Habitats: In the prairie region of Minnesota, less than ten percent of its wetlands and less the one percent of its native grassland remain from pre-settlement times. Continued loss and degradation of valuable prairie and wetland complexes will be a significant impediment to efforts to sustain critical habitat and water resources, as well as restore healthy waterfowl and other populations.

- Changing Forest Ownership Patterns: Private forestlands are being sold and developed at a rapid rate. Since 1999, over 400,000 acres of Minnesota's industrial forestland has been subdivided and sold. Private forestlands are being divided into smaller and smaller tracts, reducing forest habitat quality and recreational opportunities, decreasing access for timber harvesting, and increasing wildfire risks. Nearly one million acres of large, mostly undeveloped private forest remain at risk of being sold and converted into smaller parcels.

- Changing participation rates and types of outdoor recreation: Recreation provides an important connection between Minnesotans and natural resource stewardship. The percentage of Minnesotans who participated in fishing, hunting, and wildlife watching declined between 1991 and 2001, particularly among young and urban residents. As demand for various recreational opportunities changes, so must DNR efforts to provide and balance recreational opportunities while ensuring conservation of Minnesota's lands and waters.

- Shoreland Development: The number of homes per lakeshore mile in Minnesota has grown dramatically in the last several decades. Even more are expected as baby boomers retire. Development and removal of lakeshore vegetation can degrade lake water quality, diminish fish and wildlife populations, and limit recreation.

- Clean Water and Sustainable Use: The health of Minnesota's freshwater habitats is threatened by physical and chemical changes from many causes. As of 2006 there were 284 rivers and streams and 1,013 lakes impaired by one or more pollutants. Furthermore, a rapidly growing population, increased water consumption rates, emerging water demands, and other factors challenge our ability to maintain adequate water supplies for Minnesota's people and habitats. Between 1990 and 2000, water use grew almost twice as fast as population. Population will grow another 11 percent by 2010. We must act strategically to clean up impaired waters and ensure sustainable water use to meet the needs of an expanding and increasingly water demanding population.

- Habitat Protection in Urban Areas. Population is growing in urban and suburban areas and development pressures are intense. In the greater Twin Cities metropolitan area, nearly 60 acres of undeveloped land is converted to other land uses every day. Current patterns of low-density development threaten remaining habitats by fragmenting areas into smaller and smaller parcels that cannot sustain healthy wildlife populations. In the face of such growth pressures, the protection and restoration of undeveloped lands is essential to conserve the many benefits of natural habitats that contribute to quality of life and economic stability.

- Renewable Energy Use: In 2007 Minnesota led the nation by setting the goal of using renewable energy sources to provide 25 percent of its electricity by 2025. Expanding renewable energy use will require aggressive adoption of existing technologies as well as development and implementation of new technologies. Technologies and practices that are implemented well can also help achieve conservation goals. For instance, perennial energy crops for biomass and biofuel production could improve water quality, store carbon, and provide additional wildlife habitat.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Minnesotans can be proud of their parks, water access sites, wildlife management areas, scientific and natural areas, state trails, and forests. The land the DNR administers for the state preserves Minnesota's natural resource heritage and is our number one capital asset. This land requires continuous management and capital investment, ranging from acquisition of private lands that lie within state parks, wildlife management areas, forests, and other unit boundaries to enhance the efficiency of operations; to reforestation for asset improvement; to signing and facility development for customer access and satisfaction. Additionally, DNR is responsible for identifying unique acquisition opportunities for resource conservation and citizen access.

DNR has 188 different work sites located throughout the state, and we maintain 2,568 buildings, ranging from vault toilets to complex office buildings housing more than 100 people. In addition to office, workspace, and storage facilities, DNR provides a variety of buildings for public use, such as cabins, fish cleaning houses, picnic shelters, and trail centers. DNR's building inventory covers 2.9 million square feet. Nearly one-third of our buildings are 50 years old or older. In other words, 28 percent of the physical plant is beyond its design life. Only 25 percent of the department's buildings have been built using design specifications roughly equivalent to today's standards.

Previously appropriated funds for asset preservation, plus the Capital Asset Preservation and Replacement Account (CAPRA) funds from the Department of Administration, have helped DNR make significant progress in correcting many serious facility repair problems. We have not, however, kept pace with the rate at which facility deterioration is occurring, and we continue to face many serious problems.

Both extensive and intensive use of DNR buildings and facilities infrastructure necessitate continuous efforts in repair and maintenance. For example, larger and more powerful boats require updated public water access sites. Logging and recreational traffic on forest roads and bridges and intense use of park campsites and facilities result in the need for ongoing maintenance and repairs.

**Agency Process Used to Arrive at These Capital Requests**

The 2008 Capital Budget request was developed using an interdisciplinary approach. Staff from all major programs and from DNR's four Regional Management Teams developed their highest priorities for the capital budget, building off of the department's *Strategic Conservation Agenda*. DNR Senior Managers met to review and discuss all priorities and potential funding levels, and the Commissioner made final decisions.

DNR identified four priority themes where capital investment can contribute to achieving the DNR's strategic goals:

**Health and Safety: protect the health and safety of Minnesota citizens**

- Flood Hazard Mitigation Grants
- Dam Repair / Reconstruction / Removal
- Groundwater Monitoring, Observation Wells

**Conservation: provide for conservation of our natural resources**

- Native Prairie Conservation and Protection
- Stream Protection and Restoration
- Scientific and Natural Areas Acquisition and Development
- Wildlife Area Acquisition and Improvement
- RIM Critical Habitat Match
- Water Control Structures
- Shoreline and Aquatic Habitat- AMA
- Fish Hatchery Improvements
- State Forest Land Reforestation
- Forest Land Conservation Easements
- State Forest Land Acquisition
- Community Conservation Assistance

**Outdoor Recreation: provide for sustainable recreational use**

- Vermillion State Park Acquisition and Development
- State Park Recreational Facility Improvements
- State Park and Recreation Area Acquisition and Restoration
- State Park Development on North Shore
- Cuyuna Country State Recreation Area Enhancements
- Water Access Acquisition, Development, and Fishing Piers
- State Trail Acquisition, Rehabilitation and Repair
- Off-Highway Vehicle Recreation Area (Revenue Bond)
- Iron Range OHV Recreation Area
- Walk-In Access Program
- Vermilion State Park Development

**Assets: preserve, rehabilitate, and improve capital assets**

- Forest Roads and Bridges
- Field Office Consolidation and Renovation
- Reinvest for Energy Efficencies
- Bell Museum of Natural History
- Statewide Asset Preservation

**Capital Projects Authorized in 2006**

DNR received funding in the 2006 bonding bill for the following projects:

- Statewide Asset Preservation
- Flood Hazard Mitigation Grants
- Dam Renovation and Removal
- Stream Protection and Restoration
- Water Access Acquisition, Betterment, and Fishing Piers
- Lake Superior Safe Harbors
- Fisheries Acquisition and Improvement
- Fish Hatchery Improvements
- Wildlife Management Area Acquisition and Improvement
- Water Control Structures
- Native Prairie Bank Easements and Development
- Scientific and Natural Areas Acquisition and Development
- State Forest Land Acquisition
- Large Scale Forest Land and Forest Legacy Conservation Easements
- State Forest Land Reforestation
- State Park and Recreation Area Acquisition
- State Park Infrastructure Rehabilitation and Natural Resource Restoration
- State Park Building Construction and Rehabilitation
- State Park Camper Cabins

- State Trail Acquisition and Development
- Regional Trails
- Trail Connections
- Metro Greenways and Natural Areas
- Local Initiative Grants
- Forest Roads and Bridges
- Prairie Wetlands Environmental Learning Center

# Natural Resources, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Flood Hazard Mitigation Grants | 1 | GO | $15,000 | $15,000 | $15,000 | $15,000 | $15,000 | $15,000 |
| Dam Repair / Reconstruction / Removal | 1 | GO | 3,000 | 3,000 | 3,000 | 2,000 | 2,000 | 2,000 |
| Ground Water Monitoring, Observation Wells | 1 | GO | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Wildlife Area Acquisition and Improvement | 2 | GO | 20,000 | 20,000 | 20,000 | 10,000 | 10,000 | 10,000 |
| Forest Land Conservation Easements | 2 | GO | 20,000 | 20,000 | 20,000 | 9,000 | 9,000 | 9,000 |
| Shoreline & Aquatic Habitat Acquisition (AMA) | 2 | GO | 10,000 | 10,000 | 10,000 | 1,000 | 1,000 | 1,000 |
| State Forest Land Reforestation | 2 | GO | 6,000 | 6,000 | 6,000 | 3,000 | 3,000 | 3,000 |
| Native Prairie Conservation and Protection | 2 | GO | 5,000 | 5,000 | 5,000 | 3,000 | 3,000 | 3,000 |
| RIM Critical Habitat Match | 2 | GO | 5,000 | 2,000 | 2,000 | 3,000 | 3,000 | 3,000 |
| SNA Acquisition and Development | 2 | GO | 2,000 | 7,000 | 7,000 | 1,000 | 1,000 | 1,000 |
| Fish Hatchery Improvements | 2 | GO | 2,000 | 2,500 | 2,500 | 1,000 | 1,000 | 1,000 |
| State Forest Land Acquisition | 2 | GO | 2,000 | 7,000 | 7,000 | 0 | 0 | 0 |
| Stream Protection and Restoration | 2 | GO | 2,000 | 3,000 | 4,000 | 0 | 0 | 0 |
| Water Control Structures | 2 | GO | 1,000 | 1,000 | 1,000 | 500 | 500 | 500 |
| Community Conservation Assistance | 2 | GO | 1,000 | 1,000 | 1,000 | 0 | 0 | 0 |
| State Trail Rehabilitation, Repair and Acquisition | 3 | GO | 15,000 | 26,000 | 32,000 | 3,000 | 3,000 | 3,000 |
| State Park Recreational Facility Improvements | 3 | GO | 12,000 | 20,000 | 20,000 | 0 | 0 | 0 |
| Water Access Acquisition, Dev and Fishing Piers | 3 | GO | 10,000 | 10,000 | 15,000 | 1,000 | 1,000 | 1,000 |
| State Park Development on North Shore | 3 | GO | 8,000 | 5,000 | 5,000 | 0 | 0 | 0 |
| State Park Rehabilitation & Development | 3 | GO | 3,000 | 6,000 | 6,000 | 10,000 | 10,000 | 10,000 |
| Cuyuna Country SRA Enhancements | 3 | GO | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Iron Range OHV Recreation Area | 3 | GO | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Off-Highway Vehicle Rec Area | 3 | GO/UF | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Vermilion State Park Acquisition & Development | 3 | GO/UF | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinvest for Energy Efficiencies | 4 | GO | 10,000 | 10,000 | 9,999 | 0 | 0 | 0 |
| Drill Core Library and Field Office Consolidation, Renovation | 4 | GO | 5,000 | 10,000 | 9,999 | 1,000 | 0 | 0 |
| Bell Museum of Natural History | 4 | GO | 4,000 | 0 | 0 | 0 | 0 | 0 |
| Statewide Asset Preservation | 4 | GO | 2,000 | 4,000 | 4,000 | 2,000 | 2,000 | 2,000 |
| Forest Roads and Bridges | 4 | GO | 2,000 | 4,000 | 4,000 | 1,000 | 1,000 | 1,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $172,000 | $198,500 | $210,498 | $67,500 | $66,500 | $66,500 |
| General Obligation Bonding (GO) | $170,000 | $198,500 | $210,498 | $67,500 | $66,500 | $66,500 |
| User Finance Bonding (UF) | $2,000 | $0 | $0 | $0 | $0 | $0 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Dam Repair / Reconstruction / Removal

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Repair or reconstruct deteriorating dams
- Remove or modify unsafe or obsolete river dams
- Respond to emergencies at public dams

**Project Description**

This request for $3 million is to prepare design plans and specifications for rehabilitation of the high hazard Lake Bronson Dam in Kittson County, construct several dam safety projects at the top of the statewide priority list, and respond to dam safety emergencies.

Minnesota's public dams infrastructure includes over 800 dams owned by the state, counties, cities, and watershed districts. Most of these public dams are over 50 years old and require ongoing repairs to maintain their structural integrity and prevent public safety hazards. Emergency repairs must be made when an imminent dam failure threatens public safety or an actual dam failure damages property. About ten percent of Dam Safety Program capital budget appropriations are generally reserved for emergencies. Any emergency funds remaining at the end of the two-year bonding cycle are used on high priority projects.

M.S. 103G.511 provides for matching grants to local governments for dam repair or reconstruction, and M.S. 103G.515, subd. 5, allows the state to pay the entire cost of removing hazardous dams under certain circumstances. Funding would be used to address emergencies and implement the highest priority projects on the current statewide dam project priority list prepared under M.S. 103G.511, subd. 12. Project priorities are subject to change based on results of dam safety inspections, readiness of local project sponsors, and other factors.

The top 14 projects on the statewide dam safety projects priority list as of 6-1-2007 are shown in the following table. The requested $3 million would provide $2.7 million for these priority dam safety projects and $300,000 for emergencies.

| | Project | Owner /County | Project Type | Primary Needs | Estimated State Cost (1000's) |
|---|---|---|---|---|---|
| 1 | Lake Bronson | DNR /Kittson | Engineering | safety/maintain lake | $400 |
| 2 | King's Mill | County /Rice | Engineering | Safety/maintain flood | 100 |
| 3 | Clayton Lake | DNR /Pine | Repair | Safety/historic preservation | $350 |
| 4 | Windom | City /Cottonwood | Remove | Safety/river restoration | $150 |
| 5 | Cross Lake | DNR /Pine | Modify | Safety/river restoration | $300 |
| 6 | Hartley | City /St. Louis | Modify | Safety/maintain lake levels | $250 |
| 7 | Luverne | City /Rock | Remove | Safety/river restoration | $150 |
| 8 | Balsam Lake | DNR /Itasca | Repair | Safety/maintain levels | $250 |
| 9 | Pike River | DNR /St. Louis | Engineering | Safety/maintain lake levels | $200 |
| 10 | Drayton | City /Kittson | Remove | Safety/river restoration | $200 |
| 11 | Sunrise (P1) | DNR /Chisago | Modify | Safety | $75 |
| 12 | Sunrise (P2) | DNR /Chisago | Modify | Safety | $75 |
| 13 | Sunrise (Kost) | City /Chisago | Modify | Safety | $50 |
| 14 | Clearwater River | County /Stearns | Repair | Safety | $150 |

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 Sec. 7 | Bond | $2,250,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |
| L2003, Ch. 128 | Bond | 1,050,000 |
| L2002, Ch. 393 | Bond | 1,800,000 |
| L2000, Ch. 492 | Bond | 1,200,000 |

**Other Considerations**

This request is part of an ongoing Dam Safety Program to manage Minnesota's public dam infrastructure. Dams maintain water levels on most of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example, Mille Lacs, Minnetonka, and Ottertail Lakes all depend on dams to maintain water levels and surrounding property values.

Making needed repairs limits the potential liability of the Department of Natural Resources (DNR) and local government units that own dams; protects the public safety; and saves money by maintaining existing infrastructure assets.

This program also includes the removal or modification of hazardous or obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment. Low-head river dams, like the Cross Lake Dam in Pine County where a kayaker drowned in April 2005, need to be modified to eliminate their dangerous "drowning machine" currents. Removal and modification of river dams is a specific goal in the DNR's *Strategic Conservation Agenda*.

Consistent, long-term funding of at least $3 million per biennium is necessary to maintain public dams and to remove dams that are obsolete or become safety hazards. DNR Waters' general operating budget does not include funding for dam safety projects.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this program. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 750 | 500 | 500 | 1,750 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 7,100 | 2,250 | 2,500 | 2,500 | 14,350 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,100** | **3,000** | **3,000** | **3,000** | **16,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,100 | 3,000 | 3,000 | 3,000 | 16,100 |
| **State Funds Subtotal** | 7,100 | 3,000 | 3,000 | 3,000 | 16,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,100** | **3,000** | **3,000** | **3,000** | **16,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Flood Hazard Mitigation Grants

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Reduces repetitive flood losses
- Provides match funding for federal flood control projects
- Protects property, reduces cost and danger of flood fighting

## Project Description

This request of $15 million in state funds provides state cost-sharing grants to local governments for the Flood Hazard Mitigation Grant Assistance Program under M.S. 103F.161. This program allows the Department of Natural Resources (DNR) to make cost sharing grants of up to 50 percent of non-federal project costs to implement measures that reduce or eliminate flood damage. These projects reduce future flood damages and are built in cooperation with federal, state, and local governments. Additional benefits include habitat improvements with the construction of impoundments and the creation of natural open space in the flood plain. Flood damage reduction is a performance indicator in the DNR's *Strategic Conservation Agenda.*

Major floods in 1997, 2001, 2002, and 2004 created significant awareness of the damage floods can cause. Damage costs from the 1997 Red River and Minnesota River floods exceeded $1.5 billion. The 2007 flood in Browns Valley is another reminder of the need for flood hazard mitigation. It is very cost-effective to prevent flood damage instead of fighting floods and repairing and rehabilitating homes, businesses, and infrastructure after floods have occurred. Minnesota's repetitive flood damage is significantly reduced by the implementation of flood hazard mitigation projects.

Potential projects include:

- Purchase and removal of residential and commercial structures from the floodplain,
- Relocation of businesses,
- Construction of levees and floodwalls,
- Construction of control structures and diversion channels, and
- Construction of impoundments.

Federal flood control projects are funded by about 65 percent federal and 35 percent non-federal sources. Non-federal costs are split 50/50 between the state and the local project sponsor. Provisions in the 1999 and subsequent bonding bills provided additional state funding when the local share of projects exceeded two percent of median household income. Federal projects that are likely to proceed include Browns Valley, Dawson, Montevideo, and Breckenridge. Non-federal projects include Crookston, Granite Falls, Austin, Oakport Township, North Ottawa impoundment, Agassiz Valley impoundment, and Canisteo Pit outlet. Project priorities are subject to change and dependent on risk of flooding, availability of federal funds, if applicable, ability of the local government to proceed, and local government's compliance with flood plain regulations.

The need for flood hazard mitigation projects exceeds this bonding request. Additional needs include acquisition and levee construction, flood-proofing homes and establishing lake outlets.

## Impact on Agency Operating Budgets (Facilities Notes)

Current DNR staff funded by general fund appropriations will administer the flood hazard mitigation projects.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258, Sec. 7 | Bond | $25,000,000 |
| L2005, Ch. 20, Art 1, Sec.7, Subd. 2 | Bond | 27,000,000 |
| L2003, 1SS Ch. 20, Art 2, Sec. 3, Subd. 2 | Bond | 3,000,000 |
| L2003, 1SS Ch. 20, Art 1, Sec. 5, Subd. 7 | Bond | 1,400,000 |
| L2002, Ch. 393, Sec. 7, Subd. 20 | Bond | 30,000,000 |
| L2001, 1SS Ch. 12, Sec. 3 | Bond | 2,000,000 |
| L2000, Ch. 492, Art 1, Sec. 7, Subd's. 23 & 24 | Bond | 14,300,000 |

During the last seven years, total appropriations of $102.7 million have been authorized for flood hazard mitigation grants.

**Other Considerations**

Flood hazard mitigation projects significantly reduce the potential for damages to homes and businesses. Prevention is very cost effective. The consequences of taking no action result in project delays and increased project costs due to inflation. In addition, the current level of flood damage potential in these areas continues unabated.

Grant criteria identified in M.S. 103F.161 provide for a 50/50 cost share. Local cost-share formulas should be evaluated for equity. A consistent level of funding is desirable so the DNR and local governments can plan for and schedule flood damage reduction projects.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $15 million for this project. Also included are budget planning estimates of $15 million in 2010 and $15 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 86,400 | 15,000 | 15,000 | 15,000 | 131,400 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **86,400** | **15,000** | **15,000** | **15,000** | **131,400** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 86,400 | 15,000 | 15,000 | 15,000 | 131,400 |
| **State Funds Subtotal** | 86,400 | 15,000 | 15,000 | 15,000 | 131,400 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **86,400** | **15,000** | **15,000** | **15,000** | **131,400** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Ground Water Monitoring, Observation Wells

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Expand the network for monitoring ground water levels in selected priority areas and seal obsolete, non-functional monitoring wells

**Project Description:**

This request for $1 million is to install new ground water level monitoring wells (also known as observation wells) in selected priority areas where the well network is inadequate to provide data necessary to assess ground water availability for water supply planning. In addition, some funds may be used to seal existing monitoring wells that are no longer needed or functional. This request also includes funding for one FTE for project implementation.

Monitoring of ground water levels in Minnesota began in 1947 and was later expanded by a cooperative program between the Department of Natural Resources (DNR) and the U.S. Geological Survey (USGS). The number of ground water monitoring wells has remained constant at approximately 750 wells for many years. The goal of the program and monitoring well network is to collect long-term water level data for aquifers in the state. Data from these wells are used to analyze long-term water level trends, evaluate aquifer recharge, interpret impacts of climate fluctuation and change, plan for water conservation, evaluate water conflicts and interferences, and determine ground water/surface water interactions. Other groups, especially consultants, the Metropolitan Council, the Departments of Health and Agriculture, and the Pollution Control Agency, use this information for ground water evaluation and planning purposes.

The density, location, and depth of the wells in most of the state is not adequate for assessing long term trends within the most valuable aquifers. The twin cities metropolitan area is a high priority monitoring area where the density of monitoring wells in some areas is insufficient to detect the development of depressed water level surfaces that could be caused by excessive ground water withdrawal. This deficiency is especially acute for the deeper aquifers that are known to recharge very slowly. Estimated 10 to 15 feet deep wells (Mt. Simon aquifer) could be added to the network in the metro and adjoining areas with this funding. Another estimated five to ten feet intermediate depth wells (Prairie du Chien /Jordan aquifer) are also needed in the metro area.

The south-central portion of the state, an important recharge area for some the state's major bedrock aquifers, is very poorly known geologically, and very poorly monitored despite a recent influx of water intensive industries. In the five-county area from McLeod south to Faribault County, along the western edge of these bedrock aquifers, there are only five monitoring wells in the network and only one of these is in the deepest Mt. Simon aquifer. These funds would allow the addition of several more monitoring locations in the region.

This funding would be considered a first step toward achieving an adequate statewide ground water level monitoring system. The cost for installing ground water level monitoring wells varies considerably depending on the depth to the aquifers at any given location. A useful strategy for installing wells in a multiple aquifer area is to group them together. These nests, as they are commonly called, are advantageous for reasons of installation efficiency, data collection, and well maintenance, as well as providing vertical ground water movement information important for determining aquifer recharge and discharge relationships. For general reference, the cost of a three-well nest in the northwestern metro area would cost approximately $60,000. Fifteen similar installations in the metro and adjoining area would use most of this funding.

Finally, some of the wells in the existing network may have degraded over time and no longer provide accurate data. Other wells in the state network, originally installed by the USGS to fulfill a specific investigative goal, may no longer be needed for the purposes of a statewide monitoring network. These

wells will be identified and as many as possible will be sealed in accordance with Minnesota Department of Health regulations.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding of one position to maintain this project is included in this appropriation request.

**Other Considerations**

The data gathered through ground water level monitoring is critical in determining trends for aquifer sustainability.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 100 | 100 | 100 | 300 |
| 5. Construction Costs | 0 | 900 | 900 | 900 | 2,700 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| **State Funds Subtotal** | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Community Conservation Assistance

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Community Conservation Assistance (CCA) is a strategic, landscape approach to conserving ecologically significant habitats for their natural amenities in rapidly urbanizing areas of the state
- CCA works through partnerships to build trust
- CCA provides financial incentives to local governments and private landowners to protect high value natural habitats through acquisition or easement
- CCA guides land use decisions to reduce future land and water impairments
- CCA leverages other public (non-state) and private funding sources

**Project Description:**

This request for $1 million in state bond funds will begin to address the tremendous land use pressures of future growth and development on all types of remaining habitat in the state.

**Why is this needed?** Within the next 23 years, a projected 1.2 million more people will reside in Minnesota. While over 90 percent of that growth will be concentrated between Rochester and St. Cloud, all of the state's 20 regional growth nodes will face important land use decisions. The fastest growing communities, especially in the state's growth corridor, will face some very important decisions about how to develop so as to also provide the expected access to the natural outdoors. This project supports local communities and the Department of Natural Resources (DNR) in the adoption of a strategic conservation approach that enables state and local governments to work together to protect healthy natural habitats that provide a range of free daily services to all.

**Who benefits?** This CCA project will:

- focus on fast growing communities in the state and provide partial funding to 5 -10 communities or landowners within these areas for the protection of high value, threatened natural habitats with broad public value, and
- through land protection, help to reduce or prevent future surface and ground water impairments due to poor land use decisions that affect overall public and ecological health.

**What is entailed?** For almost 20 years, the DNR has employed successful partnership and landscape approaches to conserve habitat. For example, for over a decade the agency's Metro/Central Region has applied a scientifically informed, strategic approach to working with communities on habitat protection and restoration. At the heart of this region's community conservation work has been a rigorously identified network or system of significant habitat patches and connecting corridors that create areas of strategic conservation focus for the many partners that bring limited resources to conservation.

These funds will enable any DNR region with a defined strategic conservation framework and public participation process to work in partnership with local communities to identify and protect mutually desired habitats. Funds will only be used to assist willing landowners and/or local units of government in land acquisition by fee title or easement. All acquisitions will be owned and managed by a DNR unit or by another government entity and all protection projects will require natural resource management plans that specify responsibility for ongoing management and stewardship.

Some of the types of criteria that might be used to select communities or landowners in fast growth areas of the state include:

- ecological quality of proposed site;
- immediacy of development threat;
- location and role in the conservation network (e.g., buffer to state-owned lands, new hub of habitat, connector between key habitats);
- public value and community interest;
- project readiness and absence of liability;
- non-state cash and in-kind funds committed to the project; and

- willing landowner.

This request will enable the agency to apply a strategic conservation approach for greater effect statewide.

**Impact on Agency Operating Budgets (facilities Note)**

Staff must identify and map remaining natural areas that are sensitive to, and threatened by, development. Areas to be considered for protection must fall within the identified focus areas for protection and must meet and be evaluated by established selection criteria. In other words, the CCA requires staff time from a variety of DNR divisions to develop the conservation framework, and then requires staff time to review projects and execute grant agreements with local governments and conservation nonprofits. For example, in DNR's Central Region, the LCCMR for Metro Conservation Corridors provides staff time for basic program administration and oversight for its strategic conservation ("green infrastructure") efforts.

**Previous Appropriations for this Project**

CCA is a new statewide effort that builds directly off of the past successes of the landscape and watershed initiatives by the agency over the last two decades. Since 1998, the Minnesota Legislature has approved almost $15 million in capital funds for strategic regional-scale conservation approaches (Metro Greenways Program and Metro Conservation Corridors Partnership). These appropriated funds have leveraged additional, non-state conservation funding.

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| **State Funds Subtotal** | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Natural Resources, Department of — Project Narrative

## Fish Hatchery Improvements

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Various capital improvements to fish culture facilities
- Feasibility studies for alternate fish hatchery facilities

**Project Description**

This request for $2 million is for rehabilitation of hatchery facilities to keep production at its peak efficiency. Potential projects include:

- Repairing rearing pond access areas;
- Repair or replacement of raceway covers;
- Installing or upgrading water lines, water effluent system, water treatment equipment, safety equipment, and more efficient heating or cooling systems;
- Upgrading and maintaining existing drainable ponds;
- Construction of fish holding facilities; and
- Feasibility studies, where feasible, on design, construction or acquisition of drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

The Department of Natural Resources (DNR) *Strategic Conservation Agenda* provides a framework of indicators of performance and target results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting five performance indicators: *Pounds of walleye fingerlings stocked*, *Lake Superior steelhead catch rates, Lake Superior lake trout needs for MN-1, metro ponds stocked for educational purposes, and improved angler satisfaction*. The culture and stocking program will also improve angler satisfaction, which is another performance indicator.

**Impact on Agency Operating Budgets (Facilities Notes)**

There would be no major impacts on the agency's operating budget. The Fisheries activity spends about 18 percent of its operating budget on fish culture and stocking. The hatchery facilities that would be improved with this request are important components of the state's fish culture program.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch.258 | Bond | $1,000,000 |
| L2005, Ch.20 | Bond | 1,700,000 |
| L2001, 1SS, Ch.2 | Future Resources | 145,000 |

**Other Considerations**

The state is currently culturing walleye, trout and salmon, muskellunge, and catfish, which represent a significant investment by the state.

| | Eggs Collected | Fry Hatched | Fish Stocked |
|---|---|---|---|
| Walleye | 681,255,997 | 440,337,808 | 316,858,875 |
| Trout/Salmon | 9,100,000 | 3,400,000 | 2,534,191 |
| Muskellunge | 930,047 | 708,116 | 89,021 |
| Catfish | 48,000 | 37,370 | 61,015 |

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 2,700 | 1,867 | 2,089 | 1,886 | 8,542 |
| 6. One Percent for Art | 0 | 16 | 17 | 15 | 48 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 394 | 599 | 1,110 |
| **TOTAL** | **2,700** | **2,000** | **2,500** | **2,500** | **9,700** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,700 | 2,000 | 2,500 | 2,500 | 9,700 |
| **State Funds Subtotal** | 2,700 | 2,000 | 2,500 | 2,500 | 9,700 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,700** | **2,000** | **2,500** | **2,500** | **9,700** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Forest Land Conservation Easements

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Provide state funding to acquire large-scale conservation easements on 76,000 acres of private forestlands, primarily in northern Minnesota.
- May leverage federal funding through the Forest Legacy Program, which may provide up to 75 percent of the cost of qualifying conservation easements. Federal match ranges between $500,000 and $2 million per project

## Project Description

This proposal for $20 million is to match a potential $3.5 million in federal funding over the next two years to acquire Forest Legacy conservation easements on an estimated 76,000 acres of private industrial forestlands within activated Forest Legacy areas. The focus will be on larger, contiguous blocks of industrial forest ownership at greatest risk of being sold, sub-divided, and developed. Opportunities will be pursued with willing industry or land-holding companies. When completed, the Department of Natural Resources (DNR) will own title to the easement and monitor easements on an annual basis.

This project will allow Minnesota to leverage federal funding for an important and urgent opportunity to protect some large, remaining tracts of undeveloped private forest lands in northern Minnesota. The opportunity will not last long as these areas are under growing pressure to be sold, subdivided and developed.

Thousands of acres of forestlands owned and managed by timber and mining companies are being sold in large chunks to timber investment management organizations (TIMOs) that often turn around and sell it off in small parcels for development. Examples include Louisiana Pacific's sale of all of its Minnesota timberlands to a TIMO in 1998, Consolidated Paper's sale of all of its Minnesota timberland eventually to a TIMO in 2003, and Boise Cascade's sale of its Minnesota timberlands (309,000 acres) to a TIMO in 2005. TIMOs and the investors they represent generally have a shorter-term outlook and see these lands as being worth a lot more in real estate transactions than as a source of trees or wildlife habitat 50 years in the future. Nearly one million acres of large, mostly undeveloped private tracts of Minnesota forests are at risk of this real estate speculation.

The risk is real and growing. Development in the forested region of the state is increasing at rapid rates. Housing densities in northern Minnesota increased 25 percent from 1990 to 2000. Forestland values have also jumped six-fold since 1989, from about $200 per acre to $1,200 per acre or more. Statewide trends show a continually growing number of small "non-industrial" private forest landowners, each one owning smaller and smaller parcels of land. Smaller parcel size increases the fragmentation of Minnesota private forests (e.g., each parcel accessed by a road, each road leading to a cabin or house, etc.), making these lands less valued for wildlife habitat, less available and more difficult to manage for timber production, and less available for recreational use. There are no signs of these trends slowing down. Between 2000 and 2030, the number of households is expected to grow by 50 percent in nearly every county from the north end of the Twin Cities to Itasca County.

This opportunity is important to Minnesota because these industrial forest-lands provide large blocks of essentially undeveloped forest land that is increasingly important as unfragmented wildlife habitat, as a sustainable source of timber for the state's forest industries, and land that has generally been open to the public for outdoor recreation. Approximately 42 percent of Minnesota's forests are privately owned (i.e., 6.9 of the 16.3 million acres of forest land). Of this, 1.2 million acres are private industrial holdings. Maintaining some of these lands as larger blocks of intact, working forests has clear benefits to Minnesota.

Conservation easements on private forest land leveraged by funding through the federal Forest Legacy program are critical tools in providing long-term conservation of these valuable blocks of forestland. While acquisition

remains a valuable tool, conservation easements provide more value for the dollar in protecting important conservation lands.

Forest Legacy is a federal conservation easement program operated by the U.S. Forest Service to prevent the loss of productive timberland, fragmentation of important and threatened forestland, and the parcelization of forest ownership. The easement allows the landowner to manage the property under a sustainable forest management plan for timber, wildlife, water and recreational values, but prevents the land from being subdivided or developed for non-forest values.

**Impact on Agency Operating Budgets (Facilities Notes)**

The DNR and its partners will need to provide professional services, such as appraisal, survey and title work, to support these easements. In addition, the DNR will need to adsorb the costs of maintaining and monitoring these easements on an annual basis.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2007, Ch.30 | Environmental Trust | $2,000,000 |
| 2007 | Federal | 750,000 |
| L2006, Ch.243 | Environmental Trust | 500,000 |
| L2006, Ch. 258 | Bond | 7,000,000 |
| 2006 | Federal | 780,000 |
| L2005, 1SS, Ch. 1 | Environmental Trust | 580,000 |
| L2005, Ch. 20 | Bond | 750,000 |
| 2005 | Federal | 2,000,000 |
| 2004 | Federal | 500,000 |
| L2003, Ch. 128 | Environmental Trust | 145,000 |
| 2003 | Federal | 407,000 |
| 2002 | Federal | 1,000,000 |
| L2001,1SS, Ch. 2 | Environmental Trust | 500,000 |
| 2001 | Federal | 906,000 |
| 2000 | Federal | 678,000 |

**Other Considerations**

We are at a point in time to take action to make sure key blocks of these lands remain available for public recreational use, important wildlife habitat and timber production. With the rate of development and growing land values in northern Minnesota, this window of opportunity will not be available for long.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $9 million for this project. Also included are budget planning estimates of $9 million in 2010 and $9 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 16,337 | 19,500 | 19,500 | 19,500 | 74,837 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 981 | 500 | 500 | 500 | 2,481 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **17,318** | **20,000** | **20,000** | **20,000** | **77,318** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,750 | 20,000 | 20,000 | 20,000 | 67,750 |
| Env & Natural Resoures | 3,225 | 0 | 0 | 0 | 3,225 |
| **State Funds Subtotal** | 10,975 | 20,000 | 20,000 | 20,000 | 70,975 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 6,343 | 0 | 0 | 0 | 6,343 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **17,318** | **20,000** | **20,000** | **20,000** | **77,318** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | <2,000> | 0 | 0 | <2,000> |
| **TOTAL** | -2,000 | 0 | 0 | -2,000 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Native Prairie Conservation and Protection

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Accelerates protection of native prairie on private land through conservation easements and acquisition of public land.
- This funding request would:
  - ⇒ Enroll about 27 tracts protecting about 2,100 acres of prairie on private land;
  - ⇒ Acquire and designate about 300 acres of prairie as Scientific and Nature Areas (SNA); and
  - ⇒ Accelerate availability of local genotype native prairie seed.
- The ten-year goal is to protect 20,000 to 30,000 acres of native prairie in prairie bank easements and designated natural areas.

## Project Description

This request for $5 million is for Native Prairie Bank (NPB) conservation easements and Scientific and Natural Areas (SNA) acquisition and development, including increasing the availability of native prairie seed stocks.

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today less than one percent remains (150,000 acres) and the remaining remnant native prairies are in jeopardy of being lost forever unless they are protected now. Prairies provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds. Native prairies can provide significant ecological benefits, while also contributing to productive agriculture through grazing, haying, seed production, and biomass for energy.

The Native Prairie Bank Program was established by the 1987 legislature to allow private landowners to protect native prairie on their property through a conservation easement with the Minnesota Department of Natural Resources (DNR). To qualify, a tract must be covered by native prairie vegetation and have never been plowed. Through a NPB, landowners receive a payment for agreeing to preserve their native prairie in its natural state. In return, NPB easements ensure that the prairies ecological values are maintained. The easements are flexible and can allow for haying for use either as livestock feed or bio-energy, grazing and seed production.

At the present time, 75 NPBs have been acquired, protecting 6,142 acres of prairie land. Over 4,800 acres of native prairie in priority landscapes has been targeted for protection in 2008, which would cost over $7 million to enroll in the NPB program. The long-range goal of the Native Prairie Bank program is to protect 75,000 acres of native prairie on private land. In the next 10 years the goal is to enroll about a third of this.

Approximately $3.0 million of this funding request would be used to enroll an estimated 27 tracts, protecting about 2,100 acres of prairie on private land.

The state Scientific and Natural Area Program was established by the 1976 legislature to protect sites with rare native species, geological features, and native habitat for public, educational, and scientific use. At present, 141 SNAs statewide protect about 181,800 acres, including about 12,700 acres of native prairie in 58 designated SNA's. 12 high priority prairie sites comprising about 1640 acres in western Minnesota and the Metro area valued at over $6 million have been targeted for SNA acquisition in 2008.

Approximately $1.2 million of this funding request would be used to acquire about 300 acres to be protected and managed as state-owned SNAs.

*Native Prairie Seed Bank, Restoration, and Development.* About $800,000 of this request would be used for NPB and SNA development to protect and enhance prairie resources and to accelerate native prairie seed resources. Native prairie seed harvest would be accelerated on SNA and through partnership with the individual landowners on NPB sites. This seed would be located to establish and plant prairie SNA and NPB restorations sites and buffer areas that are suitable to serve as native local-genotype prairie foundation seed sources to supply seed growers for prairie restoration and biomass purposes. This source of diverse local ecotype prairie seed is critical for growers to meet anticipated demand for seed to supply prairie biomass

for energy and biofuel production. This funding component also includes NPB and SNA development on prairie sites to meet minimum Commissioner standards (e.g. fencing and signs), baseline documentation of NPB easements, and NPB and SNA prairie restoration (e.g. removal of woody encroachment, control of invasive plants, planting with native local-genotype prairie seed).

The protection of Minnesota's remaining native prairie has statewide significance and benefits because it is Minnesota's most endangered habitat type and is home to more than 100 different species of rare and endangered plants and animals. This request is consistent with the DNR's *Strategic Conservation Agenda* target to enroll more than 2.5 million acres in conservation land retirement programs by 2010, conduct at least 50 management projects on native prairie each year, and establish 500 SNAs by 2085.

**Impact on Agency Operating Budgets (Facilities Notes)**

As new NPBs and SNAs are acquired, the annual operating budget will increase accordingly. Administrative responsibilities include monitoring landowner compliance with easement conditions, providing stewardship advice and assistance to landowners to maintain or improve the condition of their native prairie, and management of state-owned SNAs. Acquisition of lands adjacent to existing DNR lands or NPB sites often results in no increase or an actual decrease in long-term management costs, since problems emanating from adjacent lands are eliminated (e.g. soil erosion, noxious weeds, and trespass). The level of funding needed for program management will depend upon the number of new NPBs acquired as well as their location relative to other DNR lands.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $1,000,000 |
| L2005, Ch. 20 | Bond | 1,000,000 |
| L2003, Ch. 128 | Environmental Trust | 191,600 |
| (Phase 2 – Habitat Corridor Partnership) | | |
| L2003, Ch. 128 | Bond | 1,000,000 |
| L2001, 1SS, Ch. 2 | Environmental Trust | 300,000 |
| (Phase 1 - Habitat Corridor Partnership) | | |
| L2000, Ch. 492 | Bond | 1,000,000 |
| L1998, Ch. 492 | General | 400,000 |

**Other Considerations**

Development and acquisition funds have historically been appropriated though bonding or from the Environmental Trust Fund. If additional funding is not provided, private prairie lands will be lost to mining, energy development, subdivisions, agricultural conversion, and intensive grazing. Lack of funds for development would threaten the survival of natural communities and rare species and limit scientific and educational use. Native prairies protected through NPBs and SNAs are among the most diverse and highest quality prairies in the state. To date, nearly all prairie seed harvested from these sites has been used for restoration on nearby NPB and SNA lands. This need persists, yet, if carefully done, seed from these lands could contribute towards increasing the availability of genetically diverse, local prairie seed for growers to produce for habitat restoration and future biomass plantings for energy production.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 2,575 | 5,000 | 5,000 | 5,000 | 17,575 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 364 | 0 | 0 | 0 | 364 |
| 5. Construction Costs | 253 | 0 | 0 | 0 | 253 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,192** | **5,000** | **5,000** | **5,000** | **18,192** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 5,000 | 5,000 | 5,000 | 18,000 |
| Env & Natural Resoures | 192 | 0 | 0 | 0 | 192 |
| **State Funds Subtotal** | 3,192 | 5,000 | 5,000 | 5,000 | 18,192 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,192** | **5,000** | **5,000** | **5,000** | **18,192** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# RIM Critical Habitat Match

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Matches $5 million in private donations
- Acquires 4,000 acres of critical fish, wildlife, and native plant habitat

## Project Description

This request for $5 million is to match an equal amount of private donations to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. Private contributions from individuals, groups, and businesses that contribute land, easements, or cash to the program are matched dollar-for-dollar with state funds. Cash donations and state matching dollars are used to purchase or enhance critical parcels of land for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, or state forests.

In addition to acquisition, critical habitat is improved to protect and restore fish and wildlife populations and native plant communities. The most common projects are planting critical winter cover, securing nesting cover, restoring wetlands, and improving forest habitat. Fisheries habitat may be protected or improved by acquiring riparian lands, stabilizing lake or stream shores, restoring aquatic vegetation, improving fish habitat in streams, reclaiming watersheds, and other fisheries management activities.

Currently, the sole source of match funding is the $3.5 million in annual proceeds generated by the Critical Habitat License Plate Program (M.S. 168.1296, Subd. 5) that are credited to the Reinvest in Minnesota (RIM) matching account (M.S. 84.943) and are used as state matching funds under the RIM Match Program.

The value of cash and land parcel donations to the Critical Habitat Match (CHM) Program have ranged from $500,000 to $4 million dollars per year, averaging about $1.6 million per year. Currently, pledged and approved donations exceed available state matching dollars by more than $2.3 million. In addition, several large, pending land donations are being considered that would require an additional $7 to $8 million of matching dollars above and beyond what will be available through Critical Habitat License Plate sales. Additional CHM funds would allow the Department of Natural Resources (DNR) to solicit donations more aggressively and increase the level of annual donations. Without adequate state matching dollars available to match an increase in donations or larger gifts, some potential donations could be lost.

## Impact on Agency Operating Budgets (Facilities Notes)

Acquisition of lands under this program will increase agency development costs such as posting, parking lots, and habitat rehabilitation associated with the purchase of a new property. Acquisition of priority parcels in existing units will, however, enhance management and public use in projects where the state already has an investment in lands.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2005 Ch. 20 | Bond | $2,000,000 |
| L2003 Ch. 128 | Environmental Trust | 400,000 |
| L2002 Ch. 393 | Bond | 400,000 |

## Other Considerations

The CHM Program is one of the most innovative and successful programs in the country for enhancing environmental quality; improving fish, wildlife, and native plant habitats; and ensuring quality recreational opportunities. The program has been highly successful in leveraging non-state funds.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 2,800 | 5,000 | 2,000 | 2,000 | 11,800 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,800** | **5,000** | **2,000** | **2,000** | **11,800** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,400 | 5,000 | 2,000 | 2,000 | 11,400 |
| Env & Natural Resoures | 400 | 0 | 0 | 0 | 400 |
| **State Funds Subtotal** | 2,800 | 5,000 | 2,000 | 2,000 | 11,800 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,800** | **5,000** | **2,000** | **2,000** | **11,800** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# SNA Acquisition and Development

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Protect unique land of statewide significance for rare species and natural communities through fee acquisition and designation
- Develop unique lands to ensure the natural attributes are protected and sustained and public use is safely accommodated

**Project Description**

State funding of $2 million is requested to acquire and develop lands as Scientific and Natural Areas (SNAs) across the state, with emphasis on protection of priority native forest, woodland, fen and peatland habitats and their rare plants and animals.

SNAs are sites of statewide significance that preserve examples of rare plant communities, geological features, and rare and endangered species habitat. Examples are native prairie and habitat for rare plant and animal populations, e.g. orchids. SNAs provide high quality recreational and educational opportunities including hiking, bird watching, hunting and nature photography, as well as critical locations for scientific research. These unique resource sites are in danger of being lost unless they are protected now.

**SNA Acquisition: $1.8 million**

At present, 141 SNAs protect about 181,800 acres. Of this total, about 146,200 acres are in 18 ecologically significant peatlands protected by the Wetland Conservation Act of 1991. This request follows a Long Range Plan approved by the Legislative-Citizen Commission on Minnesota Resources (LCCMR). It prioritizes acquisition of natural areas and lands adjacent to existing sites. Minnesota has identified approximately 500 natural features that need to be protected; therefore, we estimate that 500 SNAs need to be established by 2085.

Priorities for SNA acquisition are identified by the Minnesota County Biological Survey, historical data, immediate threats to critical parcels, and first hand knowledge of a site. This process allows the SNA program to meet multiple protection objectives (communities and species/geological features) at one site. Protection efforts also require a continual review of the existing public land base to determine the occurrence of rare species, geological features, and plant communities.

**Development: $200,000**

SNA development ensures that biological diversity is retained and prevents the loss of important species, plant communities, and features. For example, the habitat value and public use of SNAs can be enhanced through restoration actions, including removal of woody encroachment, seed collection, and replanting as well as fencing and signing. Interpretive signage helps promote the educational and recreational value of SNA.

This request has statewide significance because it supports preservation of the highest priority plant, animal and natural community resources throughout the state (including native prairie). This request is consistent with the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* priority to meet the long-term goal of having 500 SNAs by 2085. The DNR estimates that development of critical SNA sites would cost over $3.6 million during the next six years.

**Impact on Agency Operating Budgets (Facilities Notes)**

As new SNAs are acquired, DNR's annual operating budget will increase. However, acquisition of lands adjacent to existing SNA sites can result in a decrease in management costs when problems emanating from adjacent lands are eliminated (e.g. soil erosion and noxious weeds).

**Previous Appropriations for this Project**

| | | Acquisition | Development* |
|---|---|---|---|
| L2006, Ch. 258 | Bond | 1,800,000 | $200,000 |
| L2005, 1SS, Ch. 1 | Trust Fund | 67,000 | 67,000 |
| L2005, Ch. 20 | Bond | 150,000 | 150,000 |
| L2003, Ch. 128 | Trust Fund | 400,000 | 80,000 |
| L2003, 1 SS, Ch. 20 | Bond | 1,800,000 | 200,000 |
| L2001, ISS, Ch. 2 | Trust Fund | 455,000 | 0 |

*Trust Fund includes restoration $s that are not all bondable

**Other Considerations**

Funds have historically been appropriated though bonding or from the Environmental Trust Fund. Lack of funds for SNA development would threaten the survival of natural communities and rare species and limit educational use. Lack of interpretive materials and facilities at SNA sites diminishes the full educational use of the area. User education is key to protecting these resources and others across the state. This proposal focuses on priority native forest, woodland, fen and peatland habitats. Protection and conservation of priority native prairie land is included in a separate bonding proposal.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,577 | 2,000 | 7,000 | 7,000 | 19,577 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 200 | 0 | 0 | 0 | 200 |
| 5. Construction Costs | 1,137 | 0 | 0 | 0 | 1,137 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,914** | **2,000** | **7,000** | **7,000** | **20,914** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 4,914 | 2,000 | 7,000 | 7,000 | 20,914 |
| **State Funds Subtotal** | 4,914 | 2,000 | 7,000 | 7,000 | 20,914 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,914** | **2,000** | **7,000** | **7,000** | **20,914** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Shoreline & Aquatic Habitat Acquisition (AMA)

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Acquire various Aquatic Management Area (AMA) parcels through easements or fee title
- Implement habitat improvement, rehabilitation, and development projects that meet at least minimum improvement requirements

## Project Description

This request for $10 million is to acquire fee title or permanent conservation easements on lakes and streams. Site development includes initial infrastructure costs (boundary survey, posting, parking lot, user facilities, building removal, well sealing, and road approaches). Lake and stream improvement efforts will also be implemented, including native plant restoration and bank stabilization.

The Department of Natural Resources' *Strategic Conservation Agenda* provides a framework of indicators of performance and targeted results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting two performance indicators: *Number of shoreline miles* protected in aquatic management areas (AMAs) and *Brown trout population levels and miles of easements on southeastern Minnesota trout streams*. The AMA acquisition program is an essential tool in providing water access sites, which is another performance indicator.

## Impact on Agency Operating Budgets (Facilities Notes)

The funds for this project will provide for the purchase of easement or fee title interest in properties where willing sellers are identified. It will provide angler access and protection of aquatic habitats. The funds will also be used to support AMA habitat improvements that may be done in cooperation with local watershed efforts. There will be no or minimal impact on administrative or staffing budgets.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, Ch. 20 | Bond | 1,050,000 |

## Other Considerations

The demand for shoreline property is high and riparian areas are rapidly being developed. AMAs ensure that critical fish and wildlife habitats will be conserved and public access to clean water resources will be available. Acquisition of AMAs is a critical step towards maintaining Minnesota's reputation for providing excellent fishing opportunities, and an outstanding quality of life for those who visit and live here.

The department depends on outside funds for acquisition opportunities that cannot be funded with operational funds. These funds will be used in areas of the state where clean water habitats are being threatened and where recreational opportunities on lakes and streams are not keeping up with demand. Through the AMA acquisition program, state funds have the ability to leverage large amounts of private land or cash donations. From 2003 through 2006, the department acquired $13,980,320 worth of AMA fee title or easement lands, of which $5,755,594 (41%) came from donations.

## Project Contact Person

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## Governor's Recommendations

The governor recommends general obligation bonding of $1 million for this project. Also included are planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,050 | 10,000 | 10,000 | 10,000 | 33,050 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,050** | **10,000** | **10,000** | **10,000** | **33,050** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,050 | 10,000 | 10,000 | 10,000 | 33,050 |
| **State Funds Subtotal** | 3,050 | 10,000 | 10,000 | 10,000 | 33,050 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,050** | **10,000** | **10,000** | **10,000** | **33,050** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Forest Land Acquisition

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Acquire 405 acres of private in-holdings within state forests located in Minnesota
- Reduce development pressures in state forests
- Address trespass and access problems

## Project Description

This request for $2 million in state funds is to acquire private lands within state forest boundaries to reduce development pressure on private land that threatens management options on adjacent state lands. Parcels acquired would also help address trespass and access problems on state lands.

Acquisitions are critical because when private in-holdings are developed within state forests, management and use of adjacent state lands are often incompatible with the desires of private landowners. Acquisitions will also provide access to state lands to ensure appropriate forest management activities, public access for recreational opportunities, and public safety, particularly wildfire suppression.

Nearly 4.4 million of the roughly 5.7 million acres of Department of Natural Resources (DNR) administered land are in state forests. Minnesota has 14.7 million acres of commercial forestland. These lands are about equally divided between public and private ownership. DNR manages about 20 percent of the commercial forestland in the state.

This request will help fund efforts outlined in the DNR's *Strategic Conservation Agenda* for the Division of Forestry Lands Asset Management Program. It will be a start to a 20-year strategic land asset management planning effort to acquire more than 150,000 acres of state forest in-holdings and access through exchanges with and purchases from willing sellers.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $1,000,000 |
| L2005, Ch. 20 | Bond | 750,000 |
| L1998, | General Fund | 800,000 |

## Other Considerations

Deferral of this project will result in the development of forest in-holdings for residential or private recreational purposes and loss of access to existing state lands. State forests are coming under increasing pressure to stop or restrict forest management activities and restrict public recreation on state lands that are adjacent to private lands.

Periodically, acquisition of important parcels of private land within or adjacent to state forestlands involves a collaborative effort between the DNR and private non-profit organizations. These organizations are sometimes better able to quickly respond when important parcels become available on the market, securing the parcels through purchase with the understanding that the DNR will purchase parcels of interest from them when funds become available.

## Project Contact Person

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Department of Natural Resources
Division of Forestry
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## Governor's Recommendations

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 1,575 | 1,800 | 6,300 | 6,300 | 15,975 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 175 | 200 | 700 | 700 | 1,775 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,750** | **2,000** | **7,000** | **7,000** | **17,750** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1,750 | 2,000 | 7,000 | 7,000 | 17,750 |
| **State Funds Subtotal** | 1,750 | 2,000 | 7,000 | 7,000 | 17,750 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,750** | **2,000** | **7,000** | **7,000** | **17,750** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Forest Land Reforestation

**2008 STATE APPROPRIATION REQUEST:** $6,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $2 million for preparing 15,000 acres for reforestation to help ensure the successful establishment of trees
- $4 million for planting and seeding 20,000 acres of state forestlands to assure optimal stocking of tree species most ecologically suitable to specific sites

**Project Description**

This request is for a total of $6 million for site preparation and tree planting and seeding on 20,000 acres of state land. This request supports the requirements of M.S. 89.002, subd. 2 that requires:

- Reforestation of all harvested state forestlands,
- Maintenance of all state forests in appropriate forest cover, plant stock, growth rate, and health; and
- Restoration of productivity on state forestlands damaged by natural causes or that are in a poorly stocked condition.

Restoration needs and efforts are expected to intensify in the future. As ecological land classification is used to match the best species to the sites, and as efforts are made to meet subsection planning goals calling for conversion of tree cover into longer lasting conifers, reforestation expenditures will increase.

The benefits of careful, adequate, and full reforestation are many:

- Improves a long-term asset that increases in value over time. Forests return millions of dollars to Minnesota's economy in the form of forest products, secondary products (such as paper), recreational opportunities that support the tourism industry and ecological values that sustain our quality of life,
- Fulfills the vision for Minnesota's forests as described in the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* that calls for healthy and resilient forests and forests that are sustainably managed to provide a diversity of benefits,
- Addresses landscape cover type conversion and composition goals established during DNR Subsection Forest Resources Management Planning (SFRMP),
- Responds to catastrophic events by restoring DNR forest lands damaged by recent wildfires and insect and disease outbreaks (e.g., wildfires along the Gunflint Trail, pine forests killed by jack pine budworm in northwestern and central Minnesota),
- Addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense, and
- Maintains forests as carbon sinks. Minnesota forests store significant amounts of carbon, and play an important role in reducing the climate impact of carbon dioxide pollution. Reforestation is critical to maintaining the forest's ability to absorb and store carbon.

The goal of DNR's reforestation effort is to ensure that five years after the harvest, the area is stocked with trees ecologically best suited to the site; tree species meet the desired conditions for the landscape, and the trees are at least equal in height to the competition on the site.

In order to accomplish that goal, reforestation efforts consist of four components:

- Site preparation
- Planting or seeding
- Protection
- Release

Capital investments in reforestation will provide funding for the site preparation and planting/seeding components. The site preparation component will involve using both mechanical and chemical means to reduce competition and prepare a suitable planting/seeding bed. The planting

component consists of purchasing seeds and seedlings to meet reforestation objectives, securing reforestation equipment and supplies to better ensure seedling survival during planting, and contracting or hiring labor to plant the trees.

Protection and release are also critical components for meeting reforestation goals. New plantings need protection (e.g., from animal browsing) for at least three to five years after planting. New plantings may also need to be released from competing vegetation that robs young seedlings of needed light and nutrients. Without these measures, initial investments in planting/seeding likely would be lost. As the acreage of young plantings increase, there is an increase in the amount of funding needed for protection and release. Because protection and release are not bond-eligible, the DNR currently funds these reforestation components from the Forest Management Investment Account (FMIA).

**Impact on Agency Operating Budgets (Facilities Notes)**

As noted above, capital investments in the site preparation and planting/seeding components of DNR reforestation efforts will require additional investments in protection and release components from the Forestry operating budget to be successful.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $4,000,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |

**Other Considerations**

In the Constitution of the State of Minnesota, Article XI, Section 5 one of the purposes for "public debt and works of internal improvements" is, item (f), “to promote forestation…”

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this program. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,000** | **6,000** | **6,000** | **6,000** | **24,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| **State Funds Subtotal** | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,000** | **6,000** | **6,000** | **6,000** | **24,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Restores degraded or channelized streams to benefit fish and wildlife habitat and water quality and reduce erosion and flooding
- Restores fish passage around man-made barriers
- Request would fund stream channel design and restoration

**Project Description**

State funding of $2 million is requested for stream channel design and restoration projects.

Minnesota's streams have been degraded by channelization and the construction of dams. Channelization reduces stream length, eliminates fish and wildlife habitat, and increases erosion, sedimentation, and downstream flooding. Dams block migration of fish and other aquatic species and reduce the overall productivity of streams by interfering with sediment and nutrient transport. Stream restoration provides opportunities to improve fish and wildlife habitat and water quality while reducing erosion and downstream flooding.

Restoration projects involve removal or modification of man made barriers or constructing stream channels to a more natural pattern, constructing riffles for bed stability, bank stabilization, and landscaping. Stream channel design requires specialized knowledge of watershed hydrology, river morphology, and stream ecology to ensure that restored streams provide ecological and recreational benefits.

Projects are chosen through a statewide selection process based on potential for resource improvement, local community interest, and public benefit. Project costs include engineering, conducting surveys for development of topography maps, developing design plans and specifications, producing bid and specifications packages, and final construction.

This request will have statewide benefits because projects are located in several geographic areas. There are also public safety benefits to this proposal because man made barrier removal or modification can eliminate a drowning hazard. This request is consistent with the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* priority to restore degraded streams and remove or modify unsafe dams.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, Ch. 20 | Bond | 500,000 |
| L2003, 1SS Ch. 1280 | Bond | 500,000 |

**Other Considerations**

Opportunities for stream restoration work are increasing as local communities learn the recreational, ecological, and economic benefits of healthy rivers.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 230 | 0 | 0 | 0 | 230 |
| 4. Project Management | 90 | 0 | 0 | 0 | 90 |
| 5. Construction Costs | 2,680 | 2,000 | 3,000 | 4,000 | 11,680 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,000** | **2,000** | **3,000** | **4,000** | **12,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 2,000 | 3,000 | 4,000 | 12,000 |
| **State Funds Subtotal** | 3,000 | 2,000 | 3,000 | 4,000 | 12,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,000** | **2,000** | **3,000** | **4,000** | **12,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Various improvements to water control structures on lands under state control

**Project Description**

This request is for $1 million to improve water control structures on state controlled lands. The Department of Natural Resources (DNR) Fish and Wildlife Division manages over 600 dikes, dams, water control structures and fish barriers on shallow lakes and significant wetlands across Minnesota. These structures improve water quality and provide core waterfowl habitat. Many of these structures are deteriorating and are in need of replacement and upgrading to include fish barriers.

Potential projects include:

- Removing and replacing inadequate or failing water control structures
- Repairing and improving existing water control structures and dikes
- Breaching an existing dike to allow flowage systems to be managed in a natural state
- Creating an outlet structure to allow lake habitat restoration
- Constructing dike systems to restore wetlands while protecting adjoining farmland.

The DNR's *Strategic Conservation Agenda* provides a framework of indicators of performance and targeted results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting two performance indicators: *Number of prairie wetland complexes* and *Minnesota's share of the yearly Mississippi River Flyway duck harvest*. The improved water quality of the wetlands managed and restored with the water control structures will also improve hunter satisfaction, which is another performance indicator.

**Impact on Agency Operating Budgets (Facilities Notes)**

There would be no major impact on the agency's operating budget. The water control structures that would be improved with this request are important for healthy and sustainable waterfowl component wetlands. Operating budgets have not been and will not be adequate to fund the capital nature of these improvements.

**Previous Appropriations for this Project**

L2006, Ch. 258 Bond $1,000,000

**Other Considerations**

This appropriation will preserve and improve investments in the state's important wetland resources and support the work of partners such as Ducks Unlimited and Minnesota Waterfowl Association to accelerate shallow lake management in addressing concerns of the status of waterfowl in the state.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $500,000 for this project. Also included are budget planning estimates of $500,000 in 2010 and $500,000 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 1,000 | 1,000 | 1,000 | 1,000 | 4,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,000** | **1,000** | **1,000** | **1,000** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1000 | 1,000 | 1,000 | 1,000 | 4,000 |
| **State Funds Subtotal** | 1000 | 1,000 | 1,000 | 1,000 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1000** | **1,000** | **1,000** | **1,000** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Wildlife Area Acquisition and Improvement

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Accelerate strategic acquisition and improvement of Wildlife Management Area (WMA) lands

**Project Description**

This request for $20 million is to accelerate strategic acquisition of approximately 15,000 acres of new Wildlife Management Areas (WMA) and to improve WMA facilities and restore habitat on newly acquired lands. Minnesota has one of the finest systems of publicly owned WMAs in the country (1,371 units; 878,000 acquired acres in 86 of 87 counties). These areas allow Minnesota citizens and nonresidents to enjoy wildlife and share our natural heritage. WMAs are also important for conserving surface water, preserving unique vegetation, enhancing natural beauty and open space, and providing areas for outdoor recreation compatible with wildlife management.

Land acquisition will emphasize increasing the number of high quality prairie wetland/grassland complexes. Priority will be given to larger acquisitions (greater than 200 acres) that protect wetland, shallow lakes, and grassland complexes. Preference will be given to acquisitions that already have some protection through existing state or federal ownership, conservation easements, or farm programs such as Conservation Reserve Program (CRP). This focus will help increase waterfowl production and hunter harvest in Minnesota, further the objectives of the Working Lands Initiative, restore Minnesota's wetland and waterfowl hunting heritage, and support the Department of Natural Resources (DNR) Duck Plan.

Funding will be used for major cooperative acquisition efforts with private nonprofit organizations and other state and federal agencies. Collaborative efforts, such as the Working Lands Initiative, apply both private and public land management practices in a targeted and strategic manner to maximize benefits and minimize costs. Working lands helps unify, coordinate, and improve conservation investments in Minnesota's prairie pothole region. Partners in the effort are many, but include Ducks Unlimited, Pheasants Forever, The Nature Conservancy, Minnesota Waterfowl Association, US Fish and Wildlife Service, the state Board of Water and Soil Resources, and the DNR. The partners identify highest priority focus areas to create large complexes of wetlands and grasslands to improve fish and wildlife and enhance water quality and soil conservation. It also provides a structure and process to leverage dollars and gain conservation benefits at the lowest possible cost.

Supplemental efforts like Legislative-Citizen Commission on Minnesota Resources (LCCMR) initiatives, other state and federal acquisition programs, non-governmental investments, private land easements and other private efforts are key to providing the long-term habitat base needed to meet our wildlife and public hunting goals in much of the state.

Potential projects include:

- Purchasing approximately 7,500 acres for WMAs directly from willing landowners;
- Partnering with private conservation organizations and other state and federal programs to acquire a similar amount of land for WMAs;
- Developing and improving WMA user facilities, access roads, and trails; and
- Restoring prairie/grasslands, open/brush lands, and wetlands to support wildlife populations on newly acquired WMAs.

A citizen's advisory committee recommended an accelerated goal of acquiring 210,500 acres of new WMA lands within the next ten years. The report was based on an analysis of current and future needs for wildlife habitat, wildlife population management, and hunter access ("Report on the Wildlife Management Area Land Acquisition Program, December 2002").

**Impact on Agency Operating Budgets (Facilities Notes)**

Lands acquired as part of the WMA system require a future commitment for maintenance, development, and management costs. In the short-term, initial infrastructure costs (boundary survey, posting, parking lot and user facilities, building removal, well sealing, road approaches, etc.) are estimated to be $13,000 to $15,000 per parcel (an average of ten percent of purchase value).

In the mid-term and long-term there is also a continuing commitment for development and maintenance on new WMA lands. Habitat restoration costs may include grassland development; forest or woody cover development or improvement, brushland management, and food plot development. Other bonding requests, Game and Fish Funds, Heritage Enhancement Funds, Environmental Trust Funds, or funds from private partner organizations can help fund these costs.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $14,000,000 |
| L2005, Ch. 20 | Bond | 10,000,000 acq/$600,000 dev. |
| L2002, Ch. 393 | Bond | 400,000 acq/$200,000 dev |
| L2000, Ch. 492 | Bond | 1,000,000 |

**Other Considerations**

Minnesota's Wildlife system plays a major role in providing opportunities for hunting, trapping and wildlife-watching activities; a $1 billion industry in the state. 15 percent of Minnesotans hunt and 52 percent of Minnesota residents watch wildlife. New WMA lands will play a key role in providing additional access to quality wildlife lands to meet future recreational needs for public hunting, trapping and wildlife-related recreation.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $10 million for this program. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 25,200 | 20,000 | 20,000 | 20,000 | 85,200 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **25,200** | **20,000** | **20,000** | **20,000** | **85,200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 25,200 | 20,000 | 20,000 | 20,000 | 85,200 |
| **State Funds Subtotal** | 25,200 | 20,000 | 20,000 | 20,000 | 85,200 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **25,200** | **20,000** | **20,000** | **20,000** | **85,200** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Cuyuna Country SRA Enhancements

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Cuyuna Country State Recreation Area

**Project At A Glance**

- $1.9 million to construct a new access road, rustic campground, and support facilities for mountain biking and scuba diving activities at Cuyuna Country State Recreation Area near Crosby
- $100,000 to plan for a potential public/private partnership opportunity for a regional mountain biking training facility sponsored by the International Mountain Biking Association (IMBA)

## Project Description

This request for $2 million is for the development of the Cuyuna Country State Recreation Area (SRA) near Crosby, in Crow Wing county. This bonding request would focus on providing a main access road to areas planned for diving and mountain biking, and providing support facilities such as a rustic campground and other trailhead and diving access facilities. The proposal also includes $100,000 for preliminary design of a mountain bike training center and administrative office.

This SRA contains almost 5,000 acres within its boundaries, with about 2,700 acres currently owned by the state. It is a popular destination for scuba divers, since the flooded mine pits have exceptionally clear water and interesting underwater features. The IMBA has also proposed an extensive mountain bike trail system at Cuyuna, one that would make the park a regional or national mountain biking destination. IMBA was successful in obtaining a federal grant of about $525,000 to begin development of this facility. In addition, IMBA is discussing development of a regional training center for mountain biking, and Department of Natural Resources (DNR) Parks would like to explore the opportunity for a public/private training center and administrative office building within the boundaries of the recreation area.

## Impact on Agency Operating Budgets (Facilities Notes)

A new access road, rustic campground, and trailhead support facilities will add operating costs to the Cuyuna Country SRA operating budget. New sales of park permits and camping fees will partially offset the increase in operating costs.

## Other Considerations

Cuyuna Country SRA is an emerging recreational gem that needs the focus that enhanced facilities for mountain biking and scuba diving can provide. The clear mine pit water provides exceptional diving opportunities, and the mixture of rocky terrain and wooded slopes provides outstanding mountain biking conditions. The recreation area has the potential for being a significant regional center for both of these activities if high quality support facilities are constructed.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 100 | 0 | 0 | 100 |
| 3. Design Fees | 0 | 300 | 0 | 0 | 300 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,480 | 0 | 0 | 1,480 |
| 6. One Percent for Art | 0 | 3 | 0 | 0 | 3 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Iron Range OHV Recreation Area

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Iron Range

**Project At A Glance**

- $750,0000 for Highway underpass between two sites
- $250,000 to construct maintenance building
- $1 million develop access trail between the two sites, perimeter fencing and new trails

**Project Description**

This request for $2 million is to finish the development of the Iron Range Off-Highway Vehicle State Recreation Area (IROHVRA). This proposal would connect the Gilbert OHVRA with land acquired for the Virginia OHVRA, provide funds for a maintenance building at the Gilbert facility and develop the Virginia site for vehicle use.

A portion of this funding would be used to connect the two sites with an underpass on State Highway 137; a cost estimate on this concrete box culvert is $550,000. A second underpass will be needed on Mittal Steel USA, Minorca Mine (Mittal) mining access road. Mittal has agreed to work with the State on this second crossing supplying equipment and fill material, so the second culvert cost is estimated at $200,000.

Some funding would be used for a new maintenance building at the Gilbert IROHVRA site. The current shop area is a pole building that is not insulated or heated with no running water or rest room for staff. A new maintenance building is estimated to cost $250,000. The current building would be used for cold storage only.

The last component of this bonding request is the development of the newly acquired 2,500 acres IROHVRA. Access to the majority of the riding area will require crossing Pike River on the old county road alignment. Because of the extensive beaver activity in this flowage, the old road alignment will need to be lifted significantly and the crossing of the river will require a bridge. This site will also require approximately 15 miles of perimeter fencing to be constructed. These construction costs are estimated at $1 million.

Previous dedicated account funding of $2.7 million has been invested into the recreation area from OHV accounts in the natural resources fund.

The first Iron Range Off Highway Vehicle (OHV) site was authorized in 1996 and opened to the public in 2002. This 1,200 acre site is located within the city limits of Gilbert, Minnesota. This site is also where the DNR office is located for this facility, plus a maintenance building, vehicle wash, and a classroom. This first site has been operating well and meeting the project attendance of 10,000 per year. It was understood that this site would need to be connected to another larger site to realize future potential. The request for bonding will provide necessary funding to connect these two sites and complete development.

It was originally thought that dedicated funding would be adequate to acquire and develop this second part of the IROHVRA because all landowners had indicated they wanted the State to lease, not purchase, their property within the boundary of the second site. However, after discussions started, all landowners decided to pursue fee purchase rather than lease. Therefore, most of the dedicated funding has been directed towards securing the land.

It is estimated that on this 2,500 acre site, planned development should yield between 50 to 70 miles of OHV trail initially.

This effort is identified in the Department of Natural Resources (DNR) *Strategic Conservation Agenda.*

**Impact on Agency Operating Budgets (Facilities Notes)**

The state will own the newly acquired IROHVRA site and both sites will be managed as one. The contact station, maintenance facility, staging area, and vehicle wash site will all remain at the Gilbert facility. The Virginia site of the IROHVRA will be primarily for trail riding opportunities and possibly some

special events depending upon the outcome of the Master Plan and environmental review.

**Previous Appropriations for this Project**

All previous appropriations have been requested from the OHV dedicated accounts. A one-time appropriation from the Iron Range Resources account for $750,000 was granted in 2000 and used as local match for this project.

**Other Considerations**

It is anticipated that the completion of an OHV site in Minnesota would reduce the impact on other public lands. It would provide specialized technical riding opportunities in Minnesota. The current 1,200 acre Gilbert site connected to the 2,500-acre Virginia site will provide enough OHV opportunity to make this a national destination for OHV riding. It will provide opportunity for special event type activities, a mud area, and nearly 100 miles of trail covering all levels of difficulty.

These OHV State Recreation Areas have a significant potential for return on state funds invested, especially for local communities. With the official opening of the Iron Range OHV Recreation Area at Gilbert in the fall of 2002, the community began to see an influx of visitors and their dollars. A boom in area restaurants, OHV rentals, motel and campground expansions are largely attributable to visitors to the OHV Recreation Area. This has helped mitigate the effects of a general mining industry slowdown in recent years.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 275 | 0 | 0 | 275 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,507 | 0 | 0 | 1,507 |
| 6. One Percent for Art | 0 | 1 | 0 | 0 | 1 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 100 | 0 | 0 | 100 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Off-Highway Vehicle Rec Area

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Southern Minnesota

**Project At A Glance**

- $2 million for acquisition of site(s) for Off-Highway Vehicles (OHV) use
- Project site(s) in southern Minnesota where the majority of lands are privately owned

**Project Description**

This request for $2 million is to acquire a public OHV recreation area in southern Minnesota. This proposal is for user financing from the OHV Accounts; user fees will pay the debt service costs of the proposal.

Although OHV enthusiasts and their supporters have identified a number of sites, it remains uncertain which or how many of these sites could actually be purchased. Legislation in 1996, and again in 1999 authorized an OHV State Recreation Area in northeastern Minnesota. Likewise, demand exists in southern Minnesota, except there are far fewer acres of public land on which to consider the development of an OHV site. Four trail systems currently exist in southern Minnesota for All-Terrain Vehicles (ATV), two of which also allow off-highway motorcycles (OHM), (Snake Creek and Trout Valley units, R.J. Dorer Memorial State Forest). Swift County has a site in Appleton that is open to all three motorized groups (ATV, Off-Road Vehicles (ORV), OHM) as a county recreation facility.

Despite efforts to date, only eleven miles of ORV trails have been established outside of the Iron Range OHV Recreation Area. Many miles of forest roads exist for ORV touring, but technically challenging trails have proven difficult to locate. These specialized technical opportunities are more easily provided in state-owned Recreation Areas, like the Iron Range OHV Recreation Area at Gilbert, Minnesota.

This effort is identified in the Department of Natural Resources' *Strategic Conservation Agenda.*

**Impact on Agency Operating Budgets (Facilities Notes)**

The state will own the newly acquired OHV riding site, which will be open to all three-user groups. The state will seek to partner with local trail clubs or local units of government to operate the site.

**Previous Appropriations for this Project**

There have been no previous appropriations requested for this project.

**Other Considerations**

It is anticipated that the completion of an OHV site in Minnesota would reduce the impact on other public lands. It would provide specialized technical riding opportunities in southern Minnesota.

OHV State Recreation Areas have a significant potential for return on state funds invested, especially for local communities. With the official opening of the Iron Range OHV Recreation Area at Gilbert in the fall of 2002, the community began to see an influx of visitors and their dollars. A boom in area restaurants, OHV rentals, motel and campground expansions are largely attributable to visitors to the OHV Recreation Area.

With additional vehicle registrations, the OHV account balances increase, making more funds available for OHV trail opportunities. A similar positive economic impact can be anticipated in southern Minnesota as occurred in and around Gilbert.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 1,600 | 0 | 0 | 1,600 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 100 | 0 | 0 | 100 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 181 | 0 | 0 | 181 |
| 6. One Percent for Art | 0 | 2 | 0 | 0 | 2 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | <2,000> | 0 | 0 | <2,000> |
| **TOTAL** | -2,000 | 0 | 0 | -2,000 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0.0% |
| User Financing | 2000 | 100.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Park Rehabilitation & Development

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $500,000 to restore land within state parks to pre-settlement conditions through prairie restoration, wetland restoration, deciduous forest restoration, and pine forest restoration
- $2.5 million to acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries

## Project Description

This request for $3 million in state bonding funds would allocate $2.5 million to acquire private lands from willing sellers within legislatively established state park and recreation area boundaries, and $500,000 to implement natural resource restoration projects. Housing development pressure threatens many natural areas within state parks, and these funds will help to prevent the loss of significant natural landscapes for future generations.

The state park system continually faces management challenges caused by private in-holdings within state parks. In many cases, these private parcels separate park management areas and create physical barriers to maintaining contiguous recreation and natural areas within the park. Many of these parcels are facing residential or commercial development pressure that would be incompatible with traditional park uses.

Approximately 15 percent of the state park system's 267,000 acres is privately owned with state park and recreation area boundaries.

M.S. 86A.05 subd. 2c directs state parks to preserve, manage and restore pre-settlement natural features and other significant scenic, scientific and historic elements in the system. The state park natural resource management program annually restores nearly 750 acres of prairie, forests and wetlands. In addition, almost 12,000 acres/year are maintained or improved through prescribed fire, control of invasive plant species and protection of forest regeneration. Bonding funds in this request would allocate $0.5 million to reconstruct 350 acres of prairie/savanna, and 612 acres of deciduous and pine forest restoration.

## Impact on Agency Operating Budgets (Facilities Notes)

In most cases, acquisition of in-holdings has a neutral impact on the state park operating budget. This is due to increased efficiency gained by managing more continuous and contiguous natural and recreational areas that are already receiving services. Restoring natural areas will require operating budget support, but using bond funds to restore land to pre-settlement conditions allows for more effective use of operating funds to maintain healthy plant communities and reduce the spread of invasive species.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $3,000,000 |
| L2005, 1SS, Ch.1 | Env Trust | 2,000,000 |
| L2005, Ch. 20 | Bond | 2,500,000 |
| L2003, 1SS Ch. 20 | Bond | 1,000,000 |
| L2003, Ch. 128 | Env Trust | 1,500,000 |
| L2001, 1SS Ch. 2 | Env Trust | 1,110,000 |
| L2001, 1SS Ch. 2 | Future Resources | 616,000 |
| L2000, Ch. 492 | Bond | 500,000 |

## Other Considerations

Priorities for acquisition are based on the availability of willing sellers and the potential for residential or commercial development if the parcel were not acquired. Delays in purchasing parcels from willing sellers may mean that they will be developed and lost for recreational use.

**Project Contact Person**

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**Governor's Recommendations**

DNR submitted $23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of $10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 10,000 | 2,500 | 5,000 | 5,000 | 22,500 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 500 | 1,000 | 1,000 | 2,500 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,000** | **3,000** | **6,000** | **6,000** | **25,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 6,500 | 3,000 | 6,000 | 6,000 | 21,500 |
| Env & Natural Resoures | 3,500 | 0 | 0 | 0 | 3,500 |
| **State Funds Subtotal** | 10,000 | 3,000 | 6,000 | 6,000 | 25,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,000** | **3,000** | **6,000** | **6,000** | **25,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Park Development on North Shore

**2008 STATE APPROPRIATION REQUEST:** $8,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** North Shore - Duluth to Grand Marais

**Project At A Glance**

- Project leverages highway funding to accomplish important recreational facility goals at Split Rock Lighthouse and Tettegouche State Parks,
- New inland full-service campground is proposed at Split Rock Lighthouse,
- Major rehabilitation of the visitor service area/highway rest area complex at Tettegouche State Park is funded jointly through bonding and highway funds,
- A new trail center at Tettegouche State Park, serving the Superior Hiking Trail and ultimately the Gitchi Gami State Trail, and
- Additional recreational facility enhancements in high-use North Shore Parks.

## Project Description

The Minnesota Department of Transportation (Mn/DOT) is planning to upgrade the Tettegouche Rest Area and construct an underpass under T.H. 61 at Split Rock, which will allow for construction of a full-service, energy efficient new campground on the west side of the highway. At Tettegouche, Mn/DOT rest area funding and Department of Natural Resources (DNR) bond funds would be used to improve or replace existing visitor facilities and parking areas and encourage expanded usage comparable to the shared facility at Gooseberry Falls. A new trail center is also proposed at Tettegouche that will serve the Superior Hiking Trail, the Gitchi Gami State Trail (paved non-motorized uses), the Red Dot/Silver Trail Riders snowmobile trail, and cross-country ski trails within the park.

This project will leverage $4 to $6 million in highway funding.

State park campgrounds on the North Shore consistently have some of the highest occupancy rates in the system, and only one park on the North Shore currently has electric-equipped campsites available to users.

This project will provide better recreational facilities in an area of the state where recreational demand continues to increase. Special emphasis will be placed on using sustainable construction techniques and materials, and alternative energy sources such as photovoltaic solar for campground electrical supply. Other recreational facility improvements in high-use North Shore state parks may be funded if budget permits.

## Impact on Agency Operating Budgets (Facilities Notes)

The proposed new campground will add operating costs to the Split Rock Lighthouse State Park budget. However, these costs will be offset at least partially by increased camping revenue. The rehabilitated visitor center/highway rest area at Tettegouche should not increase operating costs, as any increases in square footage should be offset by more efficient utility systems and energy efficient design. The new trail center at Tettegouche will add operating costs to the park budget.

## Previous Appropriations for this Project

There have been no previous appropriations requested for this project.

## Other Considerations

Private development is claiming an increasing share of the shoreline of Lake Superior between Duluth and Grand Marais, and it is important that public recreation anchors like Split Rock Lighthouse State Park and Tettegouche State Park continue to offer attractive, popular recreational facilities that allow lake access and public recreation to thousands of people each year at an affordable cost.

**Project Contact Person**

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**Governor's Recommendations**

DNR submitted $23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of $10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 50 | 30 | 30 | 110 |
| 3. Design Fees | 0 | 1,200 | 750 | 750 | 2,700 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 6,036 | 3,280 | 2,874 | 12,190 |
| 6. One Percent for Art | 0 | 27 | 12 | 8 | 47 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 220 | 140 | 140 | 500 |
| 9. Inflation | 0 | 467 | 788 | 1,198 | 2,453 |
| **TOTAL** | **0** | **8,000** | **5,000** | **5,000** | **18,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 8,000 | 5,000 | 5,000 | 18,000 |
| **State Funds Subtotal** | 0 | 8,000 | 5,000 | 5,000 | 18,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,000** | **5,000** | **5,000** | **18,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Park Recreational Facility Improvements

**2008 STATE APPROPRIATION REQUEST:** $12,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Rehabilitation and enhancement of recreational facilities at the most heavily used state parks ($12 million)
- Opportunity to reach new audiences while ensuring that system health and safety concerns are met
- Focus on campground and beach improvements; roads, bridges and utilities; and protection of historic structures

## Project Description

This request for $12 million is to fund improvements to recreational facilities at selected state parks. These parks are among the most popular in the state park system. The proposed improvements will benefit the largest number of existing users as well as attract new users.

This request will focus on the following units:

- Itasca – projects will include rehabilitation of Wilderness Drive and Itasca Main Park Drive, restoration of Nicollet Court to provide new lodging facilities in the Douglas Lodge Area, restoration of beach area facilities, rehabilitation of the museum building, and construction of a new amphitheatre area.
- St. Croix – projects will include major road rehabilitation, bridge replacements, replacement of two sanitation buildings, historic building rehabilitation, utility system reconstruction, and erosion control projects.
- Interstate – projects will include rehabilitation of the pothole area parking lot, buildings, and interpretive facilities.
- Jay Cooke – projects will include separation of administrative offices from the historic River Inn, and rehabilitation of River Inn interpretive facilities. A historic sanitation building at Oldenburg Point will also be rehabilitated.
- Whitewater – projects will include major road rehabilitation, extensive water system replacement, restoration of a historic stone house for possible rental, and contact station improvements.
- Maplewood – projects will include road rehabilitation, and substantial campground renovation, including additional electric hookups.
- Sibley – projects would include rehabilitation of the beach area facilities, and contact station / shop area improvements.

Important facility repair and rehabilitation projects in other state parks and recreation areas may be included as funds permit.

## Impact on Agency Operating Budgets (Facilities Notes)

These projects will not result in a reduction to the agency's operating budget. However, there will be efficiencies gained throughout the system allowing staff to serve the public more effectively. Lifespan of historic buildings will be extended; reliability and safety of utility systems, roads, and bridges will be greatly strengthened; and maintenance costs for buildings affected will be reduced. Clean, well-maintained facilities will increase user satisfaction in campgrounds, picnic areas, and swimming beaches, and will promote additional park usage and revenue growth.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $3,000,000 |
| L2005, Ch. 20 | Bond | 1,800,000 |
| L2003, Ch. 128 | Future Resources | 400,000 |
| L2002, Ch. 374 | Bond | 1,000,000 |
| L2002, Ch. 393 | Bond | 23,500,000 |
| L2001, 1SS Ch. 2 | Future Resources | 745,000 |
| L2000, Ch. 492 | Bond | 7,415,000 |

## Other Considerations

Many of these projects address safety issues in state park facilities; accessibility issues in parks, and structural deficiencies in buildings, roads, and bridges. If not corrected, some of these facilities may not be available for

public use. The projects to be accomplished with these funds are prioritized through a process involving field staff, regional park management, and state park management, which represent the most urgent needs of the state park system.

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**Governor's Recommendations**

DNR submitted $23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of $10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 80 | 133 | 133 | 346 |
| 3. Design Fees | 2,379 | 1,800 | 3,000 | 3,000 | 10,179 |
| 4. Project Management | 444 | 0 | 0 | 0 | 444 |
| 5. Construction Costs | 12,865 | 9,117 | 13,222 | 11,590 | 46,794 |
| 6. One Percent for Art | 0 | 42 | 59 | 51 | 152 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 465 | 260 | 435 | 435 | 1,595 |
| 9. Inflation | 0 | 701 | 3,151 | 4,791 | 8,643 |
| **TOTAL** | **16,153** | **12,000** | **20,000** | **20,000** | **68,153** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 15,408 | 12,000 | 20,000 | 20,000 | 67,408 |
| Minnesota Resources | 745 | 0 | 0 | 0 | 745 |
| **State Funds Subtotal** | 16,153 | 12,000 | 20,000 | 20,000 | 68,153 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **16,153** | **12,000** | **20,000** | **20,000** | **68,153** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 12,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Trail Rehabilitation, Repair and Acquisition

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Acquire and/or develop segments of five state trails
- Rehabilitate portions of four state trails
- Projects include erosion control, culvert replacement, grade stabilization, bituminous replacement, and bridge rehabilitation

**Project Description**

This request for $15 million in state funds is to rehabilitate, acquire, and develop state trails. Rehabilitation extends the life of trail facilities, reduces future maintenance costs, and helps provide a safe trail experience to the users. These rehabilitation projects include culvert replacement, rehabilitation of bridges, resurfacing, and erosion control. These projects are identified in the Department of Natural Resources (DNR) *Strategic Conservation Agenda* with a target of 30 miles of rehabilitation every two years.

**State Trail Rehabilitation, Repair, and Construction**

**Heartland Trail (Walker) Trestle repair $2,000,000**
Three trestles on the Heartland Trail have been declared unsafe for vehicle traffic between Park Rapids and Cass Lake. Rehabilitation of the Akeley trestle is estimated at $900,000 for the 314 feet of trestle, Kabekona is estimated at 1 million for the 389 feet of trestle, and Steamboat is estimated to need an additional $100,000 for 211 feet of trestle. In the FY06 bonding bill, $300,000 was allotted to start repair on the Steamboat trestle.

**Luce Line Trail (Watertown-Winstead) 13 miles/re-limestone $200,000**
The limestone surface on this segment of trail was last done 22 years ago and is in need of being resurfaced.

**North Shore/ Pengilly Trail, Bridge repair $1,800,000**
This project is to repair or replace inadequate and deteriorating bridges, five on the North Shore State Trail, and two on the Pengilly/Alborn State Trail. On the North Shore State Trail this funding would be used to replace two bridges, a 55 foot and an 80 foot, both over the east branch of the Baptism River, at an estimated cost of $100,000 and $150,000 respectfully; a 100 foot bridge over the west branch of Baptism River at an estimated cost of $200,000; a 60 foot bridge over the east branch of Amity Creek at an estimated cost of $100,000; and a 140 foot bridge over the Lower Cross River at an estimated cost of $250,000.

On the Pengilly/Alborn trail two old railroad bridges need to be rehabilitated. One is a 450 foot bridge over the St. Louis River at an estimated cost of $600,000 and the second one is a 350 foot bridge over the Whiteface River with an estimated cost of $400,000. These structures will need some abutment work and trail stabilization as well.

**State Trail Development**

**Great River Ridge – Elgin-Eyota (7 miles) $1,200,000**
This project is to develop seven miles of abandon grade that is already in public ownership and the bridges have already been built.

**Gitchi Gami – Silver Bay to Tettegouche (7 miles) $1,600,000**
This project continues development of the Gitchi Gami trail between Silver Bay and Tettegouche State Park (7 miles). A federal match of $1.275 million has been secured for this project.

**Root River – Forestville (5 miles) $3,000,000**
This project is on a segment of the Root River Trail that has already been acquired and now needs to be developed. This segment is just over five miles in length. Four large bridges are part of this new development, and will connect the City of Preston to Forestville State Park.

**State Trail Acquisition**

**Browns Creek (6 miles) $5,000,000**
This project is an extension of the Gateway Trail, which is part of the Willard Munger Trail system and a segment that recently became available. This is a very important trail connection between St. Paul and Stillwater. This would allow the abandoned railroad grade to be acquired; only development would be at a later date.

**Root River – Houston-Mound Prairie (7 miles) $200,000**
This project is to complete the trail acquisition of the Root River State Trail seven miles east to the city of Mound Prairie. This is for acquisition of the trail alignment; only development will be at a later date with additional funding as needed.

**Total $15,000,000**

**Impact on Agency Operating Budgets (Facilities Notes)**

DNR anticipates that completing the rehabilitation projects will help decrease maintenance cost in the future. Projects that deal with bridge rehabilitation, erosion control, and stabilization of sub-grade will protect the initial investment and guard against total failure of the trail.

Developing additional trail miles will increase operation and maintenance costs. The addition of 25 new miles of trail will have an annual maintenance cost of $200,000.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, 1SS, Ch. 1 | Environmental Trust | 2,000,000 |
| L2005, Ch. 20 | Bond | 7,910,000 |
| L2003, Ch. 128 | Environmental Trust | 1,300,000 |
| L2003, 1SS, Ch. 20 | Bond | 475,000 |
| L2002, Ch. 33 | Bond | 900,000 |
| L2001, 1SS, Ch. 2 | Environmental Trust | 1,000,000 |
| L2001, 1SS, Ch. 2 | Future Resources | 1,440,000 |
| L2000, Ch. 492 | Bond | 3,400,000 |

**Other Considerations**

These trails offer great potential for return on state funds because they have become high-quality attractions with year-round use. They have gained a reputation on a statewide basis and have support from both local governments and citizens. These rehabilitation projects will help reduce future maintenance costs and help extend the life of the facility. It should be noted that cost estimates for these projects are only preliminary and the actual costs will not be known until final bid selection and approval.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for repair and rehabilitation of state trails. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 2,285 | 5,200 | 9,000 | 10,500 | 26,985 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 1,629 | 900 | 1,600 | 2,000 | 6,129 |
| 4. Project Management | 0 | 100 | 125 | 150 | 375 |
| 5. Construction Costs | 10,671 | 8,800 | 15,275 | 19,350 | 54,096 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,585** | **15,000** | **26,000** | **32,000** | **87,585** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 11,285 | 15,000 | 26,000 | 32,000 | 84,285 |
| Env & Natural Resoures | 3,300 | 0 | 0 | 0 | 3,300 |
| **State Funds Subtotal** | 14,585 | 15,000 | 26,000 | 32,000 | 87,585 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,585** | **15,000** | **26,000** | **32,000** | **87,585** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Water Access Acquisition, Dev and Fishing Piers

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $8.6 million for acquisition and development of new boat access sites
- $1 million for rehabilitation of existing boat access sites
- $400,000 for construction of new fishing piers and shore fishing sites

**Project Description**

This request for $10 million in state funds is to provide the public with new and improved boat accesses, fishing piers, and shorefishing sites throughout the state. This proposal will allow for acquisition and construction of about four new boat access sites on larger lakes, rehabilitation of up to six sites, and construction of 12-15 fishing piers and shorefishing sites.

The current statewide system includes more than 1,590 boat access sites and over 300 fishing piers and shore fishing sites. The cost of lakeshore is rapidly escalating and the competing demand for lakeshore by the public continues to increase. Also, with the continuing technological improvement in boating and fishing equipment, the demand for quality, easy-to-use facilities is becoming essential to the recreational boating experience that the Minnesota angler and boater expect.

We are currently fourth in the nation with 860,000 licensed boats and rank first per capita in boat ownership, with an average of one boat for every six people. The number of boat licenses is increasing by about 1 percent per year.

A typical Department of Natural Resources (DNR) boat access site is one to seven acres in size and contains an entrance road, a boat-launching ramp, a parking lot, and informational signing. At high-use sites, portable toilets, safety lighting, docks, landscaping, and shoreline improvements are provided.

A typical shore fishing site contains a parking lot, accessible paths to the water, and either a fishing pier or shoreline improvement, which provide a place to stand or sit while fishing.

The DNR's Water Recreation Program has a statewide list of boat access acquisition and development projects totaling over $15 million and a backlog of fishing pier requests of over 50. Nearly all fishing pier and shore fishing projects, and some boat access projects, are developed and maintained in cooperation with local governments.

There are still many lakes that have no public access or have very few boat accesses for the size of the lake. This means the public cannot access public waters. Criteria for developing public water access sites are based on lake size, lake type, and water clarity. Other considerations are proximity to population centers, local demand, and statewide significance.

In a major boating study in the metro area by DNR in 1996, findings indicated that boat accesses were routinely full on weekends. The demand is significant enough to warrant both new sites and access expansion. In similar studies done later in the Brainerd area and around Willmar (central lakes), boat accesses were identified as becoming more of an asset to lakeside homeowners and resorts, accounting for nearly 40 percent of access use (somewhat less in the central lakes area). Boat accesses are becoming a necessity for all boaters, especially since boat and motor size has increased (average 18 foot length and 95 horsepower) and rendered many resort and private accesses inadequate.

Part of this project is to protect the state's current investment in boat access facilities. We recognize the need to rehabilitate existing facilities, not only to ensure a quality experience for the user, but also to bring facilities in line with current mandates and laws such as handicapped accessibility and storm water management. Projects initiated now will eliminate more costly repairs in the future. Technology changes are also driving the need for rehabilitation. Larger boats and trailers require better-designed launch ramps, turnarounds, and more parking to ease congestion and prevent conflicts. Recent boating surveys document these needs.

About ten percent of the projects will have non-state participation that includes direct financial contributions, land donations, and in-kind services such as maintenance and operation of the facilities.

**Impact on Agency Operating Budgets (Facilities Notes)**

Maintenance funds are provided for access sites statewide through the Water Recreation Account. Part of this request is not expected to increase maintenance costs because the sites are currently being maintained. Rehabilitation will actually reduce maintenance costs once facilities are upgraded.

To reduce operating costs, the DNR emphasizes cooperative projects. Sites are developed with state capital funds and local units of government operate and maintain the sites (especially for fishing piers and shore fishing sites).

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $3,000,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |
| L2003, Ch. 128 | Environmental Trust | 1,150,000 |
| L2001, 1 SS Ch. 2 | Environmental Trust | 1,760,000 |
| L2001, 1 SS Ch. 2 | Future Resources | 2,000,000 |
| L2000, Ch. 492 | Bond | 4,000,000 |

**Federal Funding**

This program earns approximately $2.2 million in federal funds per year under the federal Wallop-Breaux Act. The federal Sport Fish Restoration Program requires that Minnesota spend 15 percent of its federal apportionment on boat access. These funds are earned in part using state capital funds and are reimbursed at 75 percent. This means Minnesota must spend over $2.1 million of state funds on boat accesses annually to earn over $1.6 million in federal funds. At the federal level, the U.S. Fish and Wildlife Service administer these funds. The Boating Safety Program, managed by the U.S. Coast Guard, provides another $600,000 per year on a 50/50 matching basis using state capital funds.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,360 | 5,000 | 5,000 | 9,000 | 22,360 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 110 | 650 | 650 | 875 | 2,285 |
| 4. Project Management | 44 | 100 | 100 | 125 | 369 |
| 5. Construction Costs | 2,636 | 4,250 | 4,250 | 5,000 | 16,136 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,150** | **10,000** | **10,000** | **15,000** | **41,150** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 5,000 | 10,000 | 10,000 | 15,000 | 40,000 |
| Env & Natural Resoures | 1,150 | 0 | 0 | 0 | 1,150 |
| **State Funds Subtotal** | 6,150 | 10,000 | 10,000 | 15,000 | 41,150 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,150** | **10,000** | **10,000** | **15,000** | **41,150** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** St. Paul campus, University of Minnesota

**Project At A Glance**

- Design and construct an environmental landscape for the new Bell Museum of Natural History
- Blends the missions and purposes of the Museum and Department of Natural Resources (DNR) regarding the education about, interpretation and conservation of, and recreation in, the State's natural resources
- Native site vegetation will represent Minnesota's environments of prairie, coniferous forests, deciduous forest, and oak savanna habitats
- Strategically placed ponding will manage storm water drainage and attract birds and wildlife to the site.

**Project Description**

This request for $4 million is for landscaping and interpretation of both the Department of Natural Resources (DNR) and Bell Museum mission at the University of Minnesota's proposed new Bell Museum of Natural History. The University of Minnesota, in a separate 2008 Capital Budget Request, is requesting funding for the building.

Several acres will be devoted to exterior exhibits representing Minnesota's three distinct ecological regions – coniferous forest, hardwood forest, and prairie. The new facility offers an opportunity to increase its service to Minnesota as the state's natural history museum by inspiring awareness, appreciation, and action on behalf of Minnesota's natural environment and resources. The new building will be an effective and inviting gateway through which the public can explore the natural world and see first hand cutting edge University research.

The Bell Museum was recognized by the state legislature in 1872 as Minnesota's state museum of natural history. Since then, there has been a strong working relationship between DNR's natural history programs and the Bell Museum. Survey work conducted by DNR biologists and contractors with the Non-game Wildlife Program, the Natural Heritage Program, and the County Biological Survey, have worked closely with professors, staff and students at the Bell Museum. All flora and fauna specimens, including important herbarium specimens, collected by these program's efforts have been deposited and curated in the museum's collections.

The proposed Bell Museum will be located on the southwest corner of Larpenteur and Cleveland Avenues, with the environmental landscaping occupying the southern 5.7 acres of the 13 acre site. Together, the building and site will be a portal through which the public can explore the natural world.

The site will offer visitors the opportunity to learn about the dynamics of the natural world as a synergistic entity and as a place abundant with opportunities for fostering a life-long relationship with nature that includes stewardship, respect, and recreation. The site will be a working example of sustainability as it contains water runoff, sequesters carbon with its plantings, and provides an urban habitat attractive to wildlife.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will not have an impact on DNR's operating budget.

**Previous Appropriations for this Project**

The DNR has not made any previous state capital budget appropriations for this project.

**Other Considerations**

This request continues the rich relationship between the Department of Natural Resources and the Bell Museum as they work toward providing the citizens of Minnesota and visitors with a unique window on the natural world.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 190 | 0 | 0 | 190 |
| 4. Project Management | 0 | 72 | 0 | 0 | 72 |
| 5. Construction Costs | 0 | 3,738 | 0 | 0 | 3,738 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Drill Core Library and Field Office Consolidation, Renovation

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Consolidate offices to improve integrated natural resource management
- Materially contribute to the development of a sustainable organization through optimizing facility resources while having the smallest environmental footprint possible
- Establish clear site anchors and facilities supporting the business strengths of Department of Natural Resources (DNR) within the framework of the Facility Master Plan

**Project Description**

This request for $5 million is to replace an inadequate facility at Glenwood, construct a needed addition to the Drill Core Library for Lands and Minerals in Hibbing, and provide predesign for a consolidated facility in Bemidji. The proposed projects address conditions that cannot be resolved through common repair and maintenance activities such as overcrowded conditions, multiple owned and leased offices scattered in one area, unsuitable occupancies, and missing functionality.

**Glenwood:** The area office site at Glenwood consists of a converted residence that is not accessible, is overcrowded, has inadequate storage, structural issues, and ongoing asbestos, lead paint and bat guano issues. This project will replace the office and storage buildings, provide an accessible permit office, renovate the shop area, and upgrade the hatchery to meet the demand for increased capacity. Space will be designed in keeping with Department of Natural Resources (DNR) developing Facility Master Plan.

The hilly Glenwood site was purchased by DNR in 1903 for use as a fish hatchery. In 1906, the hatchery building and main office were constructed on the lower part of the site, and a residence for the site manager was built on the upper part of the site. Storage areas for boats and nets were added over time, and as space demands exceeded capacity, the residence became offices. Currently, Fish and Wildlife staff works in all available nooks and crannies throughout the site, including a minimally heated vestibule and porch space. The site is not accessible; people coming to the site for permits must negotiate steps, and DNR staff store heavy nets and seines in a loft above the boat storage accessible only by an old and narrow staircase. Mechanical and electrical systems are inadequate, and security is non-existent.

The structural integrity of the residence and storage building is failing: The porch is falling away from the main house due to shallow footings, the foundation of the storage building is being damaged by frost heave, which also impacts door access, and the wood access stairs are decaying.

**Drill Core Library:** M.S. 1031.605 directs mineral exploratory borers to submit a ¼ portion of all core obtained for mineral exploration. The most recent library was constructed in 1990, and is near capacity. Funding from this request would provide for the design and construction of an addition to the drill core library in Hibbing.

**Bemidji:** This request will also fund a predesign for a consolidated DNR regional headquarters building in Bemidji. All DNR divisions have staff in and around Bemidji, but they are scattered in five locations and capacity limits have been exceeded. In addition to the five state-owned buildings, there are DNR staff in leased offices in the area, and are other state agencies in facilities as well. This pre-design will assess opportunities for consolidation to increase service to citizens, provide workspaces that are conducive to increased efficiencies, enhance collaboration among the divisions, demonstrate forward thinking in site and building sustainability, and be in keeping with DNR's developing Facilities Master Plan.

**Impact on Agency Operating Budgets (Facilities Notes)**

This project may result in small increases in square footage of office and service facilities, which are incidental to specific project requirements.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2005 Ch. 20 | Bond | $300,000 |
| L2002 Ch. 393 | Bond | 2,500,000 |
| L2000 Ch. 492 | Bond | 3,250,000 |

**Other Considerations**

One of the specific business objectives of the DNR is to work collaboratively within common resource management areas and to manage natural resources in an integrated fashion. This requires workplaces that serve the functional requirements of natural resource management work. Workplace design should allow quick and inexpensive adjustments to maximize productivity and satisfaction. The workplace should also be efficient, technologically advanced, and allow people to accomplish their work in the most efficient way. Specific benefits should include: improved productivity, job satisfaction and health, along with better use of limited resources (people, space, time and money).

Improved facility conditions and workplace utility will enhance collaborative work and productivity. These same improvements will reduce the state's exposure to risks associated with the deficiencies of current facility conditions.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for design and construction of an addition to the Drill Core Library in Hibbing.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 472 | 0 | 0 | 0 | 472 |
| 2. Predesign Fees | 0 | 220 | 250 | 250 | 720 |
| 3. Design Fees | 211 | 325 | 675 | 675 | 1,886 |
| 4. Project Management | 113 | 203 | 225 | 225 | 766 |
| 5. Construction Costs | 1,843 | 3,499 | 6,711 | 5,898 | 17,951 |
| 6. One Percent for Art | 21 | 33 | 64 | 56 | 174 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 140 | 428 | 500 | 500 | 1,568 |
| 9. Inflation | 0 | 292 | 1,575 | 2,395 | 4,262 |
| **TOTAL** | **2,800** | **5,000** | **10,000** | **9,999** | **27,799** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,800 | 5,000 | 10,000 | 9,999 | 27,799 |
| **State Funds Subtotal** | 2,800 | 5,000 | 10,000 | 9,999 | 27,799 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,800** | **5,000** | **10,000** | **9,999** | **27,799** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Forest Roads and Bridges

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Replace and upgrade five bridges:
- Two bridges in the George Washington State Forest
- One bridge in the Beltrami Island State Forest
- One bridge in the Pine Island State Forest
- One bridge in the Kabetogama State Forest

## Project Description

This request for $2 million is to rehabilitate, repair, and replace aging forest roads and bridges infrastructure. Engineering studies recommend replacing or upgrading these structures. Proposed increases in road weight limits also make it necessary to attend to structures identified for replacement. The bridges and culverts in the network of forest roads are used to access state forests for management. The roads and bridges also provide access to forest lands for purposes of hunting and recreation by the public.

The existing state forest road system is a capital asset worth more than $75 million. Regular maintenance and resurfacing reduces the need for costly reconstruction in the future.

The commissioner is directed in M.S. 89.002 to provide a system of forest roads and trails that provide access to state forest land and other forest lands under the commissioner's authority. The system must let the commissioner manage, protect and develop those lands and their forest resources consistent with forest resource policies, and the demands for forest resources.

The Department of Natural Resources (DNR) maintains more than 2,000 miles of roads that serve the 4.6 million acres of DNR-administered lands. These roads also serve several million acres of county, federal, and private forest lands. State forest roads provide a strategic link between the DNR's forest resources and the network of county, state and federal public roads. While state forest roads are used for resource management and hauling forest products, a significant share of their use is also for recreation.

## Impact on Agency Operating Budgets (Facilities Notes)

DNR currently receives approximately $330,000 each year in dedicated state gas tax dollars used for maintenance on forest roads and bridges. However, at least $1.2 million is needed annually to address maintenance needs. This amount does not include reconstruction projects and major resurfacing needs. Past bonding funds have provided about 20 percent of construction, reconstruction, and water-crossing structure replacement needs.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $1,000,000 |
| L2005, Ch. 20 | Bond | 300,000 |
| L2002, Ch. 393 | Bond | 1,200,000 |
| L2002, Ch. 374 | Bond | 750,000 |
| L2000, Ch. 492 | Bond | 722,000 |

## Other Considerations

Alternatives to this request include the following:
- *Increase and extend restrictions on maximum weight.* If this request is not funded, access to forest lands for forest resource management will be increasingly limited to winter only. The volume and value of timber the DNR is able to sell may be reduced. Good summer access enhances the DNR's ability to use natural seeding techniques involving summer-logged shelterwood and all-age harvesting techniques.
- *Increased road closures to off-road vehicles to reduce wear and damage to forest roads and to address public safety concerns.* Closing roads during fall and spring seasons (or other wet soil periods) may be more common to protect the road structure. This would also impact hunting, boating, color tours, and other dispersed recreation.

The increasing recreational use in our forests has increased pressure on the state forest road system. Recreational use is more than 80 percent of the total traffic on the system. Failure to meet the needs of our existing infrastructure will result in reduced recreational opportunities.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 3,250 | 2,000 | 4,000 | 4,000 | 13,250 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,250** | **2,000** | **4,000** | **4,000** | **13,250** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,250 | 2,000 | 4,000 | 4,000 | 13,250 |
| **State Funds Subtotal** | 3,250 | 2,000 | 4,000 | 4,000 | 13,250 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,250** | **2,000** | **4,000** | **4,000** | **13,250** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Reinvest for Energy Efficiencies

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Reduce the DNR's carbon footprint through multiple strategies.
- Reinvest in DNR buildings by retrofitting to reduce energy use
- Increase the DNR's use of renewable energy
- Demonstrate renewable energy technologies at three or more sites

**Project Description**

This request will provide $10 million in state bond funds to reduce the DNR's carbon footprint. This will be achieved through retrofitting selected buildings and the installation of renewable energy technologies at appropriate sites.

There are a number of benefits that will come from these projects. The combination of retrofits and the addition of renewable energy systems have the potential to substantially reduce, or eliminate, the carbon footprint of selected buildings. The economic benefits include substantial reductions in building operating costs through efficiency gains, and the avoided costs of electricity and fossil heating fuels.

The building retrofit process includes a detailed engineering study of energy use in buildings, also known as recommissioning, to understand where significant reductions in energy consumption are available. As a result of the engineering analysis, select building elements will be upgraded to reduce energy need and to provide energy in a highly efficient manner. The process will include retrofits of entire building systems such as exterior envelope, lighting, HVAC, electrical, and plumbing systems, on-site storm water management, and landscaping. In addition to retrofits, the engineering study will include a recommissioning component to determine optimal building operation strategies. Following the retrofits, building systems will be properly commissioned, and building management personnel will be trained in order to maximize the savings arising from each project. Building retrofit and recommissioning projects such as these can expect annual energy savings on the order of 15 percent to 25 percent, and provide simple paybacks of three to five years.

In addition to retrofitting, elected projects will demonstrate the use of renewable energy technologies appropriate to the project site. The renewable energy projects will include a variety of energy sources. Likely candidates include renewable electricity generation from solar and wind energy, as well as space heating and water heating with sources such as biomass and solar energy. The cost effectiveness of renewable energy installations varies considerably by the technologies chosen. Space heating and hot water systems using solar energy or biomass can be very cost effective. The cost effectiveness of renewable electricity generation varies widely by technology and the scale of an installation. Large-scale wind generation is cost competitive in today's electricity markets, while other technologies remain expensive. The choice of renewable energy projects will necessarily include financial cost effectiveness; however the demonstration and public education value of the projects will also play an important role. There may be opportunities to improve the economic value of renewable electricity projects through the sale of Renewable Energy Credits generated through the Midwest Renewable Energy Tracking System.

An emphasis will be placed on renewable energy installations that provide opportunities for significant public education and outreach. Projects will be installed in such a way to maximize educational possibilities of the installation. Where appropriate installation components will be made visible, and information kiosks will be made available to provide information regarding the energy, economic and environmental benefits of the installations.

**Projects**

Retrofit and recommissioning work will be done on buildings where there is opportunity for significant impact. DNR has participated in the State's Energy Benchmarking process for buildings over 5,000 sf, and is currently collecting energy use data on the rest of DNR's buildings. This information will be analyzed to determine the best opportunities for improved long-term energy

reduction; consideration will also be given to the amount of initial investment required to achieve the energy savings so as to maximize the return on investment.

In addition to maximization of return on investment, criteria for selection include feasibility for the application of emerging technology, renewable energy opportunities, priority in the Facility Master Plan, partnership opportunities, staff commitment to the project, and the ability to track measurable outcomes.

Specific projects are not yet identified: The DNR has sought internal applications based on the selection criteria, and is analyzing the responses.

**Impact on Agency Operating Budgets (Facilities Notes)**

The reduction in energy use from this project will result in reduced operating costs.

**Previous Appropriations for this Project**

There have been no previous appropriations for this project.

**Other Considerations**

Funds from this request support DNR's mission to "conserve and manage the state's natural resources…in a way that creates a sustainable quality of life". Implementation of the multiple energy and sustainable technologies noted in this request will allow DNR to:

- Lead the way in making energy efficiency and renewable energy strategies a basic component of everyday life
- Demonstrate in a highly public manner a variety of ways to use renewable energy sources

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 731 | 731 | 731 | 2,193 |
| 4. Project Management | 0 | 325 | 325 | 325 | 975 |
| 5. Construction Costs | 0 | 8,280 | 7,299 | 6,486 | 22,065 |
| 6. One Percent for Art | 0 | 80 | 70 | 62 | 212 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 584 | 1,575 | 2,395 | 4,554 |
| **TOTAL** | **0** | **10,000** | **10,000** | **9,999** | **29,999** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 10,000 | 9,999 | 29,999 |
| **State Funds Subtotal** | 0 | 10,000 | 10,000 | 9,999 | 29,999 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **10,000** | **9,999** | **29,999** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Addresses a wide range of facility renewal needs
- Initiates repair and maintenance projects supporting safety, building integrity, and code violations

**Project Description**

This request for $2 million is to preserve state assets across the state.

The Department of Natural Resources (DNR) has identified more than $35 million in asset preservation projects for agency facilities statewide. These facilities support the *DNR's Strategic Conservation Agenda* by serving recreational, work place, and public interaction needs. These projects are focused on renewal and repairs needed to maintain existing building values and functionality. This request represents the minimal level of funding necessary to check the growth of the DNR "capital iceberg" and to resolve the most urgent problems, particularly problems eroding the capital value of state owned buildings.

The project priorities are to reduce risk of illness and injury, improve indoor air quality, enhance accessibility, and increase security. Funding this request will provide for all aspects of asset preservation, including roofing, plumbing and heating, electrical repair and upgrades, energy efficiency improvements, and structural upgrades. Failed building systems will be updated using improved technologies as opportunities arise.

The DNR continues to invest in a trained, equipped, and productive workforce. Facility conditions significantly contribute to DNR's ability to achieve the state's natural resources management mission. It is in the state's best interest to maintain facilities in a fully functional condition to enhance employee productivity, reduce operating costs, and protect the state's long-term investment in buildings.

These projects do not duplicate any other DNR request.

**Fast Facts**

- Building assets are valued at $390 million;
- The average age of DNR buildings over 120 square feet., and their infrastructure, is 45 years old;
- Eight State Parks experienced a sanitary sewer failure over the 2007 Memorial Day weekend;
- A total of $35 million in estimated asset renewal needs; and
- 745 buildings are in poor condition as rated by the Facility Condition Index.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will help the DNR to address the backlog of asset preservation and building renewal projects. Adequate funding for maintenance and repair and betterment obligations will result in lower future obligations for more costly repair and replacement.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |
| L2002, Ch. 393 | Bond | 2,600,000 |
| L2000, Ch. 492 | Bond | 2,000,000 |
| L1998, Ch. 404 | Bond | 2,200,000 |

**Other Considerations**

If this proposal is not funded, important building renewal projects will be left undone. Not maintaining buildings in a timely manner results in eroded capital values and high maintenance costs to address a higher than necessary rate of facility deterioration and emergency work.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 408 | 93 | 186 | 186 | 873 |
| 4. Project Management | 205 | 32 | 64 | 64 | 365 |
| 5. Construction Costs | 5,856 | 1,741 | 3,089 | 2,764 | 13,450 |
| 6. One Percent for Art | 0 | 17 | 31 | 28 | 76 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 131 | 0 | 0 | 0 | 131 |
| 9. Inflation | 0 | 117 | 630 | 958 | 1,705 |
| **TOTAL** | **6,600** | **2,000** | **4,000** | **4,000** | **16,600** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 6,600 | 2,000 | 4,000 | 4,000 | 16,600 |
| **State Funds Subtotal** | 6,600 | 2,000 | 4,000 | 4,000 | 16,600 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,600** | **2,000** | **4,000** | **4,000** | **16,600** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

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# Natural Resources, Department of

Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Flood Hazard Mitigation Grants | 1 | GO | $15,000 | $15,000 | $15,000 | $15,000 | $15,000 | $15,000 |
| Dam Repair / Reconstruction / Removal | 1 | GO | 3,000 | 3,000 | 3,000 | 2,000 | 2,000 | 2,000 |
| Ground Water Monitoring, Observation Wells | 1 | GO | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Wildlife Area Acquisition and Improvement | 2 | GO | 20,000 | 20,000 | 20,000 | 10,000 | 10,000 | 10,000 |
| Forest Land Conservation Easements | 2 | GO | 20,000 | 20,000 | 20,000 | 9,000 | 9,000 | 9,000 |
| Shoreline & Aquatic Habitat Acquisition (AMA) | 2 | GO | 10,000 | 10,000 | 10,000 | 1,000 | 1,000 | 1,000 |
| State Forest Land Reforestation | 2 | GO | 6,000 | 6,000 | 6,000 | 3,000 | 3,000 | 3,000 |
| Native Prairie Conservation and Protection | 2 | GO | 5,000 | 5,000 | 5,000 | 3,000 | 3,000 | 3,000 |
| RIM Critical Habitat Match | 2 | GO | 5,000 | 2,000 | 2,000 | 3,000 | 3,000 | 3,000 |
| SNA Acquisition and Development | 2 | GO | 2,000 | 7,000 | 7,000 | 1,000 | 1,000 | 1,000 |
| Fish Hatchery Improvements | 2 | GO | 2,000 | 2,500 | 2,500 | 1,000 | 1,000 | 1,000 |
| State Forest Land Acquisition | 2 | GO | 2,000 | 7,000 | 7,000 | 0 | 0 | 0 |
| Stream Protection and Restoration | 2 | GO | 2,000 | 3,000 | 4,000 | 0 | 0 | 0 |
| Water Control Structures | 2 | GO | 1,000 | 1,000 | 1,000 | 500 | 500 | 500 |
| Community Conservation Assistance | 2 | GO | 1,000 | 1,000 | 1,000 | 0 | 0 | 0 |
| State Trail Rehabilitation, Repair and Acquisition | 3 | GO | 15,000 | 26,000 | 32,000 | 3,000 | 3,000 | 3,000 |
| State Park Recreational Facility Improvements | 3 | GO | 12,000 | 20,000 | 20,000 | 0 | 0 | 0 |
| Water Access Acquisition, Dev and Fishing Piers | 3 | GO | 10,000 | 10,000 | 15,000 | 1,000 | 1,000 | 1,000 |
| State Park Development on North Shore | 3 | GO | 8,000 | 5,000 | 5,000 | 0 | 0 | 0 |
| State Park Rehabilitation & Development | 3 | GO | 3,000 | 6,000 | 6,000 | 10,000 | 10,000 | 10,000 |
| Cuyuna Country SRA Enhancements | 3 | GO | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Iron Range OHV Recreation Area | 3 | GO | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Off-Highway Vehicle Rec Area | 3 | GO/UF | 2,000 | 0 | 0 | 0 | 0 | 0 |
| Vermilion State Park Acquisition & Development | 3 | GO/UF | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinvest for Energy Efficiencies | 4 | GO | 10,000 | 10,000 | 9,999 | 0 | 0 | 0 |
| Drill Core Library and Field Office Consolidation, Renovation | 4 | GO | 5,000 | 10,000 | 9,999 | 1,000 | 0 | 0 |
| Bell Museum of Natural History | 4 | GO | 4,000 | 0 | 0 | 0 | 0 | 0 |
| Statewide Asset Preservation | 4 | GO | 2,000 | 4,000 | 4,000 | 2,000 | 2,000 | 2,000 |
| Forest Roads and Bridges | 4 | GO | 2,000 | 4,000 | 4,000 | 1,000 | 1,000 | 1,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $172,000 | $198,500 | $210,498 | $67,500 | $66,500 | $66,500 |
| General Obligation Bonding (GO) | $170,000 | $198,500 | $210,498 | $67,500 | $66,500 | $66,500 |
| User Finance Bonding (UF) | $2,000 | $0 | $0 | $0 | $0 | $0 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

**Agency Profile At A Glance**

Minnesota has approximately 51 million total land acres.

**Public Lands and Waters Administered by DNR**

- 5.5 million acres of land owned by the state of Minnesota, including 4.8 million acres of state-administered forest land
- 12 million acres of land managed for mineral rights
- Eight million acres of surface rights and mineral rights managed for horticultural peat, industrial minerals, and construction materials
- 58 State Forests
- 11,842 lakes
- 69,000 miles of rivers and streams

**Facilities Administered by DNR**

- 66 State Parks and seven State Recreation Areas
- 1,575 state water accesses
- More than 1.2 million acres of Wildlife Management Areas and 37,294 acres of Aquatic Management Areas
- 144 Scientific and Natural Areas
- Over 3,400 miles of canoe and boating routes plus 155 miles of Lake Superior Kayak Trail
- 1,288 miles of multi-use state trails and 536 miles of state bicycle trails
- 1,066 miles of cross country ski trails (DNR & Grant-in-Aid)
- 1,708 miles of off-highway vehicle trails (DNR & Grant-in-Aid)
- 21,635 miles of snowmobile trails (DNR & Grant-in-Aid)

**Agency Purpose**

The Minnesota Department of Natural Resources (DNR) "works with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life."

**Core Functions**

The DNR is charged in statute to provide opportunities for hunting and fishing, other recreational opportunities, and economic development, as well as to preserve important features of our natural heritage. Multiple interests must be managed in order to protect the long-term sustainability of our natural resources while meeting the economic and recreational needs of Minnesota citizens.

**Key DNR Policy Principles:**

- Protect the long-term health of the state's natural resources;
- Deliver sustainable levels of products and services that support Minnesota's natural resources-based economies;
- Provide a variety of outdoor recreation opportunities for Minnesota's citizens; and
- Guard the integrity of dedicated funds and ensure financial accountability.

These management principles guide DNR's work:

- Conserve and Manage the states natural resources;
- Provide for sustainable economic use of our natural resources; place immediate focus on enhancing the state's forest-based economy;
- Provide access to Minnesota's natural resources;
- Promote increased participation in outdoor recreation by removing constraints through improved access, safety, availability, education, marketing, and partnerships/coalitions;
- Cooperate with other agencies, local units of government, citizens, and stakeholders to manage and sustain natural resources effectively;
- Enhance communication and working relationships with core natural resource constituents, with particular attention to hunters and anglers;
- Model the sustainable use of natural resources and energy efficiency in our work;
- Make resource and land use decisions at the local level; and
- Communicate our work in terms of measurable outcomes.

## Operations

The DNR works directly with citizens, stakeholder groups, and all levels of government in setting priorities, managing diverse natural resources, and providing scientific and technical expertise. The DNR administers 12 million acres of mineral rights and 5.5 million acres of land for state forests, wildlife management areas, parks, recreation areas, scientific and natural areas, state trails, and public water access sites. The agency is organized into four geographic regions, eight operating divisions, and four support bureaus. Staff work out of 182 field offices that are located statewide.

- Lands and Minerals Division manages agency real estate transactions and promotes, regulates, and provides expertise on mineral exploration, mining, and mine land reclamation.
- Waters Division regulates all phases of the hydrologic cycle, including managing impacts on wetlands, lake, river, and groundwater phases of the hydrologic cycle.
- Forestry Division protects citizens and property from wildfire and strives for the sustainable yield of timber resources for forest products while managing state forests for wildlife habitat and recreation.
- Parks & Recreation Division operates a system of state park and forest campgrounds that conserves and manages natural, scenic and cultural resources, and offers opportunities for recreation and education.
- Trails and Waterways Division provides public access to lakes, rivers and streams; designates boating routes; and maintains a statewide network of recreation trails.
- Fish and Wildlife Division conserves and enhances the state's fish and wildlife populations and their supporting habitats through regulation, restoration, research, monitoring, and education.
- Ecological Resources Division works to advance healthy, resilient ecosystems through research on native plant and animal communities, regulation and environmental review; provides extensive public information; and maintains the state's Scientific and Natural Areas.
- Enforcement Division enforces laws related to game and fish; wetlands; aquatic plants; and the operation of watercraft, snowmobiles, all-terrain vehicles (ATVs) and other recreational vehicles; and provides a series of conservation and safety education programs.
- Operations Support includes the Commissioner's Office, four bureaus and regional operations that provide administrative leadership and support services to all DNR divisions and geographic regions (northwest, northeast, central and southern) as well as provide direct services to the public.

## Budget

Direct, open, and statutory appropriations total $697 million for the FY 2008-09 biennium: 35 percent is from the general fund, 27 percent from the game and fish fund, 23 percent from the natural resources fund, six percent from federal funds, and the remaining from other funding sources.

## Contact

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**At A Glance: Agency Long-Range Strategic Goals**

- Provide for the conservation of, and citizen access to, our natural resources
- Provide for the sustainable economic use of our natural resources
- Provide for the sustainable recreational use of our natural resources
- Protect the health and safety of Minnesota citizens
- Preserve and rehabilitate department capital assets and incorporate energy technologies that advance conservation goals

The mission of the Minnesota Department of Natural Resources (DNR) is to work with citizens to conserve and manage the state's natural resources, to provide outdoor recreation opportunities, and to provide for commercial uses of natural resources in a way that creates a sustainable quality of life.

DNR is responsible for 94 percent of all state-owned land administered by state agencies. This includes ownership of 12 million acres in mineral rights and 5.5 million acres of land for parks, wildlife areas, public water accesses, scientific and natural areas, state trails, and state forests. These lands provide wildlife habitat and recreational opportunities and play an important role in supporting resource industries.

DNR creates safe opportunities for sustainable, economic use of natural resources. We work with other public agencies to provide wildfire protection to billions of dollars worth of private and public timber as well as other property across the state on 45 million acres of land. DNR develops and disseminates information on outdoor recreational opportunities. We provide assistance to local government, organizations, and individuals on natural resource issues, such as forest management, wildlife habitat improvement, and trail development.

DNR regulates activities associated with hunting, trapping, and fishing, motorized recreation, mining, public waters, and shoreland development. We permit and license private game farms, fish hatcheries, and open burning.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Through its ***Strategic Conservation Agenda,*** DNR identifies critical trends that directly affect natural resources and the demand for DNR facilities, capital programs, and services. These trends require action to prevent significant natural resource degradation, meet citizen expectations, and avoid future problems and associated expenses.

- Prairie Wetland Habitats: In the prairie region of Minnesota, less than ten percent of its wetlands and less the one percent of its native grassland remain from pre-settlement times. Continued loss and degradation of valuable prairie and wetland complexes will be a significant impediment to efforts to sustain critical habitat and water resources, as well as restore healthy waterfowl and other populations.

- Changing Forest Ownership Patterns: Private forestlands are being sold and developed at a rapid rate. Since 1999, over 400,000 acres of Minnesota's industrial forestland has been subdivided and sold. Private forestlands are being divided into smaller and smaller tracts, reducing forest habitat quality and recreational opportunities, decreasing access for timber harvesting, and increasing wildfire risks. Nearly one million acres of large, mostly undeveloped private forest remain at risk of being sold and converted into smaller parcels.

- Changing participation rates and types of outdoor recreation: Recreation provides an important connection between Minnesotans and natural resource stewardship. The percentage of Minnesotans who participated in fishing, hunting, and wildlife watching declined between 1991 and 2001, particularly among young and urban residents. As demand for various recreational opportunities changes, so must DNR efforts to provide and balance recreational opportunities while ensuring conservation of Minnesota's lands and waters.

- Shoreland Development: The number of homes per lakeshore mile in Minnesota has grown dramatically in the last several decades. Even more are expected as baby boomers retire. Development and removal of lakeshore vegetation can degrade lake water quality, diminish fish and wildlife populations, and limit recreation.

- Clean Water and Sustainable Use: The health of Minnesota's freshwater habitats is threatened by physical and chemical changes from many causes. As of 2006 there were 284 rivers and streams and 1,013 lakes impaired by one or more pollutants. Furthermore, a rapidly growing population, increased water consumption rates, emerging water demands, and other factors challenge our ability to maintain adequate water supplies for Minnesota's people and habitats. Between 1990 and 2000, water use grew almost twice as fast as population. Population will grow another 11 percent by 2010. We must act strategically to clean up impaired waters and ensure sustainable water use to meet the needs of an expanding and increasingly water demanding population.

- Habitat Protection in Urban Areas. Population is growing in urban and suburban areas and development pressures are intense. In the greater Twin Cities metropolitan area, nearly 60 acres of undeveloped land is converted to other land uses every day. Current patterns of low-density development threaten remaining habitats by fragmenting areas into smaller and smaller parcels that cannot sustain healthy wildlife populations. In the face of such growth pressures, the protection and restoration of undeveloped lands is essential to conserve the many benefits of natural habitats that contribute to quality of life and economic stability.

- Renewable Energy Use: In 2007 Minnesota led the nation by setting the goal of using renewable energy sources to provide 25 percent of its electricity by 2025. Expanding renewable energy use will require aggressive adoption of existing technologies as well as development and implementation of new technologies. Technologies and practices that are implemented well can also help achieve conservation goals. For instance, perennial energy crops for biomass and biofuel production could improve water quality, store carbon, and provide additional wildlife habitat.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

Minnesotans can be proud of their parks, water access sites, wildlife management areas, scientific and natural areas, state trails, and forests. The land the DNR administers for the state preserves Minnesota's natural resource heritage and is our number one capital asset. This land requires continuous management and capital investment, ranging from acquisition of private lands that lie within state parks, wildlife management areas, forests, and other unit boundaries to enhance the efficiency of operations; to reforestation for asset improvement; to signing and facility development for customer access and satisfaction. Additionally, DNR is responsible for identifying unique acquisition opportunities for resource conservation and citizen access.

DNR has 188 different work sites located throughout the state, and we maintain 2,568 buildings, ranging from vault toilets to complex office buildings housing more than 100 people. In addition to office, workspace, and storage facilities, DNR provides a variety of buildings for public use, such as cabins, fish cleaning houses, picnic shelters, and trail centers. DNR's building inventory covers 2.9 million square feet. Nearly one-third of our buildings are 50 years old or older. In other words, 28 percent of the physical plant is beyond its design life. Only 25 percent of the department's buildings have been built using design specifications roughly equivalent to today's standards.

Previously appropriated funds for asset preservation, plus the Capital Asset Preservation and Replacement Account (CAPRA) funds from the Department of Administration, have helped DNR make significant progress in correcting many serious facility repair problems. We have not, however, kept pace with the rate at which facility deterioration is occurring, and we continue to face many serious problems.

Both extensive and intensive use of DNR buildings and facilities infrastructure necessitate continuous efforts in repair and maintenance. For example, larger and more powerful boats require updated public water access sites. Logging and recreational traffic on forest roads and bridges and intense use of park campsites and facilities result in the need for ongoing maintenance and repairs.

**Agency Process Used to Arrive at These Capital Requests**

The 2008 Capital Budget request was developed using an interdisciplinary approach. Staff from all major programs and from DNR's four Regional Management Teams developed their highest priorities for the capital budget, building off of the department's *Strategic Conservation Agenda*. DNR Senior Managers met to review and discuss all priorities and potential funding levels, and the Commissioner made final decisions.

DNR identified four priority themes where capital investment can contribute to achieving the DNR's strategic goals:

**Health and Safety: protect the health and safety of Minnesota citizens**

- Flood Hazard Mitigation Grants
- Dam Repair / Reconstruction / Removal
- Groundwater Monitoring, Observation Wells

**Conservation: provide for conservation of our natural resources**

- Native Prairie Conservation and Protection
- Stream Protection and Restoration
- Scientific and Natural Areas Acquisition and Development
- Wildlife Area Acquisition and Improvement
- RIM Critical Habitat Match
- Water Control Structures
- Shoreline and Aquatic Habitat- AMA
- Fish Hatchery Improvements
- State Forest Land Reforestation
- Forest Land Conservation Easements
- State Forest Land Acquisition
- Community Conservation Assistance

**Outdoor Recreation: provide for sustainable recreational use**

- Vermillion State Park Acquisition and Development
- State Park Recreational Facility Improvements
- State Park and Recreation Area Acquisition and Restoration
- State Park Development on North Shore
- Cuyuna Country State Recreation Area Enhancements
- Water Access Acquisition, Development, and Fishing Piers
- State Trail Acquisition, Rehabilitation and Repair
- Off-Highway Vehicle Recreation Area (Revenue Bond)
- Iron Range OHV Recreation Area
- Walk-In Access Program
- Vermilion State Park Development

**Assets: preserve, rehabilitate, and improve capital assets**

- Forest Roads and Bridges
- Field Office Consolidation and Renovation
- Reinvest for Energy Efficencies
- Bell Museum of Natural History
- Statewide Asset Preservation

**Capital Projects Authorized in 2006**

DNR received funding in the 2006 bonding bill for the following projects:

- Statewide Asset Preservation
- Flood Hazard Mitigation Grants
- Dam Renovation and Removal
- Stream Protection and Restoration
- Water Access Acquisition, Betterment, and Fishing Piers
- Lake Superior Safe Harbors
- Fisheries Acquisition and Improvement
- Fish Hatchery Improvements
- Wildlife Management Area Acquisition and Improvement
- Water Control Structures
- Native Prairie Bank Easements and Development
- Scientific and Natural Areas Acquisition and Development
- State Forest Land Acquisition
- Large Scale Forest Land and Forest Legacy Conservation Easements
- State Forest Land Reforestation
- State Park and Recreation Area Acquisition
- State Park Infrastructure Rehabilitation and Natural Resource Restoration
- State Park Building Construction and Rehabilitation
- State Park Camper Cabins

- State Trail Acquisition and Development
- Regional Trails
- Trail Connections
- Metro Greenways and Natural Areas
- Local Initiative Grants
- Forest Roads and Bridges
- Prairie Wetlands Environmental Learning Center

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Repair or reconstruct deteriorating dams
- Remove or modify unsafe or obsolete river dams
- Respond to emergencies at public dams

**Project Description**

This request for $3 million is to prepare design plans and specifications for rehabilitation of the high hazard Lake Bronson Dam in Kittson County, construct several dam safety projects at the top of the statewide priority list, and respond to dam safety emergencies.

Minnesota's public dams infrastructure includes over 800 dams owned by the state, counties, cities, and watershed districts. Most of these public dams are over 50 years old and require ongoing repairs to maintain their structural integrity and prevent public safety hazards. Emergency repairs must be made when an imminent dam failure threatens public safety or an actual dam failure damages property. About ten percent of Dam Safety Program capital budget appropriations are generally reserved for emergencies. Any emergency funds remaining at the end of the two-year bonding cycle are used on high priority projects.

M.S. 103G.511 provides for matching grants to local governments for dam repair or reconstruction, and M.S. 103G.515, subd. 5, allows the state to pay the entire cost of removing hazardous dams under certain circumstances. Funding would be used to address emergencies and implement the highest priority projects on the current statewide dam project priority list prepared under M.S. 103G.511, subd. 12. Project priorities are subject to change based on results of dam safety inspections, readiness of local project sponsors, and other factors.

The top 14 projects on the statewide dam safety projects priority list as of 6-1-2007 are shown in the following table. The requested $3 million would provide $2.7 million for these priority dam safety projects and $300,000 for emergencies.

| | Project | Owner /County | Project Type | Primary Needs | Estimated State Cost (1000's) |
|---|---|---|---|---|---|
| 1 | Lake Bronson | DNR /Kittson | Engineering | safety/maintain lake | $400 |
| 2 | King's Mill | County /Rice | Engineering | Safety/maintain flood | 100 |
| 3 | Clayton Lake | DNR /Pine | Repair | Safety/historic preservation | $350 |
| 4 | Windom | City /Cottonwood | Remove | Safety/river restoration | $150 |
| 5 | Cross Lake | DNR /Pine | Modify | Safety/river restoration | $300 |
| 6 | Hartley | City /St. Louis | Modify | Safety/maintain lake levels | $250 |
| 7 | Luverne | City /Rock | Remove | Safety/river restoration | $150 |
| 8 | Balsam Lake | DNR /Itasca | Repair | Safety/maintain levels | $250 |
| 9 | Pike River | DNR /St. Louis | Engineering | Safety/maintain lake levels | $200 |
| 10 | Drayton | City /Kittson | Remove | Safety/river restoration | $200 |
| 11 | Sunrise (P1) | DNR /Chisago | Modify | Safety | $75 |
| 12 | Sunrise (P2) | DNR /Chisago | Modify | Safety | $75 |
| 13 | Sunrise (Kost) | City /Chisago | Modify | Safety | $50 |
| 14 | Clearwater River | County /Stearns | Repair | Safety | $150 |

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 Sec. 7 | Bond | $2,250,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |
| L2003, Ch. 128 | Bond | 1,050,000 |
| L2002, Ch. 393 | Bond | 1,800,000 |
| L2000, Ch. 492 | Bond | 1,200,000 |

**Other Considerations**

This request is part of an ongoing Dam Safety Program to manage Minnesota's public dam infrastructure. Dams maintain water levels on most of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example, Mille Lacs, Minnetonka, and Ottertail Lakes all depend on dams to maintain water levels and surrounding property values.

Making needed repairs limits the potential liability of the Department of Natural Resources (DNR) and local government units that own dams; protects the public safety; and saves money by maintaining existing infrastructure assets.

This program also includes the removal or modification of hazardous or obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment. Low-head river dams, like the Cross Lake Dam in Pine County where a kayaker drowned in April 2005, need to be modified to eliminate their dangerous "drowning machine" currents. Removal and modification of river dams is a specific goal in the DNR's *Strategic Conservation Agenda*.

Consistent, long-term funding of at least $3 million per biennium is necessary to maintain public dams and to remove dams that are obsolete or become safety hazards. DNR Waters' general operating budget does not include funding for dam safety projects.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this program. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 750 | 500 | 500 | 1,750 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 7,100 | 2,250 | 2,500 | 2,500 | 14,350 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,100** | **3,000** | **3,000** | **3,000** | **16,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,100 | 3,000 | 3,000 | 3,000 | 16,100 |
| **State Funds Subtotal** | 7,100 | 3,000 | 3,000 | 3,000 | 16,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,100** | **3,000** | **3,000** | **3,000** | **16,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| Yes | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Reduces repetitive flood losses
- Provides match funding for federal flood control projects
- Protects property, reduces cost and danger of flood fighting

**Project Description**

This request of $15 million in state funds provides state cost-sharing grants to local governments for the Flood Hazard Mitigation Grant Assistance Program under M.S. 103F.161. This program allows the Department of Natural Resources (DNR) to make cost sharing grants of up to 50 percent of non-federal project costs to implement measures that reduce or eliminate flood damage. These projects reduce future flood damages and are built in cooperation with federal, state, and local governments. Additional benefits include habitat improvements with the construction of impoundments and the creation of natural open space in the flood plain. Flood damage reduction is a performance indicator in the DNR's *Strategic Conservation Agenda.*

Major floods in 1997, 2001, 2002, and 2004 created significant awareness of the damage floods can cause. Damage costs from the 1997 Red River and Minnesota River floods exceeded $1.5 billion. The 2007 flood in Browns Valley is another reminder of the need for flood hazard mitigation. It is very cost-effective to prevent flood damage instead of fighting floods and repairing and rehabilitating homes, businesses, and infrastructure after floods have occurred. Minnesota's repetitive flood damage is significantly reduced by the implementation of flood hazard mitigation projects.

Potential projects include:

- Purchase and removal of residential and commercial structures from the floodplain,
- Relocation of businesses,
- Construction of levees and floodwalls,
- Construction of control structures and diversion channels, and
- Construction of impoundments.

Federal flood control projects are funded by about 65 percent federal and 35 percent non-federal sources. Non-federal costs are split 50/50 between the state and the local project sponsor. Provisions in the 1999 and subsequent bonding bills provided additional state funding when the local share of projects exceeded two percent of median household income. Federal projects that are likely to proceed include Browns Valley, Dawson, Montevideo, and Breckenridge. Non-federal projects include Crookston, Granite Falls, Austin, Oakport Township, North Ottawa impoundment, Agassiz Valley impoundment, and Canisteo Pit outlet. Project priorities are subject to change and dependent on risk of flooding, availability of federal funds, if applicable, ability of the local government to proceed, and local government's compliance with flood plain regulations.

The need for flood hazard mitigation projects exceeds this bonding request. Additional needs include acquisition and levee construction, flood-proofing homes and establishing lake outlets.

**Impact on Agency Operating Budgets (Facilities Notes)**

Current DNR staff funded by general fund appropriations will administer the flood hazard mitigation projects.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258, Sec. 7 | Bond | $25,000,000 |
| L2005, Ch. 20, Art 1, Sec.7, Subd. 2 | Bond | 27,000,000 |
| L2003, 1SS Ch. 20, Art 2, Sec. 3, Subd. 2 | Bond | 3,000,000 |
| L2003, 1SS Ch. 20, Art 1, Sec. 5, Subd. 7 | Bond | 1,400,000 |
| L2002, Ch. 393, Sec. 7, Subd. 20 | Bond | 30,000,000 |
| L2001, 1SS Ch. 12, Sec. 3 | Bond | 2,000,000 |
| L2000, Ch. 492, Art 1, Sec. 7, Subd's. 23 & 24 | Bond | 14,300,000 |

During the last seven years, total appropriations of $102.7 million have been authorized for flood hazard mitigation grants.

**Other Considerations**

Flood hazard mitigation projects significantly reduce the potential for damages to homes and businesses. Prevention is very cost effective. The consequences of taking no action result in project delays and increased project costs due to inflation. In addition, the current level of flood damage potential in these areas continues unabated.

Grant criteria identified in M.S. 103F.161 provide for a 50/50 cost share. Local cost-share formulas should be evaluated for equity. A consistent level of funding is desirable so the DNR and local governments can plan for and schedule flood damage reduction projects.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $15 million for this project. Also included are budget planning estimates of $15 million in 2010 and $15 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 86,400 | 15,000 | 15,000 | 15,000 | 131,400 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **86,400** | **15,000** | **15,000** | **15,000** | **131,400** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 86,400 | 15,000 | 15,000 | 15,000 | 131,400 |
| **State Funds Subtotal** | 86,400 | 15,000 | 15,000 | 15,000 | 131,400 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **86,400** | **15,000** | **15,000** | **15,000** | **131,400** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 1 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Expand the network for monitoring ground water levels in selected priority areas and seal obsolete, non-functional monitoring wells

**Project Description:**

This request for $1 million is to install new ground water level monitoring wells (also known as observation wells) in selected priority areas where the well network is inadequate to provide data necessary to assess ground water availability for water supply planning. In addition, some funds may be used to seal existing monitoring wells that are no longer needed or functional. This request also includes funding for one FTE for project implementation.

Monitoring of ground water levels in Minnesota began in 1947 and was later expanded by a cooperative program between the Department of Natural Resources (DNR) and the U.S. Geological Survey (USGS). The number of ground water monitoring wells has remained constant at approximately 750 wells for many years. The goal of the program and monitoring well network is to collect long-term water level data for aquifers in the state. Data from these wells are used to analyze long-term water level trends, evaluate aquifer recharge, interpret impacts of climate fluctuation and change, plan for water conservation, evaluate water conflicts and interferences, and determine ground water/surface water interactions. Other groups, especially consultants, the Metropolitan Council, the Departments of Health and Agriculture, and the Pollution Control Agency, use this information for ground water evaluation and planning purposes.

The density, location, and depth of the wells in most of the state is not adequate for assessing long term trends within the most valuable aquifers. The twin cities metropolitan area is a high priority monitoring area where the density of monitoring wells in some areas is insufficient to detect the development of depressed water level surfaces that could be caused by excessive ground water withdrawal. This deficiency is especially acute for the deeper aquifers that are known to recharge very slowly. Estimated 10 to 15 feet deep wells (Mt. Simon aquifer) could be added to the network in the metro and adjoining areas with this funding. Another estimated five to ten feet intermediate depth wells (Prairie du Chien /Jordan aquifer) are also needed in the metro area.

The south-central portion of the state, an important recharge area for some the state's major bedrock aquifers, is very poorly known geologically, and very poorly monitored despite a recent influx of water intensive industries. In the five-county area from McLeod south to Faribault County, along the western edge of these bedrock aquifers, there are only five monitoring wells in the network and only one of these is in the deepest Mt. Simon aquifer. These funds would allow the addition of several more monitoring locations in the region.

This funding would be considered a first step toward achieving an adequate statewide ground water level monitoring system. The cost for installing ground water level monitoring wells varies considerably depending on the depth to the aquifers at any given location. A useful strategy for installing wells in a multiple aquifer area is to group them together. These nests, as they are commonly called, are advantageous for reasons of installation efficiency, data collection, and well maintenance, as well as providing vertical ground water movement information important for determining aquifer recharge and discharge relationships. For general reference, the cost of a three-well nest in the northwestern metro area would cost approximately $60,000. Fifteen similar installations in the metro and adjoining area would use most of this funding.

Finally, some of the wells in the existing network may have degraded over time and no longer provide accurate data. Other wells in the state network, originally installed by the USGS to fulfill a specific investigative goal, may no longer be needed for the purposes of a statewide monitoring network. These

wells will be identified and as many as possible will be sealed in accordance with Minnesota Department of Health regulations.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding of one position to maintain this project is included in this appropriation request.

**Other Considerations**

The data gathered through ground water level monitoring is critical in determining trends for aquifer sustainability.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 100 | 100 | 100 | 300 |
| 5. Construction Costs | 0 | 900 | 900 | 900 | 2,700 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| **State Funds Subtotal** | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Community Conservation Assistance (CCA) is a strategic, landscape approach to conserving ecologically significant habitats for their natural amenities in rapidly urbanizing areas of the state
- CCA works through partnerships to build trust
- CCA provides financial incentives to local governments and private landowners to protect high value natural habitats through acquisition or easement
- CCA guides land use decisions to reduce future land and water impairments
- CCA leverages other public (non-state) and private funding sources

**Project Description:**

This request for $1 million in state bond funds will begin to address the tremendous land use pressures of future growth and development on all types of remaining habitat in the state.

**Why is this needed?** Within the next 23 years, a projected 1.2 million more people will reside in Minnesota. While over 90 percent of that growth will be concentrated between Rochester and St. Cloud, all of the state's 20 regional growth nodes will face important land use decisions. The fastest growing communities, especially in the state's growth corridor, will face some very important decisions about how to develop so as to also provide the expected access to the natural outdoors. This project supports local communities and the Department of Natural Resources (DNR) in the adoption of a strategic conservation approach that enables state and local governments to work together to protect healthy natural habitats that provide a range of free daily services to all.

**Who benefits?** This CCA project will:

- focus on fast growing communities in the state and provide partial funding to 5 -10 communities or landowners within these areas for the protection of high value, threatened natural habitats with broad public value, and
- through land protection, help to reduce or prevent future surface and ground water impairments due to poor land use decisions that affect overall public and ecological health.

**What is entailed?** For almost 20 years, the DNR has employed successful partnership and landscape approaches to conserve habitat. For example, for over a decade the agency's Metro/Central Region has applied a scientifically informed, strategic approach to working with communities on habitat protection and restoration. At the heart of this region's community conservation work has been a rigorously identified network or system of significant habitat patches and connecting corridors that create areas of strategic conservation focus for the many partners that bring limited resources to conservation.

These funds will enable any DNR region with a defined strategic conservation framework and public participation process to work in partnership with local communities to identify and protect mutually desired habitats. Funds will only be used to assist willing landowners and/or local units of government in land acquisition by fee title or easement. All acquisitions will be owned and managed by a DNR unit or by another government entity and all protection projects will require natural resource management plans that specify responsibility for ongoing management and stewardship.

Some of the types of criteria that might be used to select communities or landowners in fast growth areas of the state include:

- ecological quality of proposed site;
- immediacy of development threat;
- location and role in the conservation network (e.g., buffer to state-owned lands, new hub of habitat, connector between key habitats);
- public value and community interest;
- project readiness and absence of liability;
- non-state cash and in-kind funds committed to the project; and

- willing landowner.

This request will enable the agency to apply a strategic conservation approach for greater effect statewide.

**Impact on Agency Operating Budgets (facilities Note)**

Staff must identify and map remaining natural areas that are sensitive to, and threatened by, development. Areas to be considered for protection must fall within the identified focus areas for protection and must meet and be evaluated by established selection criteria. In other words, the CCA requires staff time from a variety of DNR divisions to develop the conservation framework, and then requires staff time to review projects and execute grant agreements with local governments and conservation nonprofits. For example, in DNR's Central Region, the LCCMR for Metro Conservation Corridors provides staff time for basic program administration and oversight for its strategic conservation ("green infrastructure") efforts.

**Previous Appropriations for this Project**

CCA is a new statewide effort that builds directly off of the past successes of the landscape and watershed initiatives by the agency over the last two decades. Since 1998, the Minnesota Legislature has approved almost $15 million in capital funds for strategic regional-scale conservation approaches (Metro Greenways Program and Metro Conservation Corridors Partnership). These appropriated funds have leveraged additional, non-state conservation funding.

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| **State Funds Subtotal** | 0 | 1,000 | 1,000 | 1,000 | 3,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **1,000** | **1,000** | **1,000** | **3,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Fish Hatchery Improvements

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Various capital improvements to fish culture facilities
- Feasibility studies for alternate fish hatchery facilities

**Project Description**

This request for $2 million is for rehabilitation of hatchery facilities to keep production at its peak efficiency. Potential projects include:

- Repairing rearing pond access areas;
- Repair or replacement of raceway covers;
- Installing or upgrading water lines, water effluent system, water treatment equipment, safety equipment, and more efficient heating or cooling systems;
- Upgrading and maintaining existing drainable ponds;
- Construction of fish holding facilities; and
- Feasibility studies, where feasible, on design, construction or acquisition of drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

The Department of Natural Resources (DNR) *Strategic Conservation Agenda* provides a framework of indicators of performance and target results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting five performance indicators: *Pounds of walleye fingerlings stocked*, *Lake Superior steelhead catch rates, Lake Superior lake trout needs for MN-1, metro ponds stocked for educational purposes, and improved angler satisfaction*. The culture and stocking program will also improve angler satisfaction, which is another performance indicator.

**Impact on Agency Operating Budgets (Facilities Notes)**

There would be no major impacts on the agency's operating budget. The Fisheries activity spends about 18 percent of its operating budget on fish culture and stocking. The hatchery facilities that would be improved with this request are important components of the state's fish culture program.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch.258 | Bond | $1,000,000 |
| L2005, Ch.20 | Bond | 1,700,000 |
| L2001, 1SS, Ch.2 | Future Resources | 145,000 |

**Other Considerations**

The state is currently culturing walleye, trout and salmon, muskellunge, and catfish, which represent a significant investment by the state.

| | Eggs Collected | Fry Hatched | Fish Stocked |
|---|---|---|---|
| Walleye | 681,255,997 | 440,337,808 | 316,858,875 |
| Trout/Salmon | 9,100,000 | 3,400,000 | 2,534,191 |
| Muskellunge | 930,047 | 708,116 | 89,021 |
| Catfish | 48,000 | 37,370 | 61,015 |

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 2,700 | 1,867 | 2,089 | 1,886 | 8,542 |
| 6. One Percent for Art | 0 | 16 | 17 | 15 | 48 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 394 | 599 | 1,110 |
| **TOTAL** | **2,700** | **2,000** | **2,500** | **2,500** | **9,700** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,700 | 2,000 | 2,500 | 2,500 | 9,700 |
| **State Funds Subtotal** | 2,700 | 2,000 | 2,500 | 2,500 | 9,700 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,700** | **2,000** | **2,500** | **2,500** | **9,700** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Provide state funding to acquire large-scale conservation easements on 76,000 acres of private forestlands, primarily in northern Minnesota.
- May leverage federal funding through the Forest Legacy Program, which may provide up to 75 percent of the cost of qualifying conservation easements. Federal match ranges between $500,000 and $2 million per project

**Project Description**

This proposal for $20 million is to match a potential $3.5 million in federal funding over the next two years to acquire Forest Legacy conservation easements on an estimated 76,000 acres of private industrial forestlands within activated Forest Legacy areas. The focus will be on larger, contiguous blocks of industrial forest ownership at greatest risk of being sold, sub-divided, and developed. Opportunities will be pursued with willing industry or land-holding companies. When completed, the Department of Natural Resources (DNR) will own title to the easement and monitor easements on an annual basis.

This project will allow Minnesota to leverage federal funding for an important and urgent opportunity to protect some large, remaining tracts of undeveloped private forest lands in northern Minnesota. The opportunity will not last long as these areas are under growing pressure to be sold, subdivided and developed.

Thousands of acres of forestlands owned and managed by timber and mining companies are being sold in large chunks to timber investment management organizations (TIMOs) that often turn around and sell it off in small parcels for development. Examples include Louisiana Pacific's sale of all of its Minnesota timberlands to a TIMO in 1998, Consolidated Paper's sale of all of its Minnesota timberland eventually to a TIMO in 2003, and Boise Cascade's sale of its Minnesota timberlands (309,000 acres) to a TIMO in 2005. TIMOs and the investors they represent generally have a shorter-term outlook and see these lands as being worth a lot more in real estate transactions than as a source of trees or wildlife habitat 50 years in the future. Nearly one million acres of large, mostly undeveloped private tracts of Minnesota forests are at risk of this real estate speculation.

The risk is real and growing. Development in the forested region of the state is increasing at rapid rates. Housing densities in northern Minnesota increased 25 percent from 1990 to 2000. Forestland values have also jumped six-fold since 1989, from about $200 per acre to $1,200 per acre or more. Statewide trends show a continually growing number of small "non-industrial" private forest landowners, each one owning smaller and smaller parcels of land. Smaller parcel size increases the fragmentation of Minnesota private forests (e.g., each parcel accessed by a road, each road leading to a cabin or house, etc.), making these lands less valued for wildlife habitat, less available and more difficult to manage for timber production, and less available for recreational use. There are no signs of these trends slowing down. Between 2000 and 2030, the number of households is expected to grow by 50 percent in nearly every county from the north end of the Twin Cities to Itasca County.

This opportunity is important to Minnesota because these industrial forest-lands provide large blocks of essentially undeveloped forest land that is increasingly important as unfragmented wildlife habitat, as a sustainable source of timber for the state's forest industries, and land that has generally been open to the public for outdoor recreation. Approximately 42 percent of Minnesota's forests are privately owned (i.e., 6.9 of the 16.3 million acres of forest land). Of this, 1.2 million acres are private industrial holdings. Maintaining some of these lands as larger blocks of intact, working forests has clear benefits to Minnesota.

Conservation easements on private forest land leveraged by funding through the federal Forest Legacy program are critical tools in providing long-term conservation of these valuable blocks of forestland. While acquisition

remains a valuable tool, conservation easements provide more value for the dollar in protecting important conservation lands.

Forest Legacy is a federal conservation easement program operated by the U.S. Forest Service to prevent the loss of productive timberland, fragmentation of important and threatened forestland, and the parcelization of forest ownership. The easement allows the landowner to manage the property under a sustainable forest management plan for timber, wildlife, water and recreational values, but prevents the land from being subdivided or developed for non-forest values.

**Impact on Agency Operating Budgets (Facilities Notes)**

The DNR and its partners will need to provide professional services, such as appraisal, survey and title work, to support these easements. In addition, the DNR will need to adsorb the costs of maintaining and monitoring these easements on an annual basis.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2007, Ch.30 | Environmental Trust | $2,000,000 |
| 2007 | Federal | 750,000 |
| L2006, Ch.243 | Environmental Trust | 500,000 |
| L2006, Ch. 258 | Bond | 7,000,000 |
| 2006 | Federal | 780,000 |
| L2005, 1SS, Ch. 1 | Environmental Trust | 580,000 |
| L2005, Ch. 20 | Bond | 750,000 |
| 2005 | Federal | 2,000,000 |
| 2004 | Federal | 500,000 |
| L2003, Ch. 128 | Environmental Trust | 145,000 |
| 2003 | Federal | 407,000 |
| 2002 | Federal | 1,000,000 |
| L2001,1SS, Ch. 2 | Environmental Trust | 500,000 |
| 2001 | Federal | 906,000 |
| 2000 | Federal | 678,000 |

**Other Considerations**

We are at a point in time to take action to make sure key blocks of these lands remain available for public recreational use, important wildlife habitat and timber production. With the rate of development and growing land values in northern Minnesota, this window of opportunity will not be available for long.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $9 million for this project. Also included are budget planning estimates of $9 million in 2010 and $9 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 16,337 | 19,500 | 19,500 | 19,500 | 74,837 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 981 | 500 | 500 | 500 | 2,481 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **17,318** | **20,000** | **20,000** | **20,000** | **77,318** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 7,750 | 20,000 | 20,000 | 20,000 | 67,750 |
| Env & Natural Resoures | 3,225 | 0 | 0 | 0 | 3,225 |
| **State Funds Subtotal** | 10,975 | 20,000 | 20,000 | 20,000 | 70,975 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 6,343 | 0 | 0 | 0 | 6,343 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **17,318** | **20,000** | **20,000** | **20,000** | **77,318** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | <2,000> | 0 | 0 | <2,000> |
| **TOTAL** | -2,000 | 0 | 0 | -2,000 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Accelerates protection of native prairie on private land through conservation easements and acquisition of public land.
- This funding request would:
  - ⇒ Enroll about 27 tracts protecting about 2,100 acres of prairie on private land;
  - ⇒ Acquire and designate about 300 acres of prairie as Scientific and Nature Areas (SNA); and
  - ⇒ Accelerate availability of local genotype native prairie seed.
- The ten-year goal is to protect 20,000 to 30,000 acres of native prairie in prairie bank easements and designated natural areas.

**Project Description**

This request for $5 million is for Native Prairie Bank (NPB) conservation easements and Scientific and Natural Areas (SNA) acquisition and development, including increasing the availability of native prairie seed stocks.

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today less than one percent remains (150,000 acres) and the remaining remnant native prairies are in jeopardy of being lost forever unless they are protected now. Prairies provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds. Native prairies can provide significant ecological benefits, while also contributing to productive agriculture through grazing, haying, seed production, and biomass for energy.

The Native Prairie Bank Program was established by the 1987 legislature to allow private landowners to protect native prairie on their property through a conservation easement with the Minnesota Department of Natural Resources (DNR). To qualify, a tract must be covered by native prairie vegetation and have never been plowed. Through a NPB, landowners receive a payment for agreeing to preserve their native prairie in its natural state. In return, NPB easements ensure that the prairies ecological values are maintained. The easements are flexible and can allow for haying for use either as livestock feed or bio-energy, grazing and seed production.

At the present time, 75 NPBs have been acquired, protecting 6,142 acres of prairie land. Over 4,800 acres of native prairie in priority landscapes has been targeted for protection in 2008, which would cost over $7 million to enroll in the NPB program. The long-range goal of the Native Prairie Bank program is to protect 75,000 acres of native prairie on private land. In the next 10 years the goal is to enroll about a third of this.

Approximately $3.0 million of this funding request would be used to enroll an estimated 27 tracts, protecting about 2,100 acres of prairie on private land.

The state Scientific and Natural Area Program was established by the 1976 legislature to protect sites with rare native species, geological features, and native habitat for public, educational, and scientific use. At present, 141 SNAs statewide protect about 181,800 acres, including about 12,700 acres of native prairie in 58 designated SNA's. 12 high priority prairie sites comprising about 1640 acres in western Minnesota and the Metro area valued at over $6 million have been targeted for SNA acquisition in 2008.

Approximately $1.2 million of this funding request would be used to acquire about 300 acres to be protected and managed as state-owned SNAs.

*Native Prairie Seed Bank, Restoration, and Development.* About $800,000 of this request would be used for NPB and SNA development to protect and enhance prairie resources and to accelerate native prairie seed resources. Native prairie seed harvest would be accelerated on SNA and through partnership with the individual landowners on NPB sites. This seed would be located to establish and plant prairie SNA and NPB restorations sites and buffer areas that are suitable to serve as native local-genotype prairie foundation seed sources to supply seed growers for prairie restoration and biomass purposes. This source of diverse local ecotype prairie seed is critical for growers to meet anticipated demand for seed to supply prairie biomass

for energy and biofuel production. This funding component also includes NPB and SNA development on prairie sites to meet minimum Commissioner standards (e.g. fencing and signs), baseline documentation of NPB easements, and NPB and SNA prairie restoration (e.g. removal of woody encroachment, control of invasive plants, planting with native local-genotype prairie seed).

The protection of Minnesota's remaining native prairie has statewide significance and benefits because it is Minnesota's most endangered habitat type and is home to more than 100 different species of rare and endangered plants and animals. This request is consistent with the DNR's *Strategic Conservation Agenda* target to enroll more than 2.5 million acres in conservation land retirement programs by 2010, conduct at least 50 management projects on native prairie each year, and establish 500 SNAs by 2085.

**Impact on Agency Operating Budgets (Facilities Notes)**

As new NPBs and SNAs are acquired, the annual operating budget will increase accordingly. Administrative responsibilities include monitoring landowner compliance with easement conditions, providing stewardship advice and assistance to landowners to maintain or improve the condition of their native prairie, and management of state-owned SNAs. Acquisition of lands adjacent to existing DNR lands or NPB sites often results in no increase or an actual decrease in long-term management costs, since problems emanating from adjacent lands are eliminated (e.g. soil erosion, noxious weeds, and trespass). The level of funding needed for program management will depend upon the number of new NPBs acquired as well as their location relative to other DNR lands.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $1,000,000 |
| L2005, Ch. 20 | Bond | 1,000,000 |
| L2003, Ch. 128 | Environmental Trust | 191,600 |
| (Phase 2 – Habitat Corridor Partnership) | | |
| L2003, Ch. 128 | Bond | 1,000,000 |
| L2001, 1SS, Ch. 2 | Environmental Trust | 300,000 |
| (Phase 1 - Habitat Corridor Partnership) | | |
| L2000, Ch. 492 | Bond | 1,000,000 |
| L1998, Ch. 492 | General | 400,000 |

**Other Considerations**

Development and acquisition funds have historically been appropriated though bonding or from the Environmental Trust Fund. If additional funding is not provided, private prairie lands will be lost to mining, energy development, subdivisions, agricultural conversion, and intensive grazing. Lack of funds for development would threaten the survival of natural communities and rare species and limit scientific and educational use. Native prairies protected through NPBs and SNAs are among the most diverse and highest quality prairies in the state. To date, nearly all prairie seed harvested from these sites has been used for restoration on nearby NPB and SNA lands. This need persists, yet, if carefully done, seed from these lands could contribute towards increasing the availability of genetically diverse, local prairie seed for growers to produce for habitat restoration and future biomass plantings for energy production.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 2,575 | 5,000 | 5,000 | 5,000 | 17,575 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 364 | 0 | 0 | 0 | 364 |
| 5. Construction Costs | 253 | 0 | 0 | 0 | 253 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,192** | **5,000** | **5,000** | **5,000** | **18,192** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 5,000 | 5,000 | 5,000 | 18,000 |
| Env & Natural Resoures | 192 | 0 | 0 | 0 | 192 |
| **State Funds Subtotal** | 3,192 | 5,000 | 5,000 | 5,000 | 18,192 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,192** | **5,000** | **5,000** | **5,000** | **18,192** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# RIM Critical Habitat Match

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Matches $5 million in private donations
- Acquires 4,000 acres of critical fish, wildlife, and native plant habitat

## Project Description

This request for $5 million is to match an equal amount of private donations to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. Private contributions from individuals, groups, and businesses that contribute land, easements, or cash to the program are matched dollar-for-dollar with state funds. Cash donations and state matching dollars are used to purchase or enhance critical parcels of land for wildlife management areas, scientific and natural areas, aquatic management areas, state parks, or state forests.

In addition to acquisition, critical habitat is improved to protect and restore fish and wildlife populations and native plant communities. The most common projects are planting critical winter cover, securing nesting cover, restoring wetlands, and improving forest habitat. Fisheries habitat may be protected or improved by acquiring riparian lands, stabilizing lake or stream shores, restoring aquatic vegetation, improving fish habitat in streams, reclaiming watersheds, and other fisheries management activities.

Currently, the sole source of match funding is the $3.5 million in annual proceeds generated by the Critical Habitat License Plate Program (M.S. 168.1296, Subd. 5) that are credited to the Reinvest in Minnesota (RIM) matching account (M.S. 84.943) and are used as state matching funds under the RIM Match Program.

The value of cash and land parcel donations to the Critical Habitat Match (CHM) Program have ranged from $500,000 to $4 million dollars per year, averaging about $1.6 million per year. Currently, pledged and approved donations exceed available state matching dollars by more than $2.3 million. In addition, several large, pending land donations are being considered that would require an additional $7 to $8 million of matching dollars above and beyond what will be available through Critical Habitat License Plate sales. Additional CHM funds would allow the Department of Natural Resources (DNR) to solicit donations more aggressively and increase the level of annual donations. Without adequate state matching dollars available to match an increase in donations or larger gifts, some potential donations could be lost.

## Impact on Agency Operating Budgets (Facilities Notes)

Acquisition of lands under this program will increase agency development costs such as posting, parking lots, and habitat rehabilitation associated with the purchase of a new property. Acquisition of priority parcels in existing units will, however, enhance management and public use in projects where the state already has an investment in lands.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2005 Ch. 20 | Bond | $2,000,000 |
| L2003 Ch. 128 | Environmental Trust | 400,000 |
| L2002 Ch. 393 | Bond | 400,000 |

## Other Considerations

The CHM Program is one of the most innovative and successful programs in the country for enhancing environmental quality; improving fish, wildlife, and native plant habitats; and ensuring quality recreational opportunities. The program has been highly successful in leveraging non-state funds.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this project. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 2,800 | 5,000 | 2,000 | 2,000 | 11,800 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,800** | **5,000** | **2,000** | **2,000** | **11,800** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,400 | 5,000 | 2,000 | 2,000 | 11,400 |
| Env & Natural Resoures | 400 | 0 | 0 | 0 | 400 |
| **State Funds Subtotal** | 2,800 | 5,000 | 2,000 | 2,000 | 11,800 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,800** | **5,000** | **2,000** | **2,000** | **11,800** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Protect unique land of statewide significance for rare species and natural communities through fee acquisition and designation
- Develop unique lands to ensure the natural attributes are protected and sustained and public use is safely accommodated

**Project Description**

State funding of $2 million is requested to acquire and develop lands as Scientific and Natural Areas (SNAs) across the state, with emphasis on protection of priority native forest, woodland, fen and peatland habitats and their rare plants and animals.

SNAs are sites of statewide significance that preserve examples of rare plant communities, geological features, and rare and endangered species habitat. Examples are native prairie and habitat for rare plant and animal populations, e.g. orchids. SNAs provide high quality recreational and educational opportunities including hiking, bird watching, hunting and nature photography, as well as critical locations for scientific research. These unique resource sites are in danger of being lost unless they are protected now.

**SNA Acquisition: $1.8 million**

At present, 141 SNAs protect about 181,800 acres. Of this total, about 146,200 acres are in 18 ecologically significant peatlands protected by the Wetland Conservation Act of 1991. This request follows a Long Range Plan approved by the Legislative-Citizen Commission on Minnesota Resources (LCCMR). It prioritizes acquisition of natural areas and lands adjacent to existing sites. Minnesota has identified approximately 500 natural features that need to be protected; therefore, we estimate that 500 SNAs need to be established by 2085.

Priorities for SNA acquisition are identified by the Minnesota County Biological Survey, historical data, immediate threats to critical parcels, and first hand knowledge of a site. This process allows the SNA program to meet multiple protection objectives (communities and species/geological features) at one site. Protection efforts also require a continual review of the existing public land base to determine the occurrence of rare species, geological features, and plant communities.

**Development: $200,000**

SNA development ensures that biological diversity is retained and prevents the loss of important species, plant communities, and features. For example, the habitat value and public use of SNAs can be enhanced through restoration actions, including removal of woody encroachment, seed collection, and replanting as well as fencing and signing. Interpretive signage helps promote the educational and recreational value of SNA.

This request has statewide significance because it supports preservation of the highest priority plant, animal and natural community resources throughout the state (including native prairie). This request is consistent with the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* priority to meet the long-term goal of having 500 SNAs by 2085. The DNR estimates that development of critical SNA sites would cost over $3.6 million during the next six years.

**Impact on Agency Operating Budgets (Facilities Notes)**

As new SNAs are acquired, DNR's annual operating budget will increase. However, acquisition of lands adjacent to existing SNA sites can result in a decrease in management costs when problems emanating from adjacent lands are eliminated (e.g. soil erosion and noxious weeds).

**Previous Appropriations for this Project**

| | | Acquisition | Development* |
|---|---|---|---|
| L2006, Ch. 258 | Bond | 1,800,000 | $200,000 |
| L2005, 1SS, Ch. 1 | Trust Fund | 67,000 | 67,000 |
| L2005, Ch. 20 | Bond | 150,000 | 150,000 |
| L2003, Ch. 128 | Trust Fund | 400,000 | 80,000 |
| L2003, 1 SS, Ch. 20 | Bond | 1,800,000 | 200,000 |
| L2001, ISS, Ch. 2 | Trust Fund | 455,000 | 0 |

*Trust Fund includes restoration $s that are not all bondable

**Other Considerations**

Funds have historically been appropriated though bonding or from the Environmental Trust Fund. Lack of funds for SNA development would threaten the survival of natural communities and rare species and limit educational use. Lack of interpretive materials and facilities at SNA sites diminishes the full educational use of the area. User education is key to protecting these resources and others across the state. This proposal focuses on priority native forest, woodland, fen and peatland habitats. Protection and conservation of priority native prairie land is included in a separate bonding proposal.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,577 | 2,000 | 7,000 | 7,000 | 19,577 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 200 | 0 | 0 | 0 | 200 |
| 5. Construction Costs | 1,137 | 0 | 0 | 0 | 1,137 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,914** | **2,000** | **7,000** | **7,000** | **20,914** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 4,914 | 2,000 | 7,000 | 7,000 | 20,914 |
| **State Funds Subtotal** | 4,914 | 2,000 | 7,000 | 7,000 | 20,914 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **4,914** | **2,000** | **7,000** | **7,000** | **20,914** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Acquire various Aquatic Management Area (AMA) parcels through easements or fee title
- Implement habitat improvement, rehabilitation, and development projects that meet at least minimum improvement requirements

**Project Description**

This request for $10 million is to acquire fee title or permanent conservation easements on lakes and streams. Site development includes initial infrastructure costs (boundary survey, posting, parking lot, user facilities, building removal, well sealing, and road approaches). Lake and stream improvement efforts will also be implemented, including native plant restoration and bank stabilization.

The Department of Natural Resources' *Strategic Conservation Agenda* provides a framework of indicators of performance and targeted results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting two performance indicators: *Number of shoreline miles* protected in aquatic management areas (AMAs) and *Brown trout population levels and miles of easements on southeastern Minnesota trout streams*. The AMA acquisition program is an essential tool in providing water access sites, which is another performance indicator.

**Impact on Agency Operating Budgets (Facilities Notes)**

The funds for this project will provide for the purchase of easement or fee title interest in properties where willing sellers are identified. It will provide angler access and protection of aquatic habitats. The funds will also be used to support AMA habitat improvements that may be done in cooperation with local watershed efforts. There will be no or minimal impact on administrative or staffing budgets.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, Ch. 20 | Bond | 1,050,000 |

**Other Considerations**

The demand for shoreline property is high and riparian areas are rapidly being developed. AMAs ensure that critical fish and wildlife habitats will be conserved and public access to clean water resources will be available. Acquisition of AMAs is a critical step towards maintaining Minnesota's reputation for providing excellent fishing opportunities, and an outstanding quality of life for those who visit and live here.

The department depends on outside funds for acquisition opportunities that cannot be funded with operational funds. These funds will be used in areas of the state where clean water habitats are being threatened and where recreational opportunities on lakes and streams are not keeping up with demand. Through the AMA acquisition program, state funds have the ability to leverage large amounts of private land or cash donations. From 2003 through 2006, the department acquired $13,980,320 worth of AMA fee title or easement lands, of which $5,755,594 (41%) came from donations.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,050 | 10,000 | 10,000 | 10,000 | 33,050 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,050** | **10,000** | **10,000** | **10,000** | **33,050** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,050 | 10,000 | 10,000 | 10,000 | 33,050 |
| **State Funds Subtotal** | 3,050 | 10,000 | 10,000 | 10,000 | 33,050 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,050** | **10,000** | **10,000** | **10,000** | **33,050** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Forest Land Acquisition

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Acquire 405 acres of private in-holdings within state forests located in Minnesota
- Reduce development pressures in state forests
- Address trespass and access problems

## Project Description

This request for $2 million in state funds is to acquire private lands within state forest boundaries to reduce development pressure on private land that threatens management options on adjacent state lands. Parcels acquired would also help address trespass and access problems on state lands.

Acquisitions are critical because when private in-holdings are developed within state forests, management and use of adjacent state lands are often incompatible with the desires of private landowners. Acquisitions will also provide access to state lands to ensure appropriate forest management activities, public access for recreational opportunities, and public safety, particularly wildfire suppression.

Nearly 4.4 million of the roughly 5.7 million acres of Department of Natural Resources (DNR) administered land are in state forests. Minnesota has 14.7 million acres of commercial forestland. These lands are about equally divided between public and private ownership. DNR manages about 20 percent of the commercial forestland in the state.

This request will help fund efforts outlined in the DNR's *Strategic Conservation Agenda* for the Division of Forestry Lands Asset Management Program. It will be a start to a 20-year strategic land asset management planning effort to acquire more than 150,000 acres of state forest in-holdings and access through exchanges with and purchases from willing sellers.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $1,000,000 |
| L2005, Ch. 20 | Bond | 750,000 |
| L1998, | General Fund | 800,000 |

## Other Considerations

Deferral of this project will result in the development of forest in-holdings for residential or private recreational purposes and loss of access to existing state lands. State forests are coming under increasing pressure to stop or restrict forest management activities and restrict public recreation on state lands that are adjacent to private lands.

Periodically, acquisition of important parcels of private land within or adjacent to state forestlands involves a collaborative effort between the DNR and private non-profit organizations. These organizations are sometimes better able to quickly respond when important parcels become available on the market, securing the parcels through purchase with the understanding that the DNR will purchase parcels of interest from them when funds become available.

## Project Contact Person

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Division of Forestry
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## Governor's Recommendations

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 1,575 | 1,800 | 6,300 | 6,300 | 15,975 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 175 | 200 | 700 | 700 | 1,775 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,750** | **2,000** | **7,000** | **7,000** | **17,750** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1,750 | 2,000 | 7,000 | 7,000 | 17,750 |
| **State Funds Subtotal** | 1,750 | 2,000 | 7,000 | 7,000 | 17,750 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,750** | **2,000** | **7,000** | **7,000** | **17,750** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $6,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $2 million for preparing 15,000 acres for reforestation to help ensure the successful establishment of trees
- $4 million for planting and seeding 20,000 acres of state forestlands to assure optimal stocking of tree species most ecologically suitable to specific sites

**Project Description**

This request is for a total of $6 million for site preparation and tree planting and seeding on 20,000 acres of state land. This request supports the requirements of M.S. 89.002, subd. 2 that requires:

- Reforestation of all harvested state forestlands,
- Maintenance of all state forests in appropriate forest cover, plant stock, growth rate, and health; and
- Restoration of productivity on state forestlands damaged by natural causes or that are in a poorly stocked condition.

Restoration needs and efforts are expected to intensify in the future. As ecological land classification is used to match the best species to the sites, and as efforts are made to meet subsection planning goals calling for conversion of tree cover into longer lasting conifers, reforestation expenditures will increase.

The benefits of careful, adequate, and full reforestation are many:

- Improves a long-term asset that increases in value over time. Forests return millions of dollars to Minnesota's economy in the form of forest products, secondary products (such as paper), recreational opportunities that support the tourism industry and ecological values that sustain our quality of life,
- Fulfills the vision for Minnesota's forests as described in the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* that calls for healthy and resilient forests and forests that are sustainably managed to provide a diversity of benefits,
- Addresses landscape cover type conversion and composition goals established during DNR Subsection Forest Resources Management Planning (SFRMP),
- Responds to catastrophic events by restoring DNR forest lands damaged by recent wildfires and insect and disease outbreaks (e.g., wildfires along the Gunflint Trail, pine forests killed by jack pine budworm in northwestern and central Minnesota),
- Addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense, and
- Maintains forests as carbon sinks. Minnesota forests store significant amounts of carbon, and play an important role in reducing the climate impact of carbon dioxide pollution. Reforestation is critical to maintaining the forest's ability to absorb and store carbon.

The goal of DNR's reforestation effort is to ensure that five years after the harvest, the area is stocked with trees ecologically best suited to the site; tree species meet the desired conditions for the landscape, and the trees are at least equal in height to the competition on the site.

In order to accomplish that goal, reforestation efforts consist of four components:

- Site preparation
- Planting or seeding
- Protection
- Release

Capital investments in reforestation will provide funding for the site preparation and planting/seeding components. The site preparation component will involve using both mechanical and chemical means to reduce competition and prepare a suitable planting/seeding bed. The planting

component consists of purchasing seeds and seedlings to meet reforestation objectives, securing reforestation equipment and supplies to better ensure seedling survival during planting, and contracting or hiring labor to plant the trees.

Protection and release are also critical components for meeting reforestation goals. New plantings need protection (e.g., from animal browsing) for at least three to five years after planting. New plantings may also need to be released from competing vegetation that robs young seedlings of needed light and nutrients. Without these measures, initial investments in planting/seeding likely would be lost. As the acreage of young plantings increase, there is an increase in the amount of funding needed for protection and release. Because protection and release are not bond-eligible, the DNR currently funds these reforestation components from the Forest Management Investment Account (FMIA).

**Impact on Agency Operating Budgets (Facilities Notes)**

As noted above, capital investments in the site preparation and planting/seeding components of DNR reforestation efforts will require additional investments in protection and release components from the Forestry operating budget to be successful.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $4,000,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |

**Other Considerations**

In the Constitution of the State of Minnesota, Article XI, Section 5 one of the purposes for "public debt and works of internal improvements" is, item (f), “to promote forestation…”

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for this program. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,000** | **6,000** | **6,000** | **6,000** | **24,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| **State Funds Subtotal** | 6,000 | 6,000 | 6,000 | 6,000 | 24,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,000** | **6,000** | **6,000** | **6,000** | **24,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Restores degraded or channelized streams to benefit fish and wildlife habitat and water quality and reduce erosion and flooding
- Restores fish passage around man-made barriers
- Request would fund stream channel design and restoration

**Project Description**

State funding of $2 million is requested for stream channel design and restoration projects.

Minnesota's streams have been degraded by channelization and the construction of dams. Channelization reduces stream length, eliminates fish and wildlife habitat, and increases erosion, sedimentation, and downstream flooding. Dams block migration of fish and other aquatic species and reduce the overall productivity of streams by interfering with sediment and nutrient transport. Stream restoration provides opportunities to improve fish and wildlife habitat and water quality while reducing erosion and downstream flooding.

Restoration projects involve removal or modification of man made barriers or constructing stream channels to a more natural pattern, constructing riffles for bed stability, bank stabilization, and landscaping. Stream channel design requires specialized knowledge of watershed hydrology, river morphology, and stream ecology to ensure that restored streams provide ecological and recreational benefits.

Projects are chosen through a statewide selection process based on potential for resource improvement, local community interest, and public benefit. Project costs include engineering, conducting surveys for development of topography maps, developing design plans and specifications, producing bid and specifications packages, and final construction.

This request will have statewide benefits because projects are located in several geographic areas. There are also public safety benefits to this proposal because man made barrier removal or modification can eliminate a drowning hazard. This request is consistent with the Department of Natural Resources (DNR's) *Strategic Conservation Agenda* priority to restore degraded streams and remove or modify unsafe dams.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, Ch. 20 | Bond | 500,000 |
| L2003, 1SS Ch. 1280 | Bond | 500,000 |

**Other Considerations**

Opportunities for stream restoration work are increasing as local communities learn the recreational, ecological, and economic benefits of healthy rivers.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 230 | 0 | 0 | 0 | 230 |
| 4. Project Management | 90 | 0 | 0 | 0 | 90 |
| 5. Construction Costs | 2,680 | 2,000 | 3,000 | 4,000 | 11,680 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,000** | **2,000** | **3,000** | **4,000** | **12,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 2,000 | 3,000 | 4,000 | 12,000 |
| **State Funds Subtotal** | 3,000 | 2,000 | 3,000 | 4,000 | 12,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,000** | **2,000** | **3,000** | **4,000** | **12,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Various improvements to water control structures on lands under state control

**Project Description**

This request is for $1 million to improve water control structures on state controlled lands. The Department of Natural Resources (DNR) Fish and Wildlife Division manages over 600 dikes, dams, water control structures and fish barriers on shallow lakes and significant wetlands across Minnesota. These structures improve water quality and provide core waterfowl habitat. Many of these structures are deteriorating and are in need of replacement and upgrading to include fish barriers.

Potential projects include:

- Removing and replacing inadequate or failing water control structures
- Repairing and improving existing water control structures and dikes
- Breaching an existing dike to allow flowage systems to be managed in a natural state
- Creating an outlet structure to allow lake habitat restoration
- Constructing dike systems to restore wetlands while protecting adjoining farmland.

The DNR's *Strategic Conservation Agenda* provides a framework of indicators of performance and targeted results for achieving the department's mission. This framework has provided direction and guidance on the construction of the capital budget. This initiative will assist in meeting two performance indicators: *Number of prairie wetland complexes* and *Minnesota's share of the yearly Mississippi River Flyway duck harvest*. The improved water quality of the wetlands managed and restored with the water control structures will also improve hunter satisfaction, which is another performance indicator.

**Impact on Agency Operating Budgets (Facilities Notes)**

There would be no major impact on the agency's operating budget. The water control structures that would be improved with this request are important for healthy and sustainable waterfowl component wetlands. Operating budgets have not been and will not be adequate to fund the capital nature of these improvements.

**Previous Appropriations for this Project**

L2006, Ch. 258 Bond $1,000,000

**Other Considerations**

This appropriation will preserve and improve investments in the state's important wetland resources and support the work of partners such as Ducks Unlimited and Minnesota Waterfowl Association to accelerate shallow lake management in addressing concerns of the status of waterfowl in the state.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $500,000 for this project. Also included are budget planning estimates of $500,000 in 2010 and $500,000 in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 1,000 | 1,000 | 1,000 | 1,000 | 4,000 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1,000** | **1,000** | **1,000** | **1,000** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 1000 | 1,000 | 1,000 | 1,000 | 4,000 |
| **State Funds Subtotal** | 1000 | 1,000 | 1,000 | 1,000 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **1000** | **1,000** | **1,000** | **1,000** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $20,000,000

**AGENCY PROJECT PRIORITY:** 2 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Accelerate strategic acquisition and improvement of Wildlife Management Area (WMA) lands

**Project Description**

This request for $20 million is to accelerate strategic acquisition of approximately 15,000 acres of new Wildlife Management Areas (WMA) and to improve WMA facilities and restore habitat on newly acquired lands. Minnesota has one of the finest systems of publicly owned WMAs in the country (1,371 units; 878,000 acquired acres in 86 of 87 counties). These areas allow Minnesota citizens and nonresidents to enjoy wildlife and share our natural heritage. WMAs are also important for conserving surface water, preserving unique vegetation, enhancing natural beauty and open space, and providing areas for outdoor recreation compatible with wildlife management.

Land acquisition will emphasize increasing the number of high quality prairie wetland/grassland complexes. Priority will be given to larger acquisitions (greater than 200 acres) that protect wetland, shallow lakes, and grassland complexes. Preference will be given to acquisitions that already have some protection through existing state or federal ownership, conservation easements, or farm programs such as Conservation Reserve Program (CRP). This focus will help increase waterfowl production and hunter harvest in Minnesota, further the objectives of the Working Lands Initiative, restore Minnesota's wetland and waterfowl hunting heritage, and support the Department of Natural Resources (DNR) Duck Plan.

Funding will be used for major cooperative acquisition efforts with private nonprofit organizations and other state and federal agencies. Collaborative efforts, such as the Working Lands Initiative, apply both private and public land management practices in a targeted and strategic manner to maximize benefits and minimize costs. Working lands helps unify, coordinate, and improve conservation investments in Minnesota's prairie pothole region. Partners in the effort are many, but include Ducks Unlimited, Pheasants Forever, The Nature Conservancy, Minnesota Waterfowl Association, US Fish and Wildlife Service, the state Board of Water and Soil Resources, and the DNR. The partners identify highest priority focus areas to create large complexes of wetlands and grasslands to improve fish and wildlife and enhance water quality and soil conservation. It also provides a structure and process to leverage dollars and gain conservation benefits at the lowest possible cost.

Supplemental efforts like Legislative-Citizen Commission on Minnesota Resources (LCCMR) initiatives, other state and federal acquisition programs, non-governmental investments, private land easements and other private efforts are key to providing the long-term habitat base needed to meet our wildlife and public hunting goals in much of the state.

Potential projects include:

- Purchasing approximately 7,500 acres for WMAs directly from willing landowners;
- Partnering with private conservation organizations and other state and federal programs to acquire a similar amount of land for WMAs;
- Developing and improving WMA user facilities, access roads, and trails; and
- Restoring prairie/grasslands, open/brush lands, and wetlands to support wildlife populations on newly acquired WMAs.

A citizen's advisory committee recommended an accelerated goal of acquiring 210,500 acres of new WMA lands within the next ten years. The report was based on an analysis of current and future needs for wildlife habitat, wildlife population management, and hunter access ("Report on the Wildlife Management Area Land Acquisition Program, December 2002").

**Impact on Agency Operating Budgets (Facilities Notes)**

Lands acquired as part of the WMA system require a future commitment for maintenance, development, and management costs. In the short-term, initial infrastructure costs (boundary survey, posting, parking lot and user facilities, building removal, well sealing, road approaches, etc.) are estimated to be $13,000 to $15,000 per parcel (an average of ten percent of purchase value).

In the mid-term and long-term there is also a continuing commitment for development and maintenance on new WMA lands. Habitat restoration costs may include grassland development; forest or woody cover development or improvement, brushland management, and food plot development. Other bonding requests, Game and Fish Funds, Heritage Enhancement Funds, Environmental Trust Funds, or funds from private partner organizations can help fund these costs.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $14,000,000 |
| L2005, Ch. 20 | Bond | 10,000,000 acq/$600,000 dev. |
| L2002, Ch. 393 | Bond | 400,000 acq/$200,000 dev |
| L2000, Ch. 492 | Bond | 1,000,000 |

**Other Considerations**

Minnesota's Wildlife system plays a major role in providing opportunities for hunting, trapping and wildlife-watching activities; a $1 billion industry in the state. 15 percent of Minnesotans hunt and 52 percent of Minnesota residents watch wildlife. New WMA lands will play a key role in providing additional access to quality wildlife lands to meet future recreational needs for public hunting, trapping and wildlife-related recreation.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $10 million for this program. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 25,200 | 20,000 | 20,000 | 20,000 | 85,200 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **25,200** | **20,000** | **20,000** | **20,000** | **85,200** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 25,200 | 20,000 | 20,000 | 20,000 | 85,200 |
| **State Funds Subtotal** | 25,200 | 20,000 | 20,000 | 20,000 | 85,200 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **25,200** | **20,000** | **20,000** | **20,000** | **85,200** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 20,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Cuyuna Country SRA Enhancements

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Cuyuna Country State Recreation Area

**Project At A Glance**

- $1.9 million to construct a new access road, rustic campground, and support facilities for mountain biking and scuba diving activities at Cuyuna Country State Recreation Area near Crosby
- $100,000 to plan for a potential public/private partnership opportunity for a regional mountain biking training facility sponsored by the International Mountain Biking Association (IMBA)

## Project Description

This request for $2 million is for the development of the Cuyuna Country State Recreation Area (SRA) near Crosby, in Crow Wing county. This bonding request would focus on providing a main access road to areas planned for diving and mountain biking, and providing support facilities such as a rustic campground and other trailhead and diving access facilities. The proposal also includes $100,000 for preliminary design of a mountain bike training center and administrative office.

This SRA contains almost 5,000 acres within its boundaries, with about 2,700 acres currently owned by the state. It is a popular destination for scuba divers, since the flooded mine pits have exceptionally clear water and interesting underwater features. The IMBA has also proposed an extensive mountain bike trail system at Cuyuna, one that would make the park a regional or national mountain biking destination. IMBA was successful in obtaining a federal grant of about $525,000 to begin development of this facility. In addition, IMBA is discussing development of a regional training center for mountain biking, and Department of Natural Resources (DNR) Parks would like to explore the opportunity for a public/private training center and administrative office building within the boundaries of the recreation area.

## Impact on Agency Operating Budgets (Facilities Notes)

A new access road, rustic campground, and trailhead support facilities will add operating costs to the Cuyuna Country SRA operating budget. New sales of park permits and camping fees will partially offset the increase in operating costs.

## Other Considerations

Cuyuna Country SRA is an emerging recreational gem that needs the focus that enhanced facilities for mountain biking and scuba diving can provide. The clear mine pit water provides exceptional diving opportunities, and the mixture of rocky terrain and wooded slopes provides outstanding mountain biking conditions. The recreation area has the potential for being a significant regional center for both of these activities if high quality support facilities are constructed.

## Project Contact Person

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## Governor's Recommendations

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 100 | 0 | 0 | 100 |
| 3. Design Fees | 0 | 300 | 0 | 0 | 300 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,480 | 0 | 0 | 1,480 |
| 6. One Percent for Art | 0 | 3 | 0 | 0 | 3 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Iron Range

**Project At A Glance**

- $750,0000 for Highway underpass between two sites
- $250,000 to construct maintenance building
- $1 million develop access trail between the two sites, perimeter fencing and new trails

**Project Description**

This request for $2 million is to finish the development of the Iron Range Off-Highway Vehicle State Recreation Area (IROHVRA). This proposal would connect the Gilbert OHVRA with land acquired for the Virginia OHVRA, provide funds for a maintenance building at the Gilbert facility and develop the Virginia site for vehicle use.

A portion of this funding would be used to connect the two sites with an underpass on State Highway 137; a cost estimate on this concrete box culvert is $550,000. A second underpass will be needed on Mittal Steel USA, Minorca Mine (Mittal) mining access road. Mittal has agreed to work with the State on this second crossing supplying equipment and fill material, so the second culvert cost is estimated at $200,000.

Some funding would be used for a new maintenance building at the Gilbert IROHVRA site. The current shop area is a pole building that is not insulated or heated with no running water or rest room for staff. A new maintenance building is estimated to cost $250,000. The current building would be used for cold storage only.

The last component of this bonding request is the development of the newly acquired 2,500 acres IROHVRA. Access to the majority of the riding area will require crossing Pike River on the old county road alignment. Because of the extensive beaver activity in this flowage, the old road alignment will need to be lifted significantly and the crossing of the river will require a bridge. This site will also require approximately 15 miles of perimeter fencing to be constructed. These construction costs are estimated at $1 million.

Previous dedicated account funding of $2.7 million has been invested into the recreation area from OHV accounts in the natural resources fund.

The first Iron Range Off Highway Vehicle (OHV) site was authorized in 1996 and opened to the public in 2002. This 1,200 acre site is located within the city limits of Gilbert, Minnesota. This site is also where the DNR office is located for this facility, plus a maintenance building, vehicle wash, and a classroom. This first site has been operating well and meeting the project attendance of 10,000 per year. It was understood that this site would need to be connected to another larger site to realize future potential. The request for bonding will provide necessary funding to connect these two sites and complete development.

It was originally thought that dedicated funding would be adequate to acquire and develop this second part of the IROHVRA because all landowners had indicated they wanted the State to lease, not purchase, their property within the boundary of the second site. However, after discussions started, all landowners decided to pursue fee purchase rather than lease. Therefore, most of the dedicated funding has been directed towards securing the land.

It is estimated that on this 2,500 acre site, planned development should yield between 50 to 70 miles of OHV trail initially.

This effort is identified in the Department of Natural Resources (DNR) *Strategic Conservation Agenda.*

**Impact on Agency Operating Budgets (Facilities Notes)**

The state will own the newly acquired IROHVRA site and both sites will be managed as one. The contact station, maintenance facility, staging area, and vehicle wash site will all remain at the Gilbert facility. The Virginia site of the IROHVRA will be primarily for trail riding opportunities and possibly some

special events depending upon the outcome of the Master Plan and environmental review.

**Previous Appropriations for this Project**

All previous appropriations have been requested from the OHV dedicated accounts. A one-time appropriation from the Iron Range Resources account for $750,000 was granted in 2000 and used as local match for this project.

**Other Considerations**

It is anticipated that the completion of an OHV site in Minnesota would reduce the impact on other public lands. It would provide specialized technical riding opportunities in Minnesota. The current 1,200 acre Gilbert site connected to the 2,500-acre Virginia site will provide enough OHV opportunity to make this a national destination for OHV riding. It will provide opportunity for special event type activities, a mud area, and nearly 100 miles of trail covering all levels of difficulty.

These OHV State Recreation Areas have a significant potential for return on state funds invested, especially for local communities. With the official opening of the Iron Range OHV Recreation Area at Gilbert in the fall of 2002, the community began to see an influx of visitors and their dollars. A boom in area restaurants, OHV rentals, motel and campground expansions are largely attributable to visitors to the OHV Recreation Area. This has helped mitigate the effects of a general mining industry slowdown in recent years.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 275 | 0 | 0 | 275 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 1,507 | 0 | 0 | 1,507 |
| 6. One Percent for Art | 0 | 1 | 0 | 0 | 1 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 100 | 0 | 0 | 100 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Southern Minnesota

**Project At A Glance**

- $2 million for acquisition of site(s) for Off-Highway Vehicles (OHV) use
- Project site(s) in southern Minnesota where the majority of lands are privately owned

**Project Description**

This request for $2 million is to acquire a public OHV recreation area in southern Minnesota. This proposal is for user financing from the OHV Accounts; user fees will pay the debt service costs of the proposal.

Although OHV enthusiasts and their supporters have identified a number of sites, it remains uncertain which or how many of these sites could actually be purchased. Legislation in 1996, and again in 1999 authorized an OHV State Recreation Area in northeastern Minnesota. Likewise, demand exists in southern Minnesota, except there are far fewer acres of public land on which to consider the development of an OHV site. Four trail systems currently exist in southern Minnesota for All-Terrain Vehicles (ATV), two of which also allow off-highway motorcycles (OHM), (Snake Creek and Trout Valley units, R.J. Dorer Memorial State Forest). Swift County has a site in Appleton that is open to all three motorized groups (ATV, Off-Road Vehicles (ORV), OHM) as a county recreation facility.

Despite efforts to date, only eleven miles of ORV trails have been established outside of the Iron Range OHV Recreation Area. Many miles of forest roads exist for ORV touring, but technically challenging trails have proven difficult to locate. These specialized technical opportunities are more easily provided in state-owned Recreation Areas, like the Iron Range OHV Recreation Area at Gilbert, Minnesota.

This effort is identified in the Department of Natural Resources' *Strategic Conservation Agenda.*

**Impact on Agency Operating Budgets (Facilities Notes)**

The state will own the newly acquired OHV riding site, which will be open to all three-user groups. The state will seek to partner with local trail clubs or local units of government to operate the site.

**Previous Appropriations for this Project**

There have been no previous appropriations requested for this project.

**Other Considerations**

It is anticipated that the completion of an OHV site in Minnesota would reduce the impact on other public lands. It would provide specialized technical riding opportunities in southern Minnesota.

OHV State Recreation Areas have a significant potential for return on state funds invested, especially for local communities. With the official opening of the Iron Range OHV Recreation Area at Gilbert in the fall of 2002, the community began to see an influx of visitors and their dollars. A boom in area restaurants, OHV rentals, motel and campground expansions are largely attributable to visitors to the OHV Recreation Area.

With additional vehicle registrations, the OHV account balances increase, making more funds available for OHV trail opportunities. A similar positive economic impact can be anticipated in southern Minnesota as occurred in and around Gilbert.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 1,600 | 0 | 0 | 1,600 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 100 | 0 | 0 | 100 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 181 | 0 | 0 | 181 |
| 6. One Percent for Art | 0 | 2 | 0 | 0 | 2 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 117 | 0 | 0 | 117 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,000 | 0 | 0 | 2,000 |
| **State Funds Subtotal** | 0 | 2,000 | 0 | 0 | 2,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,000** | **0** | **0** | **2,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | <2,000> | 0 | 0 | <2,000> |
| **TOTAL** | -2,000 | 0 | 0 | -2,000 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0.0% |
| User Financing | 2000 | 100.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| No | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Park Development on North Shore

**2008 STATE APPROPRIATION REQUEST:** $8,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** North Shore - Duluth to Grand Marais

**Project At A Glance**

- Project leverages highway funding to accomplish important recreational facility goals at Split Rock Lighthouse and Tettegouche State Parks,
- New inland full-service campground is proposed at Split Rock Lighthouse,
- Major rehabilitation of the visitor service area/highway rest area complex at Tettegouche State Park is funded jointly through bonding and highway funds,
- A new trail center at Tettegouche State Park, serving the Superior Hiking Trail and ultimately the Gitchi Gami State Trail, and
- Additional recreational facility enhancements in high-use North Shore Parks.

## Project Description

The Minnesota Department of Transportation (Mn/DOT) is planning to upgrade the Tettegouche Rest Area and construct an underpass under T.H. 61 at Split Rock, which will allow for construction of a full-service, energy efficient new campground on the west side of the highway. At Tettegouche, Mn/DOT rest area funding and Department of Natural Resources (DNR) bond funds would be used to improve or replace existing visitor facilities and parking areas and encourage expanded usage comparable to the shared facility at Gooseberry Falls. A new trail center is also proposed at Tettegouche that will serve the Superior Hiking Trail, the Gitchi Gami State Trail (paved non-motorized uses), the Red Dot/Silver Trail Riders snowmobile trail, and cross-country ski trails within the park.

This project will leverage $4 to $6 million in highway funding.

State park campgrounds on the North Shore consistently have some of the highest occupancy rates in the system, and only one park on the North Shore currently has electric-equipped campsites available to users.

This project will provide better recreational facilities in an area of the state where recreational demand continues to increase. Special emphasis will be placed on using sustainable construction techniques and materials, and alternative energy sources such as photovoltaic solar for campground electrical supply. Other recreational facility improvements in high-use North Shore state parks may be funded if budget permits.

## Impact on Agency Operating Budgets (Facilities Notes)

The proposed new campground will add operating costs to the Split Rock Lighthouse State Park budget. However, these costs will be offset at least partially by increased camping revenue. The rehabilitated visitor center/highway rest area at Tettegouche should not increase operating costs, as any increases in square footage should be offset by more efficient utility systems and energy efficient design. The new trail center at Tettegouche will add operating costs to the park budget.

## Previous Appropriations for this Project

There have been no previous appropriations requested for this project.

## Other Considerations

Private development is claiming an increasing share of the shoreline of Lake Superior between Duluth and Grand Marais, and it is important that public recreation anchors like Split Rock Lighthouse State Park and Tettegouche State Park continue to offer attractive, popular recreational facilities that allow lake access and public recreation to thousands of people each year at an affordable cost.

**Project Contact Person**

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**Governor's Recommendations**

DNR submitted $23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of $10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 50 | 30 | 30 | 110 |
| 3. Design Fees | 0 | 1,200 | 750 | 750 | 2,700 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 6,036 | 3,280 | 2,874 | 12,190 |
| 6. One Percent for Art | 0 | 27 | 12 | 8 | 47 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 220 | 140 | 140 | 500 |
| 9. Inflation | 0 | 467 | 788 | 1,198 | 2,453 |
| **TOTAL** | **0** | **8,000** | **5,000** | **5,000** | **18,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 8,000 | 5,000 | 5,000 | 18,000 |
| **State Funds Subtotal** | 0 | 8,000 | 5,000 | 5,000 | 18,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,000** | **5,000** | **5,000** | **18,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $12,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Rehabilitation and enhancement of recreational facilities at the most heavily used state parks ($12 million)
- Opportunity to reach new audiences while ensuring that system health and safety concerns are met
- Focus on campground and beach improvements; roads, bridges and utilities; and protection of historic structures

**Project Description**

This request for $12 million is to fund improvements to recreational facilities at selected state parks. These parks are among the most popular in the state park system. The proposed improvements will benefit the largest number of existing users as well as attract new users.

This request will focus on the following units:

- Itasca – projects will include rehabilitation of Wilderness Drive and Itasca Main Park Drive, restoration of Nicollet Court to provide new lodging facilities in the Douglas Lodge Area, restoration of beach area facilities, rehabilitation of the museum building, and construction of a new amphitheatre area.
- St. Croix – projects will include major road rehabilitation, bridge replacements, replacement of two sanitation buildings, historic building rehabilitation, utility system reconstruction, and erosion control projects.
- Interstate – projects will include rehabilitation of the pothole area parking lot, buildings, and interpretive facilities.
- Jay Cooke – projects will include separation of administrative offices from the historic River Inn, and rehabilitation of River Inn interpretive facilities. A historic sanitation building at Oldenburg Point will also be rehabilitated.
- Whitewater – projects will include major road rehabilitation, extensive water system replacement, restoration of a historic stone house for possible rental, and contact station improvements.
- Maplewood – projects will include road rehabilitation, and substantial campground renovation, including additional electric hookups.
- Sibley – projects would include rehabilitation of the beach area facilities, and contact station / shop area improvements.

Important facility repair and rehabilitation projects in other state parks and recreation areas may be included as funds permit.

**Impact on Agency Operating Budgets (Facilities Notes)**

These projects will not result in a reduction to the agency's operating budget. However, there will be efficiencies gained throughout the system allowing staff to serve the public more effectively. Lifespan of historic buildings will be extended; reliability and safety of utility systems, roads, and bridges will be greatly strengthened; and maintenance costs for buildings affected will be reduced. Clean, well-maintained facilities will increase user satisfaction in campgrounds, picnic areas, and swimming beaches, and will promote additional park usage and revenue growth.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $3,000,000 |
| L2005, Ch. 20 | Bond | 1,800,000 |
| L2003, Ch. 128 | Future Resources | 400,000 |
| L2002, Ch. 374 | Bond | 1,000,000 |
| L2002, Ch. 393 | Bond | 23,500,000 |
| L2001, 1SS Ch. 2 | Future Resources | 745,000 |
| L2000, Ch. 492 | Bond | 7,415,000 |

**Other Considerations**

Many of these projects address safety issues in state park facilities; accessibility issues in parks, and structural deficiencies in buildings, roads, and bridges. If not corrected, some of these facilities may not be available for

public use. The projects to be accomplished with these funds are prioritized through a process involving field staff, regional park management, and state park management, which represent the most urgent needs of the state park system.

**Project Contact Person**

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**Governor's Recommendations**

DNR submitted $23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of $10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 80 | 133 | 133 | 346 |
| 3. Design Fees | 2,379 | 1,800 | 3,000 | 3,000 | 10,179 |
| 4. Project Management | 444 | 0 | 0 | 0 | 444 |
| 5. Construction Costs | 12,865 | 9,117 | 13,222 | 11,590 | 46,794 |
| 6. One Percent for Art | 0 | 42 | 59 | 51 | 152 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 465 | 260 | 435 | 435 | 1,595 |
| 9. Inflation | 0 | 701 | 3,151 | 4,791 | 8,643 |
| **TOTAL** | **16,153** | **12,000** | **20,000** | **20,000** | **68,153** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 15,408 | 12,000 | 20,000 | 20,000 | 67,408 |
| Minnesota Resources | 745 | 0 | 0 | 0 | 745 |
| **State Funds Subtotal** | 16,153 | 12,000 | 20,000 | 20,000 | 68,153 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **16,153** | **12,000** | **20,000** | **20,000** | **68,153** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 12,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $500,000 to restore land within state parks to pre-settlement conditions through prairie restoration, wetland restoration, deciduous forest restoration, and pine forest restoration
- $2.5 million to acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries

**Project Description**

This request for $3 million in state bonding funds would allocate $2.5 million to acquire private lands from willing sellers within legislatively established state park and recreation area boundaries, and $500,000 to implement natural resource restoration projects. Housing development pressure threatens many natural areas within state parks, and these funds will help to prevent the loss of significant natural landscapes for future generations.

The state park system continually faces management challenges caused by private in-holdings within state parks. In many cases, these private parcels separate park management areas and create physical barriers to maintaining contiguous recreation and natural areas within the park. Many of these parcels are facing residential or commercial development pressure that would be incompatible with traditional park uses.

Approximately 15 percent of the state park system's 267,000 acres is privately owned with state park and recreation area boundaries.

M.S. 86A.05 subd. 2c directs state parks to preserve, manage and restore pre-settlement natural features and other significant scenic, scientific and historic elements in the system. The state park natural resource management program annually restores nearly 750 acres of prairie, forests and wetlands. In addition, almost 12,000 acres/year are maintained or improved through prescribed fire, control of invasive plant species and protection of forest regeneration. Bonding funds in this request would allocate $0.5 million to reconstruct 350 acres of prairie/savanna, and 612 acres of deciduous and pine forest restoration.

**Impact on Agency Operating Budgets (Facilities Notes)**

In most cases, acquisition of in-holdings has a neutral impact on the state park operating budget. This is due to increased efficiency gained by managing more continuous and contiguous natural and recreational areas that are already receiving services. Restoring natural areas will require operating budget support, but using bond funds to restore land to pre-settlement conditions allows for more effective use of operating funds to maintain healthy plant communities and reduce the spread of invasive species.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $3,000,000 |
| L2005, 1SS, Ch.1 | Env Trust | 2,000,000 |
| L2005, Ch. 20 | Bond | 2,500,000 |
| L2003, 1SS Ch. 20 | Bond | 1,000,000 |
| L2003, Ch. 128 | Env Trust | 1,500,000 |
| L2001, 1SS Ch. 2 | Env Trust | 1,110,000 |
| L2001, 1SS Ch. 2 | Future Resources | 616,000 |
| L2000, Ch. 492 | Bond | 500,000 |

**Other Considerations**

Priorities for acquisition are based on the availability of willing sellers and the potential for residential or commercial development if the parcel were not acquired. Delays in purchasing parcels from willing sellers may mean that they will be developed and lost for recreational use.

**Project Contact Person**

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**Governor's Recommendations**

DNR submitted $23 million in three separate bonding requests for acquisition and restoration of state park in-holdings, development of North Shore state parks and for rehabilitation of state park facilities. The governor recommends general obligation bonding of $10 million to fund projects within these three requests based on internal DNR priorities. Also included are budget planning estimates of $10 million in 2010 and $10 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 10,000 | 2,500 | 5,000 | 5,000 | 22,500 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 500 | 1,000 | 1,000 | 2,500 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,000** | **3,000** | **6,000** | **6,000** | **25,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 6,500 | 3,000 | 6,000 | 6,000 | 21,500 |
| Env & Natural Resoures | 3,500 | 0 | 0 | 0 | 3,500 |
| **State Funds Subtotal** | 10,000 | 3,000 | 6,000 | 6,000 | 25,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10,000** | **3,000** | **6,000** | **6,000** | **25,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# State Trail Rehabilitation, Repair and Acquisition

**2008 STATE APPROPRIATION REQUEST:** $15,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Acquire and/or develop segments of five state trails
- Rehabilitate portions of four state trails
- Projects include erosion control, culvert replacement, grade stabilization, bituminous replacement, and bridge rehabilitation

**Project Description**

This request for $15 million in state funds is to rehabilitate, acquire, and develop state trails. Rehabilitation extends the life of trail facilities, reduces future maintenance costs, and helps provide a safe trail experience to the users. These rehabilitation projects include culvert replacement, rehabilitation of bridges, resurfacing, and erosion control. These projects are identified in the Department of Natural Resources (DNR) *Strategic Conservation Agenda* with a target of 30 miles of rehabilitation every two years.

**State Trail Rehabilitation, Repair, and Construction**

**Heartland Trail (Walker) Trestle repair $2,000,000**
Three trestles on the Heartland Trail have been declared unsafe for vehicle traffic between Park Rapids and Cass Lake. Rehabilitation of the Akeley trestle is estimated at $900,000 for the 314 feet of trestle, Kabekona is estimated at 1 million for the 389 feet of trestle, and Steamboat is estimated to need an additional $100,000 for 211 feet of trestle. In the FY06 bonding bill, $300,000 was allotted to start repair on the Steamboat trestle.

**Luce Line Trail (Watertown-Winstead) 13 miles/re-limestone $200,000**
The limestone surface on this segment of trail was last done 22 years ago and is in need of being resurfaced.

**North Shore/ Pengilly Trail, Bridge repair $1,800,000**
This project is to repair or replace inadequate and deteriorating bridges, five on the North Shore State Trail, and two on the Pengilly/Alborn State Trail. On the North Shore State Trail this funding would be used to replace two bridges, a 55 foot and an 80 foot, both over the east branch of the Baptism River, at an estimated cost of $100,000 and $150,000 respectfully; a 100 foot bridge over the west branch of Baptism River at an estimated cost of $200,000; a 60 foot bridge over the east branch of Amity Creek at an estimated cost of $100,000; and a 140 foot bridge over the Lower Cross River at an estimated cost of $250,000.

On the Pengilly/Alborn trail two old railroad bridges need to be rehabilitated. One is a 450 foot bridge over the St. Louis River at an estimated cost of $600,000 and the second one is a 350 foot bridge over the Whiteface River with an estimated cost of $400,000. These structures will need some abutment work and trail stabilization as well.

**State Trail Development**

**Great River Ridge – Elgin-Eyota (7 miles) $1,200,000**
This project is to develop seven miles of abandon grade that is already in public ownership and the bridges have already been built.

**Gitchi Gami – Silver Bay to Tettegouche (7 miles) $1,600,000**
This project continues development of the Gitchi Gami trail between Silver Bay and Tettegouche State Park (7 miles). A federal match of $1.275 million has been secured for this project.

**Root River – Forestville (5 miles) $3,000,000**
This project is on a segment of the Root River Trail that has already been acquired and now needs to be developed. This segment is just over five miles in length. Four large bridges are part of this new development, and will connect the City of Preston to Forestville State Park.

**State Trail Acquisition**

**Browns Creek (6 miles) $5,000,000**
This project is an extension of the Gateway Trail, which is part of the Willard Munger Trail system and a segment that recently became available. This is a very important trail connection between St. Paul and Stillwater. This would allow the abandoned railroad grade to be acquired; only development would be at a later date.

**Root River – Houston-Mound Prairie (7 miles) $200,000**
This project is to complete the trail acquisition of the Root River State Trail seven miles east to the city of Mound Prairie. This is for acquisition of the trail alignment; only development will be at a later date with additional funding as needed.

**Total $15,000,000**

**Impact on Agency Operating Budgets (Facilities Notes)**

DNR anticipates that completing the rehabilitation projects will help decrease maintenance cost in the future. Projects that deal with bridge rehabilitation, erosion control, and stabilization of sub-grade will protect the initial investment and guard against total failure of the trail.

Developing additional trail miles will increase operation and maintenance costs. The addition of 25 new miles of trail will have an annual maintenance cost of $200,000.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, 1SS, Ch. 1 | Environmental Trust | 2,000,000 |
| L2005, Ch. 20 | Bond | 7,910,000 |
| L2003, Ch. 128 | Environmental Trust | 1,300,000 |
| L2003, 1SS, Ch. 20 | Bond | 475,000 |
| L2002, Ch. 33 | Bond | 900,000 |
| L2001, 1SS, Ch. 2 | Environmental Trust | 1,000,000 |
| L2001, 1SS, Ch. 2 | Future Resources | 1,440,000 |
| L2000, Ch. 492 | Bond | 3,400,000 |

**Other Considerations**

These trails offer great potential for return on state funds because they have become high-quality attractions with year-round use. They have gained a reputation on a statewide basis and have support from both local governments and citizens. These rehabilitation projects will help reduce future maintenance costs and help extend the life of the facility. It should be noted that cost estimates for these projects are only preliminary and the actual costs will not be known until final bid selection and approval.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $3 million for repair and rehabilitation of state trails. Also included are budget planning estimates of $3 million in 2010 and $3 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 2,285 | 5,200 | 9,000 | 10,500 | 26,985 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 1,629 | 900 | 1,600 | 2,000 | 6,129 |
| 4. Project Management | 0 | 100 | 125 | 150 | 375 |
| 5. Construction Costs | 10,671 | 8,800 | 15,275 | 19,350 | 54,096 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,585** | **15,000** | **26,000** | **32,000** | **87,585** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 11,285 | 15,000 | 26,000 | 32,000 | 84,285 |
| Env & Natural Resoures | 3,300 | 0 | 0 | 0 | 3,300 |
| **State Funds Subtotal** | 14,585 | 15,000 | 26,000 | 32,000 | 87,585 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,585** | **15,000** | **26,000** | **32,000** | **87,585** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 15,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Vermilion State Park Acquisition & Development

**2008 STATE APPROPRIATION REQUEST:** $0

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Lake Vermillion

**Project At A Glance**

- The proposal includes acquiring land and developing a flagship state park that would showcase northern Minnesota's classic lake country, provide a wide range of year-round public activities, and expand the experiences and knowledge of area visitors to the natural and cultural resources of the Lake Vermilion area.

**Project Description**

This request is to acquire and develop the proposed Lake Vermilion State Park. The amount needed to acquire the land is unknown at this time. Park development will provide for a flagship state park that would showcase northern Minnesota's classic lake country, provide a wide range of year-round public activities, and expand the experiences and knowledge of area visitors to the natural and cultural resources of the Lake Vermilion area.

Facilities to be developed include visitor center; campsites with electricity; camper cabins; modern restrooms, showers, and water resources; water and boat access to Lake Vermilion; trails; interpretive areas to complement Soudan Underground Mine State Park, which is adjacent to this property; and an outdoor skills camp. Development will include the necessary roads and infrastructure to support these park facilities.

Facility design will incorporate sustainable concepts that maximize energy efficiency and use technology to enhance visitor experiences.

**Impact on Agency Operating Budgets (Facilities Notes)**

Annual operating expenses are projected to be in the range of $550,000 to $650,000 at build-out. Annual direct income is estimated to be $500,000.

**Previous Appropriations for this Project**

There have been no previous appropriations requested for this project.

**Other Considerations**

The importance of increasing the capacity of public recreation facilities to meet the expected future demand for current and new visitors on one of the largest and most scenic lakes in Minnesota is significant.

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**Governor's Recommendations**

The governor will make a supplemental 2008 capital budget recommendation when purchase negotiations are complete. At that time, he will recommend user-financed general obligation bonds, with the environmental trust fund as the source of user financing.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **0** | **0** | **0** | **0** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 0 | 0 | 0 | 0 | 0 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | | **0** | **0** | **0** | |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 0 | 0% |
| User Financing | 0 | 0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 3 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- $8.6 million for acquisition and development of new boat access sites
- $1 million for rehabilitation of existing boat access sites
- $400,000 for construction of new fishing piers and shore fishing sites

**Project Description**

This request for $10 million in state funds is to provide the public with new and improved boat accesses, fishing piers, and shorefishing sites throughout the state. This proposal will allow for acquisition and construction of about four new boat access sites on larger lakes, rehabilitation of up to six sites, and construction of 12-15 fishing piers and shorefishing sites.

The current statewide system includes more than 1,590 boat access sites and over 300 fishing piers and shore fishing sites. The cost of lakeshore is rapidly escalating and the competing demand for lakeshore by the public continues to increase. Also, with the continuing technological improvement in boating and fishing equipment, the demand for quality, easy-to-use facilities is becoming essential to the recreational boating experience that the Minnesota angler and boater expect.

We are currently fourth in the nation with 860,000 licensed boats and rank first per capita in boat ownership, with an average of one boat for every six people. The number of boat licenses is increasing by about 1 percent per year.

A typical Department of Natural Resources (DNR) boat access site is one to seven acres in size and contains an entrance road, a boat-launching ramp, a parking lot, and informational signing. At high-use sites, portable toilets, safety lighting, docks, landscaping, and shoreline improvements are provided.

A typical shore fishing site contains a parking lot, accessible paths to the water, and either a fishing pier or shoreline improvement, which provide a place to stand or sit while fishing.

The DNR's Water Recreation Program has a statewide list of boat access acquisition and development projects totaling over $15 million and a backlog of fishing pier requests of over 50. Nearly all fishing pier and shore fishing projects, and some boat access projects, are developed and maintained in cooperation with local governments.

There are still many lakes that have no public access or have very few boat accesses for the size of the lake. This means the public cannot access public waters. Criteria for developing public water access sites are based on lake size, lake type, and water clarity. Other considerations are proximity to population centers, local demand, and statewide significance.

In a major boating study in the metro area by DNR in 1996, findings indicated that boat accesses were routinely full on weekends. The demand is significant enough to warrant both new sites and access expansion. In similar studies done later in the Brainerd area and around Willmar (central lakes), boat accesses were identified as becoming more of an asset to lakeside homeowners and resorts, accounting for nearly 40 percent of access use (somewhat less in the central lakes area). Boat accesses are becoming a necessity for all boaters, especially since boat and motor size has increased (average 18 foot length and 95 horsepower) and rendered many resort and private accesses inadequate.

Part of this project is to protect the state's current investment in boat access facilities. We recognize the need to rehabilitate existing facilities, not only to ensure a quality experience for the user, but also to bring facilities in line with current mandates and laws such as handicapped accessibility and storm water management. Projects initiated now will eliminate more costly repairs in the future. Technology changes are also driving the need for rehabilitation. Larger boats and trailers require better-designed launch ramps, turnarounds, and more parking to ease congestion and prevent conflicts. Recent boating surveys document these needs.

About ten percent of the projects will have non-state participation that includes direct financial contributions, land donations, and in-kind services such as maintenance and operation of the facilities.

**Impact on Agency Operating Budgets (Facilities Notes)**

Maintenance funds are provided for access sites statewide through the Water Recreation Account. Part of this request is not expected to increase maintenance costs because the sites are currently being maintained. Rehabilitation will actually reduce maintenance costs once facilities are upgraded.

To reduce operating costs, the DNR emphasizes cooperative projects. Sites are developed with state capital funds and local units of government operate and maintain the sites (especially for fishing piers and shore fishing sites).

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $3,000,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |
| L2003, Ch. 128 | Environmental Trust | 1,150,000 |
| L2001, 1 SS Ch. 2 | Environmental Trust | 1,760,000 |
| L2001, 1 SS Ch. 2 | Future Resources | 2,000,000 |
| L2000, Ch. 492 | Bond | 4,000,000 |

**Federal Funding**

This program earns approximately $2.2 million in federal funds per year under the federal Wallop-Breaux Act. The federal Sport Fish Restoration Program requires that Minnesota spend 15 percent of its federal apportionment on boat access. These funds are earned in part using state capital funds and are reimbursed at 75 percent. This means Minnesota must spend over $2.1 million of state funds on boat accesses annually to earn over $1.6 million in federal funds. At the federal level, the U.S. Fish and Wildlife Service administer these funds. The Boating Safety Program, managed by the U.S. Coast Guard, provides another $600,000 per year on a 50/50 matching basis using state capital funds.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,360 | 5,000 | 5,000 | 9,000 | 22,360 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 110 | 650 | 650 | 875 | 2,285 |
| 4. Project Management | 44 | 100 | 100 | 125 | 369 |
| 5. Construction Costs | 2,636 | 4,250 | 4,250 | 5,000 | 16,136 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,150** | **10,000** | **10,000** | **15,000** | **41,150** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 5,000 | 10,000 | 10,000 | 15,000 | 40,000 |
| Env & Natural Resoures | 1,150 | 0 | 0 | 0 | 1,150 |
| **State Funds Subtotal** | 6,150 | 10,000 | 10,000 | 15,000 | 41,150 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,150** | **10,000** | **10,000** | **15,000** | **41,150** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** St. Paul campus, University of Minnesota

**Project At A Glance**

- Design and construct an environmental landscape for the new Bell Museum of Natural History
- Blends the missions and purposes of the Museum and Department of Natural Resources (DNR) regarding the education about, interpretation and conservation of, and recreation in, the State's natural resources
- Native site vegetation will represent Minnesota's environments of prairie, coniferous forests, deciduous forest, and oak savanna habitats
- Strategically placed ponding will manage storm water drainage and attract birds and wildlife to the site.

**Project Description**

This request for $4 million is for landscaping and interpretation of both the Department of Natural Resources (DNR) and Bell Museum mission at the University of Minnesota's proposed new Bell Museum of Natural History. The University of Minnesota, in a separate 2008 Capital Budget Request, is requesting funding for the building.

Several acres will be devoted to exterior exhibits representing Minnesota's three distinct ecological regions – coniferous forest, hardwood forest, and prairie. The new facility offers an opportunity to increase its service to Minnesota as the state's natural history museum by inspiring awareness, appreciation, and action on behalf of Minnesota's natural environment and resources. The new building will be an effective and inviting gateway through which the public can explore the natural world and see first hand cutting edge University research.

The Bell Museum was recognized by the state legislature in 1872 as Minnesota's state museum of natural history. Since then, there has been a strong working relationship between DNR's natural history programs and the Bell Museum. Survey work conducted by DNR biologists and contractors with the Non-game Wildlife Program, the Natural Heritage Program, and the County Biological Survey, have worked closely with professors, staff and students at the Bell Museum. All flora and fauna specimens, including important herbarium specimens, collected by these program's efforts have been deposited and curated in the museum's collections.

The proposed Bell Museum will be located on the southwest corner of Larpenteur and Cleveland Avenues, with the environmental landscaping occupying the southern 5.7 acres of the 13 acre site. Together, the building and site will be a portal through which the public can explore the natural world.

The site will offer visitors the opportunity to learn about the dynamics of the natural world as a synergistic entity and as a place abundant with opportunities for fostering a life-long relationship with nature that includes stewardship, respect, and recreation. The site will be a working example of sustainability as it contains water runoff, sequesters carbon with its plantings, and provides an urban habitat attractive to wildlife.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will not have an impact on DNR's operating budget.

**Previous Appropriations for this Project**

The DNR has not made any previous state capital budget appropriations for this project.

**Other Considerations**

This request continues the rich relationship between the Department of Natural Resources and the Bell Museum as they work toward providing the citizens of Minnesota and visitors with a unique window on the natural world.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 190 | 0 | 0 | 190 |
| 4. Project Management | 0 | 72 | 0 | 0 | 72 |
| 5. Construction Costs | 0 | 3,738 | 0 | 0 | 3,738 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **4,000** | **0** | **0** | **4,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Drill Core Library and Field Office Consolidation, Renovation

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Consolidate offices to improve integrated natural resource management
- Materially contribute to the development of a sustainable organization through optimizing facility resources while having the smallest environmental footprint possible
- Establish clear site anchors and facilities supporting the business strengths of Department of Natural Resources (DNR) within the framework of the Facility Master Plan

**Project Description**

This request for $5 million is to replace an inadequate facility at Glenwood, construct a needed addition to the Drill Core Library for Lands and Minerals in Hibbing, and provide predesign for a consolidated facility in Bemidji. The proposed projects address conditions that cannot be resolved through common repair and maintenance activities such as overcrowded conditions, multiple owned and leased offices scattered in one area, unsuitable occupancies, and missing functionality.

**Glenwood:** The area office site at Glenwood consists of a converted residence that is not accessible, is overcrowded, has inadequate storage, structural issues, and ongoing asbestos, lead paint and bat guano issues. This project will replace the office and storage buildings, provide an accessible permit office, renovate the shop area, and upgrade the hatchery to meet the demand for increased capacity. Space will be designed in keeping with Department of Natural Resources (DNR) developing Facility Master Plan.

The hilly Glenwood site was purchased by DNR in 1903 for use as a fish hatchery. In 1906, the hatchery building and main office were constructed on the lower part of the site, and a residence for the site manager was built on the upper part of the site. Storage areas for boats and nets were added over time, and as space demands exceeded capacity, the residence became offices. Currently, Fish and Wildlife staff works in all available nooks and crannies throughout the site, including a minimally heated vestibule and porch space. The site is not accessible; people coming to the site for permits must negotiate steps, and DNR staff store heavy nets and seines in a loft above the boat storage accessible only by an old and narrow staircase. Mechanical and electrical systems are inadequate, and security is non-existent.

The structural integrity of the residence and storage building is failing: The porch is falling away from the main house due to shallow footings, the foundation of the storage building is being damaged by frost heave, which also impacts door access, and the wood access stairs are decaying.

**Drill Core Library:** M.S. 1031.605 directs mineral exploratory borers to submit a ¼ portion of all core obtained for mineral exploration. The most recent library was constructed in 1990, and is near capacity. Funding from this request would provide for the design and construction of an addition to the drill core library in Hibbing.

**Bemidji:** This request will also fund a predesign for a consolidated DNR regional headquarters building in Bemidji. All DNR divisions have staff in and around Bemidji, but they are scattered in five locations and capacity limits have been exceeded. In addition to the five state-owned buildings, there are DNR staff in leased offices in the area, and are other state agencies in facilities as well. This pre-design will assess opportunities for consolidation to increase service to citizens, provide workspaces that are conducive to increased efficiencies, enhance collaboration among the divisions, demonstrate forward thinking in site and building sustainability, and be in keeping with DNR's developing Facilities Master Plan.

**Impact on Agency Operating Budgets (Facilities Notes)**

This project may result in small increases in square footage of office and service facilities, which are incidental to specific project requirements.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2005 Ch. 20 | Bond | $300,000 |
| L2002 Ch. 393 | Bond | 2,500,000 |
| L2000 Ch. 492 | Bond | 3,250,000 |

**Other Considerations**

One of the specific business objectives of the DNR is to work collaboratively within common resource management areas and to manage natural resources in an integrated fashion. This requires workplaces that serve the functional requirements of natural resource management work. Workplace design should allow quick and inexpensive adjustments to maximize productivity and satisfaction. The workplace should also be efficient, technologically advanced, and allow people to accomplish their work in the most efficient way. Specific benefits should include: improved productivity, job satisfaction and health, along with better use of limited resources (people, space, time and money).

Improved facility conditions and workplace utility will enhance collaborative work and productivity. These same improvements will reduce the state's exposure to risks associated with the deficiencies of current facility conditions.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for design and construction of an addition to the Drill Core Library in Hibbing.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 472 | 0 | 0 | 0 | 472 |
| 2. Predesign Fees | 0 | 220 | 250 | 250 | 720 |
| 3. Design Fees | 211 | 325 | 675 | 675 | 1,886 |
| 4. Project Management | 113 | 203 | 225 | 225 | 766 |
| 5. Construction Costs | 1,843 | 3,499 | 6,711 | 5,898 | 17,951 |
| 6. One Percent for Art | 21 | 33 | 64 | 56 | 174 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 140 | 428 | 500 | 500 | 1,568 |
| 9. Inflation | 0 | 292 | 1,575 | 2,395 | 4,262 |
| **TOTAL** | **2,800** | **5,000** | **10,000** | **9,999** | **27,799** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 2,800 | 5,000 | 10,000 | 9,999 | 27,799 |
| **State Funds Subtotal** | 2,800 | 5,000 | 10,000 | 9,999 | 27,799 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **2,800** | **5,000** | **10,000** | **9,999** | **27,799** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Forest Roads and Bridges

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

Replace and upgrade five bridges:
- Two bridges in the George Washington State Forest
- One bridge in the Beltrami Island State Forest
- One bridge in the Pine Island State Forest
- One bridge in the Kabetogama State Forest

## Project Description

This request for $2 million is to rehabilitate, repair, and replace aging forest roads and bridges infrastructure. Engineering studies recommend replacing or upgrading these structures. Proposed increases in road weight limits also make it necessary to attend to structures identified for replacement. The bridges and culverts in the network of forest roads are used to access state forests for management. The roads and bridges also provide access to forest lands for purposes of hunting and recreation by the public.

The existing state forest road system is a capital asset worth more than $75 million. Regular maintenance and resurfacing reduces the need for costly reconstruction in the future.

The commissioner is directed in M.S. 89.002 to provide a system of forest roads and trails that provide access to state forest land and other forest lands under the commissioner's authority. The system must let the commissioner manage, protect and develop those lands and their forest resources consistent with forest resource policies, and the demands for forest resources.

The Department of Natural Resources (DNR) maintains more than 2,000 miles of roads that serve the 4.6 million acres of DNR-administered lands. These roads also serve several million acres of county, federal, and private forest lands. State forest roads provide a strategic link between the DNR's forest resources and the network of county, state and federal public roads. While state forest roads are used for resource management and hauling forest products, a significant share of their use is also for recreation.

## Impact on Agency Operating Budgets (Facilities Notes)

DNR currently receives approximately $330,000 each year in dedicated state gas tax dollars used for maintenance on forest roads and bridges. However, at least $1.2 million is needed annually to address maintenance needs. This amount does not include reconstruction projects and major resurfacing needs. Past bonding funds have provided about 20 percent of construction, reconstruction, and water-crossing structure replacement needs.

## Previous Appropriations for this Project

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $1,000,000 |
| L2005, Ch. 20 | Bond | 300,000 |
| L2002, Ch. 393 | Bond | 1,200,000 |
| L2002, Ch. 374 | Bond | 750,000 |
| L2000, Ch. 492 | Bond | 722,000 |

## Other Considerations

Alternatives to this request include the following:
- *Increase and extend restrictions on maximum weight.* If this request is not funded, access to forest lands for forest resource management will be increasingly limited to winter only. The volume and value of timber the DNR is able to sell may be reduced. Good summer access enhances the DNR's ability to use natural seeding techniques involving summer-logged shelterwood and all-age harvesting techniques.
- *Increased road closures to off-road vehicles to reduce wear and damage to forest roads and to address public safety concerns.* Closing roads during fall and spring seasons (or other wet soil periods) may be more common to protect the road structure. This would also impact hunting, boating, color tours, and other dispersed recreation.

The increasing recreational use in our forests has increased pressure on the state forest road system. Recreational use is more than 80 percent of the total traffic on the system. Failure to meet the needs of our existing infrastructure will result in reduced recreational opportunities.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $1 million for this project. Also included are budget planning estimates of $1 million in 2010 and $1 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 3,250 | 2,000 | 4,000 | 4,000 | 13,250 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,250** | **2,000** | **4,000** | **4,000** | **13,250** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,250 | 2,000 | 4,000 | 4,000 | 13,250 |
| **State Funds Subtotal** | 3,250 | 2,000 | 4,000 | 4,000 | 13,250 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,250** | **2,000** | **4,000** | **4,000** | **13,250** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $10,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Reduce the DNR's carbon footprint through multiple strategies.
- Reinvest in DNR buildings by retrofitting to reduce energy use
- Increase the DNR's use of renewable energy
- Demonstrate renewable energy technologies at three or more sites

**Project Description**

This request will provide $10 million in state bond funds to reduce the DNR's carbon footprint. This will be achieved through retrofitting selected buildings and the installation of renewable energy technologies at appropriate sites.

There are a number of benefits that will come from these projects. The combination of retrofits and the addition of renewable energy systems have the potential to substantially reduce, or eliminate, the carbon footprint of selected buildings. The economic benefits include substantial reductions in building operating costs through efficiency gains, and the avoided costs of electricity and fossil heating fuels.

The building retrofit process includes a detailed engineering study of energy use in buildings, also known as recommissioning, to understand where significant reductions in energy consumption are available. As a result of the engineering analysis, select building elements will be upgraded to reduce energy need and to provide energy in a highly efficient manner. The process will include retrofits of entire building systems such as exterior envelope, lighting, HVAC, electrical, and plumbing systems, on-site storm water management, and landscaping. In addition to retrofits, the engineering study will include a recommissioning component to determine optimal building operation strategies. Following the retrofits, building systems will be properly commissioned, and building management personnel will be trained in order to maximize the savings arising from each project. Building retrofit and recommissioning projects such as these can expect annual energy savings on the order of 15 percent to 25 percent, and provide simple paybacks of three to five years.

In addition to retrofitting, elected projects will demonstrate the use of renewable energy technologies appropriate to the project site. The renewable energy projects will include a variety of energy sources. Likely candidates include renewable electricity generation from solar and wind energy, as well as space heating and water heating with sources such as biomass and solar energy. The cost effectiveness of renewable energy installations varies considerably by the technologies chosen. Space heating and hot water systems using solar energy or biomass can be very cost effective. The cost effectiveness of renewable electricity generation varies widely by technology and the scale of an installation. Large-scale wind generation is cost competitive in today's electricity markets, while other technologies remain expensive. The choice of renewable energy projects will necessarily include financial cost effectiveness; however the demonstration and public education value of the projects will also play an important role. There may be opportunities to improve the economic value of renewable electricity projects through the sale of Renewable Energy Credits generated through the Midwest Renewable Energy Tracking System.

An emphasis will be placed on renewable energy installations that provide opportunities for significant public education and outreach. Projects will be installed in such a way to maximize educational possibilities of the installation. Where appropriate installation components will be made visible, and information kiosks will be made available to provide information regarding the energy, economic and environmental benefits of the installations.

**Projects**

Retrofit and recommissioning work will be done on buildings where there is opportunity for significant impact. DNR has participated in the State's Energy Benchmarking process for buildings over 5,000 sf, and is currently collecting energy use data on the rest of DNR's buildings. This information will be

analyzed to determine the best opportunities for improved long-term energy reduction; consideration will also be given to the amount of initial investment required to achieve the energy savings so as to maximize the return on investment.

In addition to maximization of return on investment, criteria for selection include feasibility for the application of emerging technology, renewable energy opportunities, priority in the Facility Master Plan, partnership opportunities, staff commitment to the project, and the ability to track measurable outcomes.

Specific projects are not yet identified: The DNR has sought internal applications based on the selection criteria, and is analyzing the responses.

**Impact on Agency Operating Budgets (Facilities Notes)**

The reduction in energy use from this project will result in reduced operating costs.

**Previous Appropriations for this Project**

There have been no previous appropriations for this project.

**Other Considerations**

Funds from this request support DNR's mission to "conserve and manage the state's natural resources…in a way that creates a sustainable quality of life". Implementation of the multiple energy and sustainable technologies noted in this request will allow DNR to:

- Lead the way in making energy efficiency and renewable energy strategies a basic component of everyday life
- Demonstrate in a highly public manner a variety of ways to use renewable energy sources

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 731 | 731 | 731 | 2,193 |
| 4. Project Management | 0 | 325 | 325 | 325 | 975 |
| 5. Construction Costs | 0 | 8,280 | 7,299 | 6,486 | 22,065 |
| 6. One Percent for Art | 0 | 80 | 70 | 62 | 212 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 584 | 1,575 | 2,395 | 4,554 |
| **TOTAL** | **0** | **10,000** | **10,000** | **9,999** | **29,999** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 10,000 | 10,000 | 9,999 | 29,999 |
| **State Funds Subtotal** | 0 | 10,000 | 10,000 | 9,999 | 29,999 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **10,000** | **10,000** | **9,999** | **29,999** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 10,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $2,000,000

**AGENCY PROJECT PRIORITY:** 4 of 29

**PROJECT LOCATION:** Statewide

**Project At A Glance**

- Addresses a wide range of facility renewal needs
- Initiates repair and maintenance projects supporting safety, building integrity, and code violations

**Project Description**

This request for $2 million is to preserve state assets across the state.

The Department of Natural Resources (DNR) has identified more than $35 million in asset preservation projects for agency facilities statewide. These facilities support the *DNR's Strategic Conservation Agenda* by serving recreational, work place, and public interaction needs. These projects are focused on renewal and repairs needed to maintain existing building values and functionality. This request represents the minimal level of funding necessary to check the growth of the DNR "capital iceberg" and to resolve the most urgent problems, particularly problems eroding the capital value of state owned buildings.

The project priorities are to reduce risk of illness and injury, improve indoor air quality, enhance accessibility, and increase security. Funding this request will provide for all aspects of asset preservation, including roofing, plumbing and heating, electrical repair and upgrades, energy efficiency improvements, and structural upgrades. Failed building systems will be updated using improved technologies as opportunities arise.

The DNR continues to invest in a trained, equipped, and productive workforce. Facility conditions significantly contribute to DNR's ability to achieve the state's natural resources management mission. It is in the state's best interest to maintain facilities in a fully functional condition to enhance employee productivity, reduce operating costs, and protect the state's long-term investment in buildings.

These projects do not duplicate any other DNR request.

**Fast Facts**

- Building assets are valued at $390 million;
- The average age of DNR buildings over 120 square feet., and their infrastructure, is 45 years old;
- Eight State Parks experienced a sanitary sewer failure over the 2007 Memorial Day weekend;
- A total of $35 million in estimated asset renewal needs; and
- 745 buildings are in poor condition as rated by the Facility Condition Index.

**Impact on Agency Operating Budgets (Facilities Notes)**

Funding this request will help the DNR to address the backlog of asset preservation and building renewal projects. Adequate funding for maintenance and repair and betterment obligations will result in lower future obligations for more costly repair and replacement.

**Previous Appropriations for this Project**

| | | |
|---|---|---|
| L2006, Ch. 258 | Bond | $2,000,000 |
| L2005, Ch. 20 | Bond | 2,000,000 |
| L2002, Ch. 393 | Bond | 2,600,000 |
| L2000, Ch. 492 | Bond | 2,000,000 |
| L1998, Ch. 404 | Bond | 2,200,000 |

**Other Considerations**

If this proposal is not funded, important building renewal projects will be left undone. Not maintaining buildings in a timely manner results in eroded capital values and high maintenance costs to address a higher than necessary rate of facility deterioration and emergency work.

**Project Contact Person**

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Email: kath.ouska@dnr.state.mn.us

**Governor's Recommendations**

The governor recommends general obligation bonding of $2 million for this project. Also included are budget planning estimates of $2 million in 2010 and $2 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 408 | 93 | 186 | 186 | 873 |
| 4. Project Management | 205 | 32 | 64 | 64 | 365 |
| 5. Construction Costs | 5,856 | 1,741 | 3,089 | 2,764 | 13,450 |
| 6. One Percent for Art | 0 | 17 | 31 | 28 | 76 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 131 | 0 | 0 | 0 | 131 |
| 9. Inflation | 0 | 117 | 630 | 958 | 1,705 |
| **TOTAL** | **6,600** | **2,000** | **4,000** | **4,000** | **16,600** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 6,600 | 2,000 | 4,000 | 4,000 | 16,600 |
| **State Funds Subtotal** | 6,600 | 2,000 | 4,000 | 4,000 | 16,600 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **6,600** | **2,000** | **4,000** | **4,000** | **16,600** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

The Driver and Vehicle Services Division processes over 5 Million vehicle transactions each year.

The State Patrol made 7,036 driving While Impaired (DWI) arrests in 2005; which is an increase of 168% since 1975.

The Bureau of Criminal Apprehension examined 15,924 cases in FY 2005; this was an increase of 27% since FY 2004.

More than 375 locally-based crime victim programs received funding, and provided services to approximately 130,000 individuals in FY 2005.

From 1975 to 2005, the number of traffic-related deaths fell 28% and severe injuries fell over 86%.

Three hundred thirty nine fire investigations were conducted by the State Fire Marshal's Office in 2005; 126 of these were determined to be arson.

**Agency Purpose**

The mission of the Department of Public Safety (DPS) is simple – to protect Minnesota with a commitment to excellence by promoting safer communities through:

- Prevention
- Preparedness
- Response
- Recovery
- Education
- Enforcement

We do this by focusing on:

- Saving Lives
- Providing Efficient and Effective Services
- Maintaining Public Trust
- Developing Strong Partnerships

**Core Functions**

The DPS provides a variety of core services statewide to support the goal of keeping Minnesotans safe. These core services include:

- enforcing liquor and gambling laws;
- conducting criminal investigations and forensic science analysis;
- administering driver and vehicle services;
- coordinating emergency planning and response for disasters and acts of terrorism;
- promoting fire safety;
- ensuring safety of natural gas and hazardous liquid pipeline systems;
- enforcing traffic laws on Minnesota highways;
- promoting safety on roadways and reducing traffic injuries and fatalities;
- providing advocacy, services, and financial assistance to crime victims;
- administering justice assistance and crime prevention grant programs; and
- administering the Statewide 9-1-1 program, and distributing funds for the statewide trunked radio system.

DPS works to ensure that these core functions incorporate innovation, stewardship, collaboration, and communication.

The DPS took on a new role after September 11th 2001, as Minnesota's Office of Homeland Security. The department oversees the coordination of preparedness and response plans and resources, and serves as a link from the federal government to local public safety agencies. Under Governor Tim Pawlenty, Commissioner Michael Campion serves as the Director of Homeland Security.

**Operations**

Service to the citizens of Minnesota is the DPS's number one priority. However, the department's efforts also impact federal, state, and local criminal justice agencies, fire service agencies, emergency management, licensing and inspection agencies, other government agencies, and private

and non-profit organizations. Nine separate divisions within the department provide direct services to the public.

**Alcohol and Gambling Enforcement** enforces liquor licensing and gambling laws through compliance checks, assistance to local agencies with criminal investigations, and efforts to combat underage drinking.

**Bureau of Criminal Apprehension** provides complete investigative assistance to local agencies, forensic laboratory services, criminal history information, and training to peace officers.

**Driver and Vehicle Services** provides vehicle registration, driver's license and driver evaluation services. Driving records and accident reports are also maintained.

**Homeland Security and Emergency Management** coordinates disaster preparedness, response, recovery, and mitigation for homeland security, natural, and other types of major emergencies and disasters.

**State Fire Marshal and Pipeline Safety** protects human lives and property by promoting fire prevention and pipeline safety through inspections, investigations, and public education.

**State Patrol** enforces traffic laws on Minnesota's highways, responds to crashes, inspects commercial vehicles, and assists local law enforcement.

**Traffic Safety** administers programs and grants that reduce the number and severity of traffic crashes in Minnesota including programs such as alcohol awareness, safety belt promotion, and motorcycle training.

**Office of Justice Programs** was created by Governor Tim Pawlenty in May 2003, and brings together programs formerly operated through Minnesota Planning and the Office of Crime Victim Ombudsman, and the departments of Public Safety, Education and Economic Security. The office provides leadership and resources to reduce crime, improve the functioning of the criminal justice system, and assist crime victims. This office also provides grant administration, criminal justice information and research, and assistance and advocacy to crime victims.

**911 Emergency Services/ARMER** oversees the 9-1-1 System standards; provides technical assistance to cities and counties to implement and improve 9-1-1; manages and distributes funds to provide for 9-1-1 service, and distributes funds for the regional public safety trunked radio system.

DPS also has five internal support divisions that provide services relating to communication, fiscal administration, human resource management, internal affairs, and technical support.

**Contact**

Department of Public Safety
Bremer Tower, Suite 1000
445 Minnesota Street
Saint Paul, Minnesota 55101
World Wide Web Home Page: http://www.dps.state.mn.us

Michael Campion, Commissioner
Phone (651) 201-7160
Fax (651) 297-5728

For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us

**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Department of Public Safety is to protect citizens and communities through activities that promote and support prevention, preparedness, response, recovery, education and enforcement. The goals of Homeland Security and Emergency Management (HSEM) are consistent with this mission and include:

- Effectively prepare for disaster which includes developing a statewide regional response capability to reduce the state's vulnerability from natural, technological and terrorism threats.
- Efficiently provide response assistance which includes coordinating the availability and usage of statewide response assets, effectively manage relationships and improve the ability to respond 24/7 through cross training and EOC procedure development and maintenance
- Enhance recovery of a community through training to local agencies

These strategic operational goals support the capital budget request for a Homeland Security and Emergency Management Training Center.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs:**

Since the terrorist attacks of September 11, 2001, the public's expectation of the preparedness level its first responder community has never been higher. The final report of the 9/11 Commission addresses areas where they feel the local, state and federal response were lacking. Two of the areas include "the challenges of incident command" and "lack of coordination among first responder agencies". However, the greatest weakness the commission cites is the "lack of imagination". The development of a centrally located center, which provides for training and exercising that can be tailored to a specific jurisdiction, regionally based or statewide, will help Minnesota use the collective imaginations of responders and policy makers to maximize our level of preparedness.

Meeting the strategic goal to reduce the state's vulnerability requires a complex, highly organized, cooperative and focused effort. To be successful, this effort must include participation of local, state, tribal and federal governments while also providing for private and non-profit partnerships. In achieving success, our overriding result must be in building and increasing the capability of all sectors.

The 1999 Minnesota State legislature, under Laws of 1999, Chapter 216, Section 7, Subdivision 6 directed the Commissioner of the Department of Public Safety (DPS) to reconvene a task force that had developed a statewide master plan for fire and law enforcement training facilities. The study focused on providing recommendations concerning the sitting, financing and use of regional training facilities. The content of the study may still be viable; however, it was conducted prior to September 11th. Since then, the Department of Homeland Security identified ten separate disciplines that comprise an integrated response to large scale and catastrophic incidents. These disciplines must meet training and exercising requirements.

A newly formed work group has reassessed the emergency response training needs and determined that three tiers of training are required:

Tier 1: Discipline specific local training, e.g. Firefighter 1, First aid courses. This training is conducted in local jurisdictions.

Tier 2: Regional based, specialized training can be accomplished within a geographic region at an existing facility, e.g. burn tower, shooting range. This training is conducted in local jurisdictions, at Regional Public Safety Training Centers or MnSCU sites.

Tier 3: Training that is full scale in nature and/or requires specialized and/or expensive equipment, e.g. simulated disaster response and should be in one centralized location

The work group determined that the immediate need is for a centrally located training facility to conduct training that is considered Tier 3. They also determined that Camp Ripley is the location best suited for a Tier 3 training facility.

Several of the recommendations from the 1999 study are as follows:

- Public safety training facilities should support safe, realistic training in a controlled environment. Technology should aid in creating more realistic training simulations, while also keeping participating personnel safe from accidents and injuries.

- Additional consideration for funding should be given to facilities with collaborative ownership or operation among federal, state and local agencies and private sector organizations, in order to maximize cost efficiency and use.
- Facility plans should include mechanisms for marketing and rental of the facility to maximize its use and recover a portion of operating and capital costs.

This project attempts to meet these recommendations by utilizing Camp Ripley as the Tier 3 training site.

In recent years, Minnesota has sustained a large number of natural and technological emergencies and disasters. Virtually every county in the state has been included in a disaster declaration within the last ten years. Agriculture constitutes a large component of Minnesota's economy and the state has a large animal population susceptible to natural and artificial introduction of pathogens. Minnesota also is home to various critical infrastructure and key resources that are important to the economy of the United States. These factors are considered important factors when evaluating the State's homeland security risks.

The 8th Homeland Security Presidential Directive (HSPD-8) is one of several directives that address how the nation should prepare to prevent, protect against, respond to, and recover from major incidents. The Department of Homeland Security (DHS) has developed National Preparedness Guidelines that are umbrella documents providing an overarching framework of the National Preparedness System to carry out HSPD-8. State and local plans, processes and systems are required to meet these guidelines in order to receive federal preparedness funding. The National Strategy for Homeland Security, the Comprehensive Training Program and the Homeland Security Exercise and Evaluation Program are three of the documents that lay out the responsibilities and requirements for state and local governments.

The Guidelines establish a capabilities approach to preparedness. All levels of government should integrate the capacity of community, faith-based, and other non-governmental organizations including providing training and credentialing and incorporating them into training and exercises. Credentialing is an evolving requirement that will involve the same types of specialized hands-on training that we are proposing be conducted at the Center.

As part of DHS requirements, states must focus on eight National Priorities:

- Expand Regional Collaboration,
- Implement the National Incident Management System and National Response Plan,
- Implement the National Infrastructure Protection Plan,
- Strengthen Information Sharing and Collaboration Capabilities,
- Strengthen Interoperable and Operable Communications Capabilities,
- Strengthen CBRNE Detection, Response, and Decontamination Capabilities,
- Strengthen Medical Surge and Mass Prophylaxis Capabilities; and
- Strengthen Planning and Citizen Preparedness Capabilities.

Again, the Center will provide a mechanism to plan, train and exercise our capabilities to meet these eight priorities.

The Center will not only be available to jurisdictions and private and non-profit partners, but may be used by other states in the upper Midwest who would benefit from coordinated hands-on training.

This center will be part of Minnesota's strategy to accept the challenge from the 9/11 Report which states "a rededication to preparedness is perhaps the best way to honor the memories of those we lost that day". We will also ensure that we honor the memories of those thirteen Minnesotans that we lost to the I-35W Bridge Collapse and the seven we lost during the Southeast Minnesota floods of 2007.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

There is currently no facility like this in the state of Minnesota. There are several regional public safety training facilities and MnSCU campuses that have varying capabilities, however, they are not capable of providing for the comprehensive integrated response training and exercising that this facility will offer.

**Agency Process Used to Arrive at these Capital Requests**
DPS has been conducting meetings with a multi-disciplinary group to discuss training needs. It is the concurrence of the group that this level of training be offered in one centralized location in this state and it was determined that Camp Ripley is the most suitable.

**Major Capital projects Authorized in 2006 and 2007**

None

# Public Safety, Department of

## Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Public Safety Training Facilities | 1 | GO | $8,655 | $10,191 | $0 | $8,655 | $10,191 | $0 |
| | | Project Total | $8,655 | $10,191 | $0 | $8,655 | $10,191 | $0 |
| | | General Obligation Bonding (GO) | $8,655 | $10,191 | $0 | $8,655 | $10,191 | $0 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Public Safety Training Facilities

**2008 STATE APPROPRIATION REQUEST:** $8,655,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Camp Ripley and Olmsted County

**Project At A Glance**

- $15.191 million, over two capital budget cycles, to pre-design, design and construct a Homeland Security and Emergency Management Training Center at Camp Ripley in 2 phases. In this 2008 request, $5 million will be used for predesign, design and the construction of a classroom facility and several facilities for field response. $10.191 million requested in 2010 will be used to design and construct the remainder of the field activities, a 50 room dormitory and a feeding facility. This training facility will serve as the statewide center for local jurisdictions and state agencies to train for and conduct exercises for an integrated response to simulated disasters. The addition of this facility for civilian use will leverage the existing facilities at Camp Ripley and will augment the federal funding that the National Guard has been allocated for a Combined Arms Collective Training Facility (CACTF).
- $3.65 million in state funding to acquire land, design, construct, furnish and equip a public safety training facility for the purpose of providing physical skills training and practice for public safety personnel from throughout southeastern Minnesota. An equal amount will be contributed by Olmsted County/City of Rochester.

**Background:**

The 1999 Minnesota State legislature, under Laws of 1999, Chapter 216, Section 7, Subdivision 6 directed the Commissioner of the Department of Public Safety (DPS) to reconvene a task force that had developed a statewide master plan for fire and law enforcement training facilities. The study focused on providing recommendations concerning the siting, financing and use of regional training facilities. Several of the recommendations from the 1999 study are as follows:

- Public safety training facilities should support safe, realistic training in a controlled environment. Technology should aid in creating more realistic training simulations, while also keeping participating personnel safe from accidents and injuries.
- Additional consideration for funding should be given to facilities with collaborative ownership or operation among federal, state and local agencies and private sector organizations, in order to maximize cost efficiency and use.
- Facility plans should include mechanisms for marketing and rental of the facility to maximize its use and recover a portion of operating and capital costs.

The content of the study is still useful even though it was conducted prior to the terrorist attacks on September 11, 2001. Since then, the Department of Homeland Security has identified ten separate disciplines that comprise an integrated response to large scale and catastrophic incidents. These disciplines must meet training and exercising requirements.
A newly formed work group has reassessed the training needs and determined that 3 tiers of training are required:

Tier 1: Discipline-specific local training, e.g. Firefighter 1, First aid courses. This training is conducted in local jurisdictions.

Tier 2: Regional-based, specialized training can be accomplished within a geographic region at an existing facility, e.g. burn tower, shooting and driving range. This training is conducted in local jurisdictions, at Regional Public Safety Training Centers or MnSCU sites.

Tier 3: Training in one centralized location that is full scale in nature and/or requires specialized and/or expensive equipment, e.g. simulated disaster response.

The work group determined that the most pressing immediate need is for a centrally located training facility to conduct training that is considered Tier 3. They also determined that Camp Ripley is the location best suited for a Tier 3 training facility.

This request includes two components: a Tier 3 Homeland Security and Emergency Management training and exercising center at Camp Ripley to be

built in 2 phases. It also includes a Tier 2 request for the southeastern part of Minnesota, to be located in Olmsted County.

**Project Description (Camp Ripley):**

The first component of the request is for $5 million in 2008, and $10.191 million in 2010, to pre-design, design, construct, furnish and equip a Homeland Security and Emergency Management training and exercising center. This center will address the gap identified by representatives of the first responder community that have been meeting regarding the ongoing training needs that cannot be met or those that require specialized equipment/facilities that are not cost effective to have at a local or regional public safety training center.

Although the Department of Military Affairs is very generous with the use of their current facilities, it is difficult to make room for civilian use when the National Guard is conducting annual training. This is due to the lack of additional classroom, housing and dining facilities. Civilian training is limited to those times of the year when it is most difficult to use the necessary outdoor venues. In addition, the CACTF (a fully automated simulated city) and a second non-automated city that are currently being constructed with federal funds are designed for military use. Although some of those facilities test skills that are transferable to law enforcement, they do not meet the needs of fire departments, hazmat, collapsed structure, and emergency medical support teams. This project will be used to fund the construction of those items that are not eligible to be funded by the National Guard's federal funds.

Phase 1 items to be built at the Training Center include:

- Auditorium and break out with videoconferencing and simulation capability
- Simulated Emergency Operations Center
- Simulated Joint Information Center
- Collapsed structures
- Trench collapse
- Fire hydrant system for the CACTF

Phase 2 items to be built at the Training Center include:

- Dormitory with 50 rooms
- Kitchen and Cafeteria
- Burn tower
- Emergency vehicle driving course

In addition to the first response venues, the training center will include facilities to test all facets of a jurisdiction's Emergency Operations Plan (EOP). This facility will include a simulated Emergency Operations Center (EOC), a Joint Information Center and additional breakout rooms that can be used to attend training and simulate various locations that might be activated as part of the EOP.

Following the collapse of the I-35W Bridge, the mayor of Minneapolis cited the Integrated Emergency Management Course (IEMC) that city officials and first responders attended in Emmitsburg, MD as one reason for their highly effective response. The IEMC is a 4-day exercise based training activity that places public officials and emergency personnel in a realistic crisis situation within a structured learning environment. The course builds the awareness and skills needed to develop and implement policies, plans, and procedures to protect life and property through applications of sound emergency management principles in all phases of emergency management.

Attending the course at FEMA's Emergency Management Institute is difficult. It is highly sought after and there can be a multi-year wait. Because this course is most effective when elected officials, senior and mid-level management participate with first responders, it can be a time and financial burden. By having a Minnesota training center, courses can be tailored to specific hazards, special conditions and needs of all sizes of cities. Use of simulation software will also decrease the time away from home for participants.

**Impact on Agency Operating Budgets (Facilities Notes)**

The Department of Military Affairs (DMA) already has custodial control over the property. DPS will enter into an Interagency Agreement with DMA to manage, maintain and repair the center. Since the purpose of the project is to be a training center, DPS will need to hire additional training and exercising program staff that will develop curriculum, serve as course managers, IT staff and administrative support. This cost is estimated at

$570,000 annually. It may be possible that IT and administrative support staff can be shared by DPS utilizing DMA staff already assigned to Camp Ripley.

Following the initial construction costs, it is intended that most of the operating costs will eventually be covered by fees collected for using the facilities.

**Previous Appropriations for this Project**

None

**Other Considerations**

DPS is also applying for a grant through the Department of Homeland Security to fund the field exercise portions of this project. That grant would include the facilities such as the collapsed structures. This funding, however, is not guaranteed.

**Project Contact Person (Camp Ripley)**

Kris A. Eide, Director
Department of Public Safety
Homeland Security and Emergency Management
Saint Paul, Minnesota 55101
Phone: (651) 201-7404
Fax: (651) 296-0459
Email: kris.eide@state.mn.us

**Project Description (southeastern Minnesota)**

The second component of this request is to develop a Tier 2 regional, specialized training center for southeastern Minnesota, with $3.65 million in state funding to acquire land, design, construct, furnish and equip a public safety training facility for the purpose of providing physical skills training and practice for public safety personnel from throughout the region. Olmsted county and/or the city of Rochester will provide a match of $3.65 million for the facility.

The proposed center will provide three training facilities components:

- A simulated fire multi-story building ("Burn Tower") in which gas or carbon-based fires can be burned repeatedly and multi-story rescue can be exercised.
- A driving range to practice advanced driving skills at real-life speeds.
- A weapons training facility that allows for live-fire exercises indoors and outdoors utilizing motor vehicles and other props.

This facility will be located on approximately forty acres of land. Currently two similar sites just south of Rochester are under consideration. Cost factors for the two sites are approximately equal.

Firefighters, emergency medical personnel, licensed peace officers and detention officers conduct emergency and life-saving duties under conditions of extreme, life-threatening stress. Firefighters don heavy packs and breathing apparatus and must function in smoke-filled and zero visibility buildings. Emergency medical personnel must drive one-ton ambulance vehicles in the worst of weather and road conditions, provide accurate medical care under all manner of conditions and safely transport the injured. Peace officers must make use of deadly force decisions in split seconds under extreme life-threatening stress in all manner of weather and other environmental situations.

In order for these personnel to function safely and effectively, their physical skills must be so well practiced as to be instinctive. This level of practice requires frequent repetition. In years past firefighters burned old farmhouses, they practiced driving on empty parking lots and police practiced static shooting techniques on "point and shoot" firing ranges. These practices are no longer adequate for the threats our personnel encounter today. Availability of abandoned farmhouses is non-existent, parking lots are an unsafe and inadequate training environment and police require real-life simulation practice in order to be effective and safe.

At this time no such facilities exist within southeastern Minnesota. Facilities that exist elsewhere in the state are too far away, requiring too much travel time to be sufficiently accessible, to achieve the frequency of practice that is necessary. The southeastern Minnesota region has approximately 5,000 volunteer or full-time professional public safety personnel that could utilize

such facilities. Olmsted county alone has 361 firefighters, 315 emergency medical personnel and 202 licensed peace officers. This population density is simply too great to be served by traveling to the Minneapolis/St. Paul metro area or Camp Ripley. Rather, they require convenient and accessible facilities.

The total cost for this facility is $7.3 million; local resources will provide for half of the cost. Olmsted county will contribute $800,000 for land (if site selection is on land owned by the county) and $2.8 million for other costs. The city of Rochester will contribute $800,000 for land (if site selection is on land owned by Rochester).

**Other Considerations**

Olmsted county will form a joint powers authority consisting of representation from communities and public safety agencies from throughout Olmsted county to own and operate the facility. The land will be provided and ownership retained by either the city of Rochester or Olmsted county. The facility will be designed and operated independently by the agency utilizing the facility; however, public safety personnel from those agencies participating on the joint powers authority will provide supervision and oversight.

The project schedule is outlined below:

| | |
|---|---|
| Complete design | June 2008 |
| Begin construction | September 2008 |
| Complete construction | June 2009 |

**Project Contact Person (southeastern Minnesota)**

Steven C. Borchardt, Olmsted County Sheriff
101 4th Street Southeast
Rochester, Minnesota 55904
Phone: (507) 285-8306
Email: Borchardt.steve@co.olmsted.mn.us

**Governor's Recommendations**

The governor recommends general obligation bonding of $5.0 million to pre-design, design, construct, furnish and equip a Homeland Security and Emergency Management training and exercising center at Camp Ripley. Also included is a budget planning estimate of $10.191 million for a second phase in 2010.

The governor recommends general obligation bonding of $3.655 million for a grant to Olmsted county to construct a regional, specialized training center for southeastern Minnesota, located in Olmsted county. The center will meet the objectives laid out in statewide master plans for fire and law enforcement training facilities or by subsequent work groups. A local match of $3.65 million is required.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 800 | 0 | 0 | 800 |
| 2. Predesign Fees | 0 | 105 | 0 | 0 | 105 |
| 3. Design Fees | 0 | 909 | 236 | 0 | 1,145 |
| 4. Project Management | 0 | 190 | 72 | 0 | 262 |
| 5. Construction Costs | 0 | 6,130 | 13,201 | 0 | 19,331 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 95 | 0 | 95 |
| 8. Occupancy | 0 | 50 | 713 | 0 | 763 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,184** | **14,317** | **0** | **22,501** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 8,655 | 10,191 | 0 | 18,846 |
| **State Funds Subtotal** | 0 | 8,655 | 10,191 | 0 | 18,846 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 3,655 | 0 | 0 | 3,655 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **12,310** | **10,191** | **0** | **22,501** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,655 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Public Safety, Department of

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Public Safety Training Facilities | 1 | $8,655 | $10,191 | $0 | $18,846 | $8,655 | $10,191 | $0 |
| **Total Project Requests** | | $8,655 | $10,191 | $0 | $18,846 | $8,655 | $10,191 | $0 |

**Agency Profile At A Glance**

The Driver and Vehicle Services Division processes over 5 Million vehicle transactions each year.

The State Patrol made 7,036 driving While Impaired (DWI) arrests in 2005; which is an increase of 168% since 1975.

The Bureau of Criminal Apprehension examined 15,924 cases in FY 2005; this was an increase of 27% since FY 2004.

More than 375 locally-based crime victim programs received funding, and provided services to approximately 130,000 individuals in FY 2005.

From 1975 to 2005, the number of traffic-related deaths fell 28% and severe injuries fell over 86%.

Three hundred thirty nine fire investigations were conducted by the State Fire Marshal's Office in 2005; 126 of these were determined to be arson.

**Agency Purpose**

The mission of the Department of Public Safety (DPS) is simple – to protect Minnesota with a commitment to excellence by promoting safer communities through:

- Prevention
- Preparedness
- Response
- Recovery
- Education
- Enforcement

We do this by focusing on:

- Saving Lives
- Providing Efficient and Effective Services
- Maintaining Public Trust
- Developing Strong Partnerships

**Core Functions**

The DPS provides a variety of core services statewide to support the goal of keeping Minnesotans safe. These core services include:

- enforcing liquor and gambling laws;
- conducting criminal investigations and forensic science analysis;
- administering driver and vehicle services;
- coordinating emergency planning and response for disasters and acts of terrorism;
- promoting fire safety;
- ensuring safety of natural gas and hazardous liquid pipeline systems;
- enforcing traffic laws on Minnesota highways;
- promoting safety on roadways and reducing traffic injuries and fatalities;
- providing advocacy, services, and financial assistance to crime victims;
- administering justice assistance and crime prevention grant programs; and
- administering the Statewide 9-1-1 program, and distributing funds for the statewide trunked radio system.

DPS works to ensure that these core functions incorporate innovation, stewardship, collaboration, and communication.

The DPS took on a new role after September 11th 2001, as Minnesota's Office of Homeland Security. The department oversees the coordination of preparedness and response plans and resources, and serves as a link from the federal government to local public safety agencies. Under Governor Tim Pawlenty, Commissioner Michael Campion serves as the Director of Homeland Security.

**Operations**

Service to the citizens of Minnesota is the DPS's number one priority. However, the department's efforts also impact federal, state, and local criminal justice agencies, fire service agencies, emergency management, licensing and inspection agencies, other government agencies, and private

and non-profit organizations. Nine separate divisions within the department provide direct services to the public.

**Alcohol and Gambling Enforcement** enforces liquor licensing and gambling laws through compliance checks, assistance to local agencies with criminal investigations, and efforts to combat underage drinking.

**Bureau of Criminal Apprehension** provides complete investigative assistance to local agencies, forensic laboratory services, criminal history information, and training to peace officers.

**Driver and Vehicle Services** provides vehicle registration, driver's license and driver evaluation services. Driving records and accident reports are also maintained.

**Homeland Security and Emergency Management** coordinates disaster preparedness, response, recovery, and mitigation for homeland security, natural, and other types of major emergencies and disasters.

**State Fire Marshal and Pipeline Safety** protects human lives and property by promoting fire prevention and pipeline safety through inspections, investigations, and public education.

**State Patrol** enforces traffic laws on Minnesota's highways, responds to crashes, inspects commercial vehicles, and assists local law enforcement.

**Traffic Safety** administers programs and grants that reduce the number and severity of traffic crashes in Minnesota including programs such as alcohol awareness, safety belt promotion, and motorcycle training.

**Office of Justice Programs** was created by Governor Tim Pawlenty in May 2003, and brings together programs formerly operated through Minnesota Planning and the Office of Crime Victim Ombudsman, and the departments of Public Safety, Education and Economic Security. The office provides leadership and resources to reduce crime, improve the functioning of the criminal justice system, and assist crime victims. This office also provides grant administration, criminal justice information and research, and assistance and advocacy to crime victims.

**911 Emergency Services/ARMER** oversees the 9-1-1 System standards; provides technical assistance to cities and counties to implement and improve 9-1-1; manages and distributes funds to provide for 9-1-1 service, and distributes funds for the regional public safety trunked radio system.

DPS also has five internal support divisions that provide services relating to communication, fiscal administration, human resource management, internal affairs, and technical support.

**Contact**

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Bremer Tower, Suite 1000
445 Minnesota Street
Saint Paul, Minnesota 55101
World Wide Web Home Page: http://www.dps.state.mn.us

Michael Campion, Commissioner
Phone (651) 201-7160
Fax (651) 297-5728

For information on how this agency measures whether it is meeting its statewide goals, please refer to http://www.departmentresults.state.mn.us

**At A Glance: Agency Long-Range Strategic Goals**

The mission of the Department of Public Safety is to protect citizens and communities through activities that promote and support prevention, preparedness, response, recovery, education and enforcement. The goals of Homeland Security and Emergency Management (HSEM) are consistent with this mission and include:

- Effectively prepare for disaster which includes developing a statewide regional response capability to reduce the state's vulnerability from natural, technological and terrorism threats.
- Efficiently provide response assistance which includes coordinating the availability and usage of statewide response assets, effectively manage relationships and improve the ability to respond 24/7 through cross training and EOC procedure development and maintenance
- Enhance recovery of a community through training to local agencies

These strategic operational goals support the capital budget request for a Homeland Security and Emergency Management Training Center.

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs:**

Since the terrorist attacks of September 11, 2001, the public's expectation of the preparedness level its first responder community has never been higher. The final report of the 9/11 Commission addresses areas where they feel the local, state and federal response were lacking. Two of the areas include "the challenges of incident command" and "lack of coordination among first responder agencies". However, the greatest weakness the commission cites is the "lack of imagination". The development of a centrally located center, which provides for training and exercising that can be tailored to a specific jurisdiction, regionally based or statewide, will help Minnesota use the collective imaginations of responders and policy makers to maximize our level of preparedness.

Meeting the strategic goal to reduce the state's vulnerability requires a complex, highly organized, cooperative and focused effort. To be successful, this effort must include participation of local, state, tribal and federal governments while also providing for private and non-profit partnerships. In achieving success, our overriding result must be in building and increasing the capability of all sectors.

The 1999 Minnesota State legislature, under Laws of 1999, Chapter 216, Section 7, Subdivision 6 directed the Commissioner of the Department of Public Safety (DPS) to reconvene a task force that had developed a statewide master plan for fire and law enforcement training facilities. The study focused on providing recommendations concerning the sitting, financing and use of regional training facilities. The content of the study may still be viable; however, it was conducted prior to September 11th. Since then, the Department of Homeland Security identified ten separate disciplines that comprise an integrated response to large scale and catastrophic incidents. These disciplines must meet training and exercising requirements.

A newly formed work group has reassessed the emergency response training needs and determined that three tiers of training are required:

Tier 1: Discipline specific local training, e.g. Firefighter 1, First aid courses. This training is conducted in local jurisdictions.

Tier 2: Regional based, specialized training can be accomplished within a geographic region at an existing facility, e.g. burn tower, shooting range. This training is conducted in local jurisdictions, at Regional Public Safety Training Centers or MnSCU sites.

Tier 3: Training that is full scale in nature and/or requires specialized and/or expensive equipment, e.g. simulated disaster response and should be in one centralized location

The work group determined that the immediate need is for a centrally located training facility to conduct training that is considered Tier 3. They also determined that Camp Ripley is the location best suited for a Tier 3 training facility.

Several of the recommendations from the 1999 study are as follows:

- Public safety training facilities should support safe, realistic training in a controlled environment. Technology should aid in creating more realistic training simulations, while also keeping participating personnel safe from accidents and injuries.

- Additional consideration for funding should be given to facilities with collaborative ownership or operation among federal, state and local agencies and private sector organizations, in order to maximize cost efficiency and use.
- Facility plans should include mechanisms for marketing and rental of the facility to maximize its use and recover a portion of operating and capital costs.

This project attempts to meet these recommendations by utilizing Camp Ripley as the Tier 3 training site.

In recent years, Minnesota has sustained a large number of natural and technological emergencies and disasters. Virtually every county in the state has been included in a disaster declaration within the last ten years. Agriculture constitutes a large component of Minnesota's economy and the state has a large animal population susceptible to natural and artificial introduction of pathogens. Minnesota also is home to various critical infrastructure and key resources that are important to the economy of the United States. These factors are considered important factors when evaluating the State's homeland security risks.

The 8th Homeland Security Presidential Directive (HSPD-8) is one of several directives that address how the nation should prepare to prevent, protect against, respond to, and recover from major incidents. The Department of Homeland Security (DHS) has developed National Preparedness Guidelines that are umbrella documents providing an overarching framework of the National Preparedness System to carry out HSPD-8. State and local plans, processes and systems are required to meet these guidelines in order to receive federal preparedness funding. The National Strategy for Homeland Security, the Comprehensive Training Program and the Homeland Security Exercise and Evaluation Program are three of the documents that lay out the responsibilities and requirements for state and local governments.

The Guidelines establish a capabilities approach to preparedness. All levels of government should integrate the capacity of community, faith-based, and other non-governmental organizations including providing training and credentialing and incorporating them into training and exercises. Credentialing is an evolving requirement that will involve the same types of specialized hands-on training that we are proposing be conducted at the Center.

As part of DHS requirements, states must focus on eight National Priorities:

- Expand Regional Collaboration,
- Implement the National Incident Management System and National Response Plan,
- Implement the National Infrastructure Protection Plan,
- Strengthen Information Sharing and Collaboration Capabilities,
- Strengthen Interoperable and Operable Communications Capabilities,
- Strengthen CBRNE Detection, Response, and Decontamination Capabilities,
- Strengthen Medical Surge and Mass Prophylaxis Capabilities; and
- Strengthen Planning and Citizen Preparedness Capabilities.

Again, the Center will provide a mechanism to plan, train and exercise our capabilities to meet these eight priorities.

The Center will not only be available to jurisdictions and private and non-profit partners, but may be used by other states in the upper Midwest who would benefit from coordinated hands-on training.

This center will be part of Minnesota's strategy to accept the challenge from the 9/11 Report which states "a rededication to preparedness is perhaps the best way to honor the memories of those we lost that day". We will also ensure that we honor the memories of those thirteen Minnesotans that we lost to the I-35W Bridge Collapse and the seven we lost during the Southeast Minnesota floods of 2007.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

There is currently no facility like this in the state of Minnesota. There are several regional public safety training facilities and MnSCU campuses that have varying capabilities, however, they are not capable of providing for the comprehensive integrated response training and exercising that this facility will offer.

**Agency Process Used to Arrive at these Capital Requests**
DPS has been conducting meetings with a multi-disciplinary group to discuss training needs. It is the concurrence of the group that this level of training be offered in one centralized location in this state and it was determined that Camp Ripley is the most suitable.

**Major Capital projects Authorized in 2006 and 2007**

None

**2008 STATE APPROPRIATION REQUEST:** $8,655,000

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Camp Ripley and Olmsted County

**Project At A Glance**

- $15.191 million, over two capital budget cycles, to pre-design, design and construct a Homeland Security and Emergency Management Training Center at Camp Ripley in 2 phases. In this 2008 request, $5 million will be used for predesign, design and the construction of a classroom facility and several facilities for field response. $10.191 million requested in 2010 will be used to design and construct the remainder of the field activities, a 50 room dormitory and a feeding facility. This training facility will serve as the statewide center for local jurisdictions and state agencies to train for and conduct exercises for an integrated response to simulated disasters. The addition of this facility for civilian use will leverage the existing facilities at Camp Ripley and will augment the federal funding that the National Guard has been allocated for a Combined Arms Collective Training Facility (CACTF).
- $3.65 million in state funding to acquire land, design, construct, furnish and equip a public safety training facility for the purpose of providing physical skills training and practice for public safety personnel from throughout southeastern Minnesota. An equal amount will be contributed by Olmsted County/City of Rochester.

**Background:**

The 1999 Minnesota State legislature, under Laws of 1999, Chapter 216, Section 7, Subdivision 6 directed the Commissioner of the Department of Public Safety (DPS) to reconvene a task force that had developed a statewide master plan for fire and law enforcement training facilities. The study focused on providing recommendations concerning the siting, financing and use of regional training facilities. Several of the recommendations from the 1999 study are as follows:

- Public safety training facilities should support safe, realistic training in a controlled environment. Technology should aid in creating more realistic training simulations, while also keeping participating personnel safe from accidents and injuries.
- Additional consideration for funding should be given to facilities with collaborative ownership or operation among federal, state and local agencies and private sector organizations, in order to maximize cost efficiency and use.
- Facility plans should include mechanisms for marketing and rental of the facility to maximize its use and recover a portion of operating and capital costs.

The content of the study is still useful even though it was conducted prior to the terrorist attacks on September 11, 2001. Since then, the Department of Homeland Security has identified ten separate disciplines that comprise an integrated response to large scale and catastrophic incidents. These disciplines must meet training and exercising requirements.
A newly formed work group has reassessed the training needs and determined that 3 tiers of training are required:

Tier 1: Discipline-specific local training, e.g. Firefighter 1, First aid courses. This training is conducted in local jurisdictions.

Tier 2: Regional-based, specialized training can be accomplished within a geographic region at an existing facility, e.g. burn tower, shooting and driving range. This training is conducted in local jurisdictions, at Regional Public Safety Training Centers or MnSCU sites.

Tier 3: Training in one centralized location that is full scale in nature and/or requires specialized and/or expensive equipment, e.g. simulated disaster response.

The work group determined that the most pressing immediate need is for a centrally located training facility to conduct training that is considered Tier 3. They also determined that Camp Ripley is the location best suited for a Tier 3 training facility.

This request includes two components: a Tier 3 Homeland Security and Emergency Management training and exercising center at Camp Ripley to be

built in 2 phases. It also includes a Tier 2 request for the southeastern part of Minnesota, to be located in Olmsted County.

**Project Description (Camp Ripley):**

The first component of the request is for $5 million in 2008, and $10.191 million in 2010, to pre-design, design, construct, furnish and equip a Homeland Security and Emergency Management training and exercising center. This center will address the gap identified by representatives of the first responder community that have been meeting regarding the ongoing training needs that cannot be met or those that require specialized equipment/facilities that are not cost effective to have at a local or regional public safety training center.

Although the Department of Military Affairs is very generous with the use of their current facilities, it is difficult to make room for civilian use when the National Guard is conducting annual training. This is due to the lack of additional classroom, housing and dining facilities. Civilian training is limited to those times of the year when it is most difficult to use the necessary outdoor venues. In addition, the CACTF (a fully automated simulated city) and a second non-automated city that are currently being constructed with federal funds are designed for military use. Although some of those facilities test skills that are transferable to law enforcement, they do not meet the needs of fire departments, hazmat, collapsed structure, and emergency medical support teams. This project will be used to fund the construction of those items that are not eligible to be funded by the National Guard's federal funds.

Phase 1 items to be built at the Training Center include:

- Auditorium and break out with videoconferencing and simulation capability
- Simulated Emergency Operations Center
- Simulated Joint Information Center
- Collapsed structures
- Trench collapse
- Fire hydrant system for the CACTF

Phase 2 items to be built at the Training Center include:

- Dormitory with 50 rooms
- Kitchen and Cafeteria
- Burn tower
- Emergency vehicle driving course

In addition to the first response venues, the training center will include facilities to test all facets of a jurisdiction's Emergency Operations Plan (EOP). This facility will include a simulated Emergency Operations Center (EOC), a Joint Information Center and additional breakout rooms that can be used to attend training and simulate various locations that might be activated as part of the EOP.

Following the collapse of the I-35W Bridge, the mayor of Minneapolis cited the Integrated Emergency Management Course (IEMC) that city officials and first responders attended in Emmitsburg, MD as one reason for their highly effective response. The IEMC is a 4-day exercise based training activity that places public officials and emergency personnel in a realistic crisis situation within a structured learning environment. The course builds the awareness and skills needed to develop and implement policies, plans, and procedures to protect life and property through applications of sound emergency management principles in all phases of emergency management.

Attending the course at FEMA's Emergency Management Institute is difficult. It is highly sought after and there can be a multi-year wait. Because this course is most effective when elected officials, senior and mid-level management participate with first responders, it can be a time and financial burden. By having a Minnesota training center, courses can be tailored to specific hazards, special conditions and needs of all sizes of cities. Use of simulation software will also decrease the time away from home for participants.

**Impact on Agency Operating Budgets (Facilities Notes)**

The Department of Military Affairs (DMA) already has custodial control over the property. DPS will enter into an Interagency Agreement with DMA to manage, maintain and repair the center. Since the purpose of the project is to be a training center, DPS will need to hire additional training and exercising program staff that will develop curriculum, serve as course managers, IT staff and administrative support. This cost is estimated at

$570,000 annually. It may be possible that IT and administrative support staff can be shared by DPS utilizing DMA staff already assigned to Camp Ripley.

Following the initial construction costs, it is intended that most of the operating costs will eventually be covered by fees collected for using the facilities.

**Previous Appropriations for this Project**

None

**Other Considerations**

DPS is also applying for a grant through the Department of Homeland Security to fund the field exercise portions of this project. That grant would include the facilities such as the collapsed structures. This funding, however, is not guaranteed.

**Project Contact Person (Camp Ripley)**

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Homeland Security and Emergency Management
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Email: kris.eide@state.mn.us

**Project Description (southeastern Minnesota)**

The second component of this request is to develop a Tier 2 regional, specialized training center for southeastern Minnesota, with $3.65 million in state funding to acquire land, design, construct, furnish and equip a public safety training facility for the purpose of providing physical skills training and practice for public safety personnel from throughout the region. Olmsted county and/or the city of Rochester will provide a match of $3.65 million for the facility.

The proposed center will provide three training facilities components:

- A simulated fire multi-story building ("Burn Tower") in which gas or carbon-based fires can be burned repeatedly and multi-story rescue can be exercised.
- A driving range to practice advanced driving skills at real-life speeds.
- A weapons training facility that allows for live-fire exercises indoors and outdoors utilizing motor vehicles and other props.

This facility will be located on approximately forty acres of land. Currently two similar sites just south of Rochester are under consideration. Cost factors for the two sites are approximately equal.

Firefighters, emergency medical personnel, licensed peace officers and detention officers conduct emergency and life-saving duties under conditions of extreme, life-threatening stress. Firefighters don heavy packs and breathing apparatus and must function in smoke-filled and zero visibility buildings. Emergency medical personnel must drive one-ton ambulance vehicles in the worst of weather and road conditions, provide accurate medical care under all manner of conditions and safely transport the injured. Peace officers must make use of deadly force decisions in split seconds under extreme life-threatening stress in all manner of weather and other environmental situations.

In order for these personnel to function safely and effectively, their physical skills must be so well practiced as to be instinctive. This level of practice requires frequent repetition. In years past firefighters burned old farmhouses, they practiced driving on empty parking lots and police practiced static shooting techniques on "point and shoot" firing ranges. These practices are no longer adequate for the threats our personnel encounter today. Availability of abandoned farmhouses is non-existent, parking lots are an unsafe and inadequate training environment and police require real-life simulation practice in order to be effective and safe.

At this time no such facilities exist within southeastern Minnesota. Facilities that exist elsewhere in the state are too far away, requiring too much travel time to be sufficiently accessible, to achieve the frequency of practice that is necessary. The southeastern Minnesota region has approximately 5,000 volunteer or full-time professional public safety personnel that could utilize

such facilities. Olmsted county alone has 361 firefighters, 315 emergency medical personnel and 202 licensed peace officers. This population density is simply too great to be served by traveling to the Minneapolis/St. Paul metro area or Camp Ripley. Rather, they require convenient and accessible facilities.

The total cost for this facility is $7.3 million; local resources will provide for half of the cost. Olmsted county will contribute $800,000 for land (if site selection is on land owned by the county) and $2.8 million for other costs. The city of Rochester will contribute $800,000 for land (if site selection is on land owned by Rochester).

**Other Considerations**

Olmsted county will form a joint powers authority consisting of representation from communities and public safety agencies from throughout Olmsted county to own and operate the facility. The land will be provided and ownership retained by either the city of Rochester or Olmsted county. The facility will be designed and operated independently by the agency utilizing the facility; however, public safety personnel from those agencies participating on the joint powers authority will provide supervision and oversight.

The project schedule is outlined below:

| | |
|---|---|
| Complete design | June 2008 |
| Begin construction | September 2008 |
| Complete construction | June 2009 |

**Project Contact Person (southeastern Minnesota)**

Steven C. Borchardt, Olmsted County Sheriff
101 4th Street Southeast
Rochester, Minnesota 55904
Phone: (507) 285-8306
Email: Borchardt.steve@co.olmsted.mn.us

**Governor's Recommendations**

The governor recommends general obligation bonding of $5.0 million to pre-design, design, construct, furnish and equip a Homeland Security and Emergency Management training and exercising center at Camp Ripley. Also included is a budget planning estimate of $10.191 million for a second phase in 2010.

The governor recommends general obligation bonding of $3.655 million for a grant to Olmsted county to construct a regional, specialized training center for southeastern Minnesota, located in Olmsted county. The center will meet the objectives laid out in statewide master plans for fire and law enforcement training facilities or by subsequent work groups. A local match of $3.65 million is required.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 800 | 0 | 0 | 800 |
| 2. Predesign Fees | 0 | 105 | 0 | 0 | 105 |
| 3. Design Fees | 0 | 909 | 236 | 0 | 1,145 |
| 4. Project Management | 0 | 190 | 72 | 0 | 262 |
| 5. Construction Costs | 0 | 6,130 | 13,201 | 0 | 19,331 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 95 | 0 | 95 |
| 8. Occupancy | 0 | 50 | 713 | 0 | 763 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **8,184** | **14,317** | **0** | **22,501** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 8,655 | 10,191 | 0 | 18,846 |
| **State Funds Subtotal** | 0 | 8,655 | 10,191 | 0 | 18,846 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 3,655 | 0 | 0 | 3,655 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **12,310** | **10,191** | **0** | **22,501** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,655 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**Agency Profile At A Glance**

- Largest provider of higher education in Minnesota, educating about 240,000 students in credit courses annually – over 50 percent of all Minnesota postsecondary enrollments.
- Serves another 135,000 students in non-credit courses.
- Graduates 33,500 students each year.
- Produces the largest share of the state's new teachers, accountants, police officers, nurses, computer professionals, firefighters, technicians, tradespeople and others from a broad range of disciplines.

## Agency Purpose

The mission of the Minnesota State Colleges and Universities (MnSCU) system is to provide the diverse citizens of Minnesota with the benefits of high-quality, accessible, future-oriented higher education; relevant research; and community service.

The diverse institutions within the MnSCU system offer an unequaled breadth, variety and quality of educational opportunities across the state. Collectively and in partnership the colleges and universities offer learning opportunities for a technologically sophisticated world that result in:

- Contributing and empowered citizens
- Active participants in a democratic society
- Educated, skilled, and adaptable workers
- Innovative lifelong learners
- Practical research and development
- Successful communities

**Vision** – MnSCU will be the preferred pathway to higher educational opportunities and a valued partner in statewide economic development and community building.

The uniqueness and diversity of MnSCU and the power of a unified system will enable MnSCU to excel as the most accessible, highest quality, and innovative education provider in the region.

## Core Functions

Teaching and learning are the core functions of MnSCU.

## Operations

The colleges and universities serve students in credit-based courses, non-credit courses and customized training. The colleges and universities offer an extremely wide array of credit-based courses leading to master's, bachelor's and associate degrees, as well as occupational certificates and diplomas. They also offer non-credit continuing education courses and direct training services to businesses, non-profit organizations and government agencies seeking to improve their employees' skills.

MnSCU's programs are delivered at 53 campus locations statewide, comprising 20 million square feet of space, or approximately one-third of the state's building inventory. Each one of the 32 Minnesota state colleges and universities contribute to the civic, economic, and cultural life in the 46 communities in which they are located.

## Budget

### Revenue

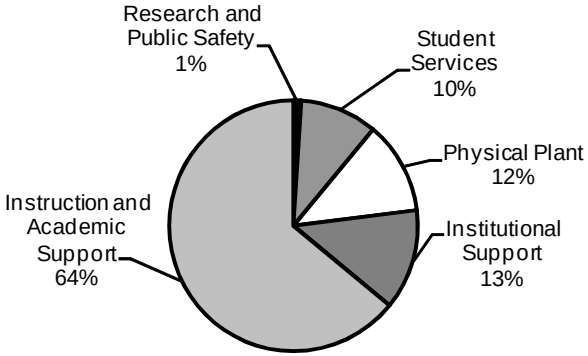
State appropriations comprise 40 percent and tuition and fees revenue comprises 36 percent of the MnSCU system's revenue. Other major sources include federal and state grants. Ninety percent of the state appropriation is allocated to the colleges and universities. All tuition and fee revenues generated by the colleges and universities remains with the institution that generated them.

**Expenditures**

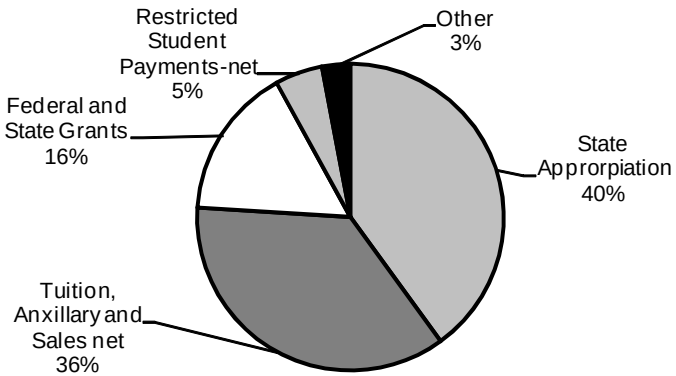
Compensation accounts for 65 percent of MnSCU's total expenses.

Instruction and academic support comprise approximately 64 percent Minnesota State Colleges and Universities functional activities.

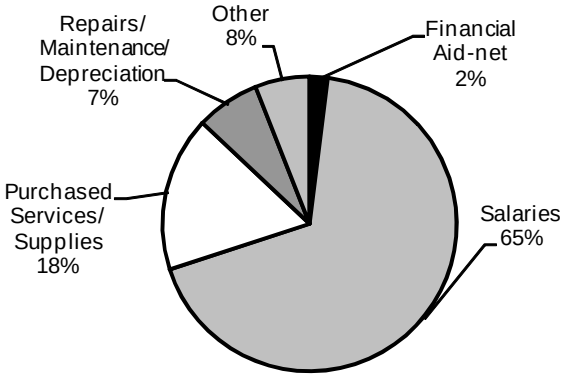
**Functional Expenditures - General Fund**
**FY 2005 $1.2 Billion**




**Revenues - All Funds**
**FY 2006 $1.5 Billion**

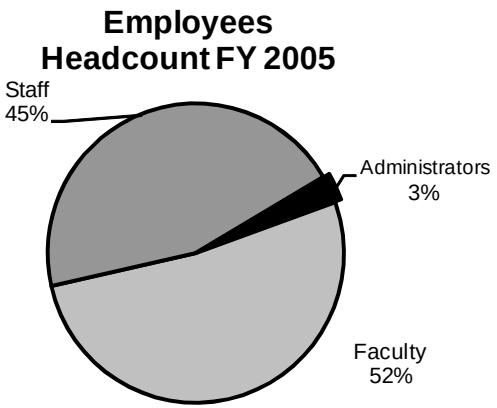



**Expenditures - All Funds**
**FY 2006 $1.5 Billion**




**Employees**

Faculty comprised 52 percent of the 17,653 headcount employees.




**Contact**

Linda Kohl
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MnSCU home: www.mnscu.edu

MnSCU Budget Unit website: www.Budget.mnscu.edu/

**At A Glance: Agency Long-Range Strategic Goals**

The Board of Trustees of the Minnesota State Colleges and Universities (MnSCU) adopted the strategic plan for Designing the Future. Three principles are held above all others in everything that the system strives to accomplish:

- Student focus – helping students achieve personal, learning and career goals
- Community success – educating a people committed to building the vital civic and economic institutions that contribute to thriving communities
- Stewardship – earning the public's trust by efficiently and effectively managing the system's human, fiscal and facilities resources. This includes the system's long standing commitment to building energy efficient and sustainable structures.

The long-range strategic directions are:

- Increase access and opportunity
- High-quality learning programs and services
- Regional and state economic vitality
- Innovate to meet educational needs efficiently

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Strategic Plan, Designing the Future:**
Minnesota State Colleges and Universities (MnSCU) is the largest single provider of higher education in the state, and the seventh largest of its kind in the nation. The system consists of 32 institutions located on 53 campuses in 46 communities. The Board of Trustees of MnSCU developed and adopted a strategic plan that focuses on fully serving the current and future learning needs of Minnesota. The strategic plan was built on an earlier report, *Access to Success*, by the Citizens Advisory Commission.

Minnesota state colleges and universities will pursue four strategic directions to fulfill its vision, mission and guiding principles:

- *Increase access and opportunity*

  More people from different backgrounds will have the opportunity to experience the benefits of higher education, and full participation (enrollment, retention and success) of non-traditional students and under-served populations will be encouraged. Apropos of this capital budget, MnSCU will ensure that its facilities provide an inviting and safe learning environment for students from all walks of life.

  *Trends* – MnSCU enrolled over 135,000 full-time equivalent (FYE) students in 2006. This is not the full story, as over 374,000 different students made up that number with 33,500 graduates. This means that a large number of incumbent workers are taking courses part-time in order to increase skills for their current job or learn new skills for a different job.

  According to the 2000 census, Minnesota's population is growing more diverse. The Minnesota Minority Education Partnership reports that minority students account for 59 percent of the growth in K-12 enrollment from 1990 to 2000. Students of color made up 14 percent of the MnSCU student enrollment in 2006, up from 7.7 percent in 1992. Twenty two percent of Minnesota K-12 students represent a community of color with a 14 percent graduation rate (Minnesota Department of Education).

- *High-quality learning programs and services:*

  Minnesota state colleges and universities will provide students with a full range of high-quality learning programs and services that respond to student needs and document student achievement. Students will develop lifelong learning, critical thinking and citizenship skills through high quality liberal arts and occupational and professional degree programs. MnSCU will provide up-to-date and innovative curriculum and equipment that prepares students for entry into the workforce and advancement in their careers. This includes the use of electronic-learning tools and processes to support classroom learning, support a wide variety of teaching and learning styles, and provide a full range of electronic student services.

  *Trends* –This strategic direction is primarily aimed at "enhancing the use of electronic learning tools and processes to support classroom

learning". Smart classrooms support the use of instructional technology. MnSCU has developed an array of instructional technology services that work together to optimize utility of smart classrooms.

Infrastructure for integrating instructional technology into the curriculum is part of all the 2008 capital requests. The 2008 capital budget request is focused on classrooms, applied labs, and sciences. Two projects this year reflect the system's long term service of providing 92 percent of the state's law enforcement officers.

- *State and regional economic vitality:*

MnSCU continues to work in new and collaborative ways to maintain and build vital communities and economies at the local, regional and state levels. The campuses play a central role in economic development by educating a skilled and flexible workforce. Providing organizations with business and management training and conducting applied research contributes to innovation and productivity increases for Minnesota's increasingly global economy. Campuses must respond to needs of emerging industries while at the same time strengthening their key role in preparing teachers, nurses, and law enforcement officers and supporting traditional Minnesota industries such as agriculture, food production, and manufacturing.

*Trends* – MnSCU graduates 33,500 students each year, 81 percent of whom stay in Minnesota to join the workforce or continue their education. MnSCU graduates the largest share of the state's new teachers, accountants, law enforcement officers, computer professionals, business people, firefighters, technicians, building trades people, and nurses.

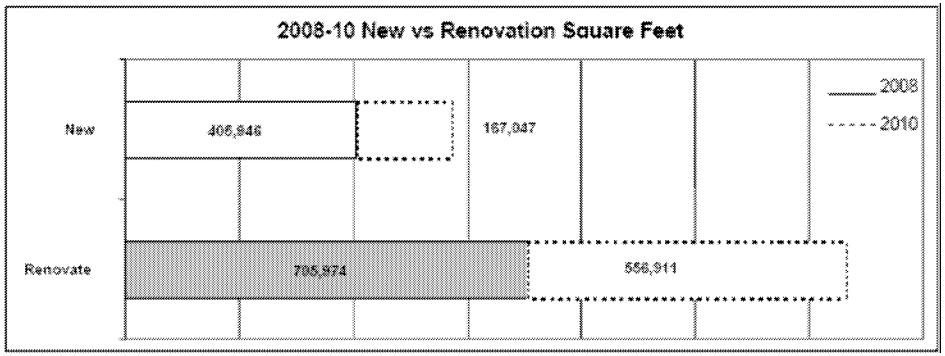
In 2006, MnSCU graduated 80 percent of the state's new nurses. The Department of Economic Security's *Minnesota Statewide Job Vacancy Survey* reported 2,347 vacancies for registered nurses and 725 vacancies for licensed practical nurses in the 4th quarter of 2006. Fulfilling educational requirements of their respective registration boards will require a shift to more science and technology offerings and will require retooling of laboratories and internal electrical and mechanical systems. The 2008 capital budget has over 465,000 square feet that directly relate to these science and technology offerings.

- *Innovate to meet educational needs efficiently:*

MnSCU's long term commitment to sustainable goals provides distinct higher education institutions that provide high-quality education. This will include integrating strategic, academic, financial, technology and facilities master plans at each institution and at the regional and system level. Most importantly, MnSCU places top priority on being a good steward of its capital assets by maximizing the use of and appropriately maintaining, repairing and renewing the buildings and infrastructure of the system and its individual campuses.

This top priority on protecting the public investment and improving the energy efficiency in MnSCU physical assets has led to Higher Education Asset Preservation and Replacement (HEAPR) being the number one request in the 2008 capital budget. It also means that renovation of existing sound structures is a large portion of this capital budget, which will have the effect of further reducing the deferred maintenance backlog.

*Trends* – HEAPR has been MnSCU's top capital budget priority since 1998. However, MnSCU's criteria for individual capital projects also place a high priority on asset preservation. As the graph indicates, asset preservation is nearly 70 percent greater in renovation for the combined 2008-2010 request than the request for new square footage.




This commitment to sustainability and maintaining the state's assets is evidenced in MnSCU's past capital budget requests:

| | |
|---|---|
| FY 2000 | request was 59.0 percent renovation vs. new construction |
| FY 2002 | request was 64.8 percent renovation |
| FY 2004 | request was 75.2 percent renovation |
| FY 2006 | request was 60.8 percent renovation - lower than past years only due to the necessity of adding the new science space square footage that could not be accommodated within existing space |
| FY 2008 | request is 63.0 percent renovation |
| FY 2010 | Proposed request is 77.0 percent renovation |

The Board of Trustees support good stewardship of existing assets by placing the highest priority on renovating facilities that the state already has in service before investing in new square footage. In addition, capital budget guidelines require that all colleges and universities submitting capital budget requests must pay for a predesign out of institution operating budgets prior to approval. Guidelines for MnSCU predesigns require integration of campus strategic, academic, technology and facilities master plans.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

MnSCU operates classroom buildings, libraries, and other structures, totaling 25.9 million square feet of academic space, including revenue fund-financed buildings. Facilities range in age from over 50 years to less than five years but the majority of the system square footage was built during the 1960-70 time period.

MnSCU undertook a baseline engineering assessment of the condition of deferred maintenance needs at all 53 campuses in 1998. The facilities condition assessment baseline data has been augmented by: (1) further engineering studies of mechanical and electrical systems at all seven state universities in 2000, seventeen two-year campuses in 2002, and ten two-year campuses in 2004; (2) annual engineering inspection of all 287 acres of roofs; and (3) a 2002 study of the status of fire detection and suppression devices. In 2005, MnSCU created a dynamic, predictive life cycle assessment of cyclical and deferred maintenance needs across the system. Initial data collection and verification are complete. This system has confirmed past studies and existing needs. The Facilities Renewal and Replacement Model (FRRM) has been operating for two years with campus input and allows campuses practical data for which to plan their needs.

Deferred maintenance needs identified across 25.9 million square feet showed the recurring patterns of systems that have passed design life:

- Mechanical reliability: HVAC, plumbing, electrical systems
- Exterior envelope integrity: roofs, windows, tuckpointing
- Restoration of interior spaces: safety, code compliance, lighting, egress

This current update indicates that past investments in roof replacements have had an impact in decreasing the roof replacement backlog. At present 42 percent of roofs in the system meet MnSCU's 40 year standard. To assure timely execution, 85 percent of roofs are advance designed. Thirty-two percent of the HEAPR request is for roofing replacement.

However, mechanical and electrical needs are increasing as the life expectancy of the original mechanical and electrical systems exceed their life expectancy; these systems are wearing out and need replacement.

**Agency Process Used to Arrive at These Capital Requests**

Following adoption of *Designing the Future*, the Trustees adopted formal capital budget guidelines. Colleges and universities used the guidelines calling for proposals with:

- Connections with MnSCU's strategic goals
- Connections between capital requests and campus academic, facilities, and instructional technology master planning
- Evidence of a space utilization inventory showing that existing facilities are being fully used, or that the capital request will improve utility
- Condition of the existing building(s), capacity of current utility infrastructure, and amount of asset preservation to be accomplished with the request, and
- Plans for debt service payment and other operating costs.

Two separate teams composed of all regions and disciplines evaluated these projects. In January 2007, two separate groups of advisory teams reviewed these projects. Based on board input from the previous biennium, an Academic Review Team was established. The Academic Review Team was

composed of 42 deans and academic administrators from all campuses and Office of the Chancellor academic staff. Their comments were then forwarded to the Project Advisory Team which was a broader based review team composed of 62 facilities, finance, academic and technology staff from all campuses and the Office of the Chancellor. Both these team reviews yielded comments and resulted in ranked projects in quartile groupings. Project documents, scoring information and other critical analysis from staff on past funding history, deferred maintenance conditions, space utilization, planning dynamics and enrollment information was provided to the board in February.

The scoring mechanism gave preferential points to asset preservation (renovation) projects that were evaluated from the campus FRRM data and projects receiving prior legislative or nonstate funding. Each project was scored twice, and some confirmed with a third review. Individual team members did not review their own campus' proposal. Individual project scores provided a baseline point of departure for evaluating capital requests.

The Board of Trustees held two public hearings in March 2007 at the board office to review all projects. The chancellor's staff and board members on the Finance and Facilities Committee reviewed and ranked the 2008-2013 projects in keeping with prior commitments made in the six year plan, and with rankings assigned by the technical advisory teams following the Board's priorities. In addition, the Office of the Chancellor incorporated information from the campus master plans, project predesign, space utilization study, facilities condition assessment, enrollment, prior level of capital investment, and input from all college and university presidents acting as the system's Leadership Council.

The Board of Trustees held its first reading of the capital budget in May 2007 and its second reading in June 2007, at which time this capital budget was approved.

**Major Capital Projects Authorized in 2006**

| Institution | Project | Approved |
|---|---|---|
| System | HEAPR | 40,000,000 |
| MSU, Mankato | Trafton Center | 32,900,000 |
| St Cloud SU | Wick Science Bldg Addition and Renovation | 14,000,000 |
| Century College | New Science Addition and Renovation | 19,900,000 |
| Fond du Lac | Library Addition and Cultural Center | 12,390,000 |
| MSU Moorhead | MacLean Hall | 9,680,000 |
| MCTC | Science and Allied Health Renovation | 18,874,000 |
| St Paul College | Transportation and Applied Technology Lab | 3,000,000 |
| Bemidji SU | Sattgast Hall | 700,000 |
| MSC-SETC | LRC, Student Services | 4,855,000 |
| Normandale CC | Renovation and Addition | 5,125,000 |
| Inver Hills CC | Addition and Renovation | 700,000 |
| St Cloud SU | Riverview Hall | 4,500,000 |
| Winona SU | Maxwell Hall | 11,186,000 |
| Systemwide | Science Labs | 5,140,000 |
| Systemwide | Demolition | 1,660,000 |
| Systemwide | Property Acquisition | 3,400,000 |
| North Hennepin CC | Business and Technology | 350,000 |
| Northland CTC | Nursing Addition, Library and Classroom | 300,000 |
| MSU Moorhead | Lommen Hall | 300,000 |
| Lake Superior College | Health and Science Center Design | 420,000 |
| Metro SU | Classroom Building | 300,000 |
| Alexandria TC | Law Enforcement Center Design | 400,000 |
| Metro SU & Minneapolis CTC | Co-located Law Enforcement Center | 350,000 |
| NHED Eveleth | Technical Lab | 300,000 |
| Southwest MSU | Science and Hotel and Restaurant Lab | 300,000 |
| Winona SU | Memorial Hall | 400,000 |

# Minnesota State Colleges & Universities — Project Funding Summary

($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Repair and Replacement | 1 | GO | $110,000 | $110,000 | $110,000 | $40,000 | $40,000 | $40,000 |
| Mn State Univ, Mankato - Trafton Science Center Renovation | 2 | GO/UF | 25,500 | 0 | 0 | 25,500 | 0 | 0 |
| St. Cloud State Univ - Brown Hall Science Renovation | 3 | GO/UF | 14,800 | 0 | 0 | 14,800 | 0 | 0 |
| Saint Paul College - Transportation and Applied Technology Lab Renovation | 4 | GO/UF | 13,500 | 0 | 0 | 13,500 | 0 | 0 |
| Bemidji State Univ - Sattgast Science Building Addition and Renovation | 5 | GO/UF | 8,900 | 0 | 0 | 8,900 | 0 | 0 |
| Normandale Comm College - Classroom Addition and Renovation | 6 | GO/UF | 7,000 | 0 | 0 | 7,000 | 0 | 0 |
| Inver Hills Comm College - Classroom Addition and Renovation | 7 | GO/UF | 13,200 | 0 | 0 | 13,200 | 0 | 0 |
| North Hennepin Comm College - Business & Tech Addition & Renovation | 8 | GO/UF | 13,300 | 0 | 0 | 0 | 0 | 0 |
| Science Lab Renovations | 9 | GO/UF | 5,775 | 0 | 0 | 5,775 | 0 | 0 |
| Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation | 10 | GO/UF | 7,800 | 0 | 0 | 0 | 0 | 0 |
| Mn State Univ Moorhead - Lommen Hall Renovation | 11 | GO/UF | 13,100 | 0 | 0 | 0 | 0 | 0 |
| Century College, White Bear Lake - Classroom & Student Support Space Renovation | 12 | GO/UF | 7,900 | 0 | 0 | 0 | 0 | 0 |
| Southwest Mn State Univ - Science & Hotel & Restaurant Administration Labs Renov | 13 | GO/UF | 9,000 | 0 | 0 | 0 | 0 | 0 |
| Classroom Renovations | 14 | GO/UF | 3,625 | 0 | 0 | 0 | 0 | 0 |
| Lake Superior College - Health Science Center Addition | 15 | GO/UF | 11,000 | 4,000 | 0 | 0 | 0 | 0 |
| Metropolitan State Univ - Classroom Center Addition | 16 | GO/UF | 4,980 | 0 | 0 | 0 | 0 | 0 |
| Alexandria Tech College - Law Enforcement Center Addition | 17 | GO/UF | 10,500 | 4,200 | 0 | 0 | 0 | 0 |
| Metropolitan State Univ/Mpls. Comm & Tech College - Law Enforcement | 18 | GO/UF | 13,900 | 0 | 0 | 0 | 0 | 0 |
| Mesabi Range Comm & Tech College - Shop Space Addition & Renovation | 19 | GO/UF | 5,000 | 0 | 0 | 0 | 0 | 0 |
| Winona State Univ - Memorial Hall Addition and Renovation | 20 | GO | 8,400 | 0 | 0 | 0 | 0 | 0 |
| Mn State Comm & Tech College, Moorhead - Trades Addition & LRC Design | 21 | GO/UF | 2,800 | 5,200 | 0 | 0 | 0 | 0 |
| Anoka Ramsey Comm College - Classroom Building Addition Design & Construction | 22 | GO/UF | 3,800 | 5,000 | 0 | 0 | 0 | 0 |
| Hennepin Tech College - Design & Renovate Science Addition; Design for LRC/SSC | 23 | GO/UF | 2,400 | 10,600 | 0 | 0 | 0 | 0 |

**Funding Sources:**
GF = General Fund
GO = General Obligation Bonds
THF = Trunk Highway Fund
THB = Trunk Highway Fund Bonding
OTH = Other Funding Sources
UF = User Financed Bonding

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design | 24 | GO/UF | 700 | 12,750 | 4,000 | 0 | 0 | 0 |
| Ridgewater College - Technical Instruction Design & Construction; Renovation Des | 25 | GO/UF | 3,500 | 14,500 | 0 | 0 | 0 | 0 |
| Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition | 26 | GO/UF | 4,000 | 0 | 0 | 0 | 0 | 0 |
| South Central College - Classroom Renovation and Addition Design | 27 | GO/UF | 700 | 12,000 | 0 | 0 | 0 | 0 |
| Property Acquisition | 28 | GO/UF | 13,100 | 0 | 0 | 0 | 0 | 0 |
| Demolition | 29 | GO/UF | 2,830 | 0 | 0 | 0 | 0 | 0 |
| Owatonna College and University Center - Property Acquisition | 30 | GO/UF | 3,500 | 0 | 0 | 0 | 0 | 0 |
| Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health | 31 | GO/UF | 1,900 | 41,680 | 0 | 0 | 0 | 0 |
| Mn State Univ Moorhead - Livingston Lord Library Renovation Design | 32 | GO/UF | 700 | 12,000 | 0 | 0 | 0 | 0 |
| Southwest Mn State Univ - Science Lab Renovation Design | 33 | GO/UF | 300 | 5,500 | 0 | 0 | 0 | 0 |
| St. Cloud State Univ - Integrated Science & Engineering Laboratory Design | 34 | GO/UF | 1,900 | 42,000 | 0 | 0 | 0 | 0 |
| Dakota County Tech College - Transportation and Emerging Technologies Lab Design | 35 | GO/UF | 300 | 6,500 | 6,500 | 0 | 0 | 0 |
| St. Cloud Tech College - Allied Health Building Renovation Design | 36 | GO/UF | 300 | 5,000 | 0 | 0 | 0 | 0 |
| Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech | 37 | GO/UF | 300 | 3,000 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Project Total | $350,210 | $293,930 | $120,500 | $128,675 | $40,000 | $40,000 |
| General Obligation Bonding (GO) | $273,715 | $233,234 | $117,035 | $99,413 | $40,000 | $40,000 |
| User Finance Bonding (UF) | $76,495 | $60,696 | $3,465 | $29,262 | $0 | $0 |

| **Funding Sources:** | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
|---|---|---|---|
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |

# Repair and Replacement

**2008 STATE APPROPRIATION REQUEST:** $110,000,000

**AGENCY PROJECT PRIORITY:** 1 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Asset Preservation and backlog reduction of needs at all colleges and universities
- Minnesota State Colleges and Universities (MnSCU) entrusted as stewards of 21 million square feet of academic building space
- One-third of all building space in the state
- Higher Education Asset Preservation and Rehabilitation (HEAPR) will reinvest in physical assets, preserving them well into the future

## Project Description

Provide funding per M.S. 135A.046 (the "HEAPR" statute) to maintain and preserve MnSCU's existing physical assets. This asset preservation request includes roof replacement; heating, ventilation and air conditioning (HVAC) replacement and repair; upgrade and/or installation of fire alarms and sprinklers; window replacement; tuckpointing; life safety and code compliance projects; and replacement of other items that have reached the end of their useful life expectancy.

MnSCU's physical assets encompass 21 million gross square feet of academic buildings located on 53 campuses. The request can be broken into the following major categories:

- Roof replacement
- Mechanical and electrical reliability
- Life safety, code compliance, and interior and exterior building preservation

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Preserving the existing physical asset will maintain geographic access to educational opportunities for all Minnesotans.

*High-quality Learning Programs and Services* - High quality learning spaces lead to high quality learning options and services. HEAPR is the method of maintaining the state's assets.

*State and Regional Economic Need* - In most communities, the college or university serves a secondary role as a meeting facility, customized training facility, and community amenity – all these roles would be best served with adequately maintained facilities.

*Innovate to Meet Educational Needs Efficiently* - Exhibits good stewardship of state investment by preserving sound, existing physical assets well into the future.

## Project Rationale

Chancellor and Board of Trustee's Process:
Each college and university submitted a set of prioritized asset preservation projects utilizing individual assessments of the buildings and grounds and analysis of the overall Facilities Condition Index (FCI) - the index derived by dividing the values of deferred maintenance by the current replacement value of the physical plant. These individual assessments were informed by:

- Facilities Condition Assessment (FCA) database: since 2003 campuses annually report their condition based on life cycle, updates, repairs and personal knowledge of the actual buildings and systems
- Engineering surveys of the major mechanical and electrical systems at all seven state universities
- An ongoing annual roof inspection program of all 292 acres (12.7 million square feet) of roofs
- Engineering surveys of major mechanical and electrical systems at 27 two-year colleges

All requests must form a discrete project. While some projects may be phased or partially funded, the portions that are budgeted form a project that can be completed and provide useful service.

Strategic HEAPR Priorities:
HEAPR is a critical component of a "catch-up and keep-up" reinvestment plan to maintain and reinvest in the state's assets. As noted, since 2003, the system is actively engaged in campus evaluation of buildings systems that determines the FCI. The FCI is an index derived by dividing the values of deferred maintenance by the current replacement value of the physical plant.

The size of the HEAPR request was determined, as in prior capital budgets, by considering the funding level needed to correct building deficiencies (reduce the backlog) and renew facilities in a timely manner to avoid backlog growth. Three major funding sources are included in this plan.

1. The capital budget is the primary mechanism to renovate and "take care of what we have." For the last eight years this has consistently yielded more renovation and modernization projects than projects for new square footage.
2. Campuses have been expected to spend at least $1.00 per square foot from operating funds on Repair and Replacement (R&R).
3. Undertaking HEAPR projects to directly impact the backlog of deferred maintenance.

In prior capital budgets, the need for $100 - $110 million in HEAPR projects was based on the level of anticipated funding for line-item renovation and renewal projects and campus funding of R&R. The HEAPR request was also based on a long-range plan to reduce the backlog by 50 percent over 10 years. Since the capital renovation and renewal budget is similar to prior years, and campus spending through the operating budget is close to the targeted amount, it is reasonable to conclude that a $110 million HEAPR request is needed.

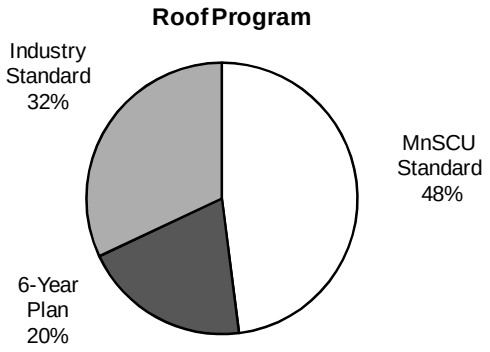
This funding request is reinforced by the system FCI not decreasing and the backlog of deferred maintenance continuing to grow. The current estimate of $672 million increased from the previous year estimate of $646 million. An increase in direct requests from campuses from $238 million in 2006 to $304 in 2008 further reflects the growing need.

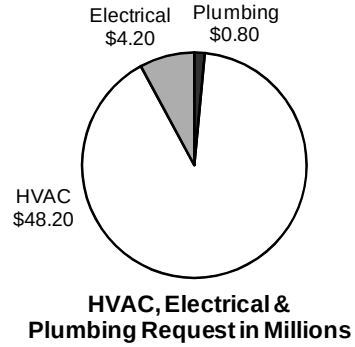
Major priorities of the system are evaluated by two critical criteria. First is to maintain campus assets "warm, safe and dry." After this critical component is met, the second evaluation for campus priorities is reviewed in relationship to the overall campus FCI. It should be noted that all projects were evaluated to these two criteria along, as well as respecting the individual campus priority request.

The three main priorities of the system are:

*1. Roof Replacement:* MnSCU is the custodian of 292 acres of roofs on academic buildings. MnSCU has been engaged since the merger in 1995 in a systematic program to replace all failing flat roofs in the system with built-up asphalt slope-to-drain roofs.

Replacement of the roof, the most critical waterproofing element on a building, protects the building structure, contents and occupants, preventing further structural damage. This component is critical for colleges and universities to fulfill the public obligation to students, staff and the public that they are "warm and dry." The present roof program began in 1984 with the state universities, and expanded to the two-year colleges in 1995. Once previously authorized construction is completed, 48 percent of college and university roofs will meet MnSCU standards. All 292 acres of roofs are inspected by professional engineers every year and rated for remaining useful life. Colleges and universities requested $85 million for roof replacements; this request reflects $37.2 million in critical roof replacement work. $36.8 million of capital budget requests are in the 0 to 1 year of the remaining life category. In fact, some roofs have been in the 0 years of remaining life category for several years. These roofs reflect leaking that leads to additional operational costs, potential air quality issues and create structural integrity concerns.

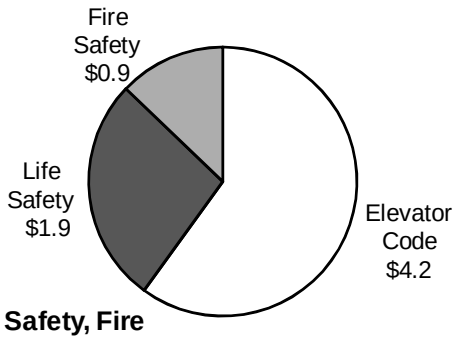



Due to the near 40 year average age of campus buildings many of the exterior brick and windows require replacement to stop water and air infiltration. This category of need for repair of exterior walls and envelopes has grown in the last decade with requests over $21 million submitted from colleges and universities. $7.8 million is contained in this final request to reflect this importance to stabilizing and protecting the state's assets.

*2. Mechanical and Electrical Reliability:* Next to integrity of the roofs, maintaining the reliability of building mechanical and electrical systems and safe air quality for students is paramount. MnSCU has placed its highest priority on keeping students "warm, safe and dry." The mechanical reliability conforms to the safe and warm by allowing adequate ventilation and temperature for building and personnel health. Most campus buildings are 1960's and 1970's construction with mechanical systems far outliving their life expectancy. Many systems have exceeded their life expectancy, and while campus maintenance personnel are doing a good job of patching, repairing and maintaining these systems, mechanical equipment can work for just so long before it must be replaced. Mechanical and electrical needs in this request break down as shown in the graph below. This request proposes 45 different campus projects totaling $48.2 million to replace major mechanical, electrical, plumbing, heating, ventilation and air conditioning systems.

*3. Life safety, fire and elevator code update:* As in past budgets, the consistent obligation to renovate for life safety codes is reflected in the HEAPR budget. These life safety code, fire alarm and safety components are proposed at $2.8 million in this request. A new life safety code issue this biennium is a code compliance requirement for elevators that must be corrected by 2012. Campuses have estimated that approximately $14-19 million is required for this change, which is due to the significant changes to International Building Code Chapter 1307. This code change impacts all cylinder elevators built before 1972 and all track elevators built before 1987. There are 300 elevators in the system and approximately 190 elevators impacted by this code change. Many campuses are striving to improve them by incremental measures, or update with other funds. However, HEAPR is the only source for many of these elevators. In the 2008 proposed list there are $4.2 million requested for mandatory code updates.




**Life Safety, Fire and Elevator Code**

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $40 million for HEAPR.
Laws 2005, chapter 20, article 1, section 3 appropriated $41.5 million for HEAPR.

**Impact on Agency Operating Budgets (Facilities Note)**

There are 33 proposed roof replacements on 22 campuses that will save a minimum of $600,000 annually in temporary patches and repairs, as well as ceiling and wall replacement costs. HVAC replacements and repairs in 38 projects on 25 campuses will save an average of approximately 10 percent (in some projects it will be more) or $1 million per year in energy savings. The fire safety, life safety and code compliance projects should have minimal impact on operating budgets.

Note that campuses spent a three year average of close to $1/sq ft of their own operating dollars for R&R funding to improve the facilities condition; and this is not keeping up with the need to repair. HEAPR dollars are essential for preservation of the long term asset the state has invested.

**Other Considerations**

Thirty Month Execution:
MnSCU has developed and implemented a HEAPR execution strategy to complete HEAPR projects within 30 months or better after receiving an appropriation. Both the 2000 and 2002 appropriations were fully committed well within the 30-month execution schedule. A little over 45 percent of the 2005 HEAPR appropriation was encumbered in the six month reporting period from April to October, 2005, and all funds were encumbered by spring 2006 (creating a 24 month schedule). For the 2006 funding, the system is 72 percent encumbered as of June 2007; which is 20 percent greater than the budgeted schedule.

This accelerated execution schedule was made possible by:

- Projects being delegated to respective MnSCU institutions
- Advance engineering completed by the college or Office of Chancellor prior to funding
- Accurate and timely project cost and project status reporting online
- Face-to-face HEAPR program discussions between the Office of the Chancellor and responsible campus personnel three times per year
- Reporting on status of HEAPR program to Board of Trustees semi-annually
- Developing expedited contracting procedures for pre-approved engineering consultants for HEAPR projects

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**Governor's Recommendations**

The governor recommends general obligation bonding of $40 million for this project. Also included are budget planning estimates of $40 million in 2010 and $40 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 1,750 | 6,081 | 5,158 | 4,000 | 16,989 |
| 4. Project Management | 2,990 | 5,950 | 1,330 | 1,230 | 11,500 |
| 5. Construction Costs | 35,260 | 84,460 | 80,400 | 73,062 | 273,182 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 13,509 | 23,112 | 31,708 | 68,329 |
| **TOTAL** | **40,000** | **110,000** | **110,000** | **110,000** | **370,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 40,000 | 110,000 | 110,000 | 110,000 | 370,000 |
| **State Funds Subtotal** | 40,000 | 110,000 | 110,000 | 110,000 | 370,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **40,000** | **110,000** | **110,000** | **110,000** | **370,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 110,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn State Univ, Mankato - Trafton Science Center Renovation

**2008 STATE APPROPRIATION REQUEST:** $25,500,000

**AGENCY PROJECT PRIORITY:** 2 of 37

**PROJECT LOCATION:** Minnesota State University, Mankato

**Project At A Glance**

- Project design was funded in 2005.
- Phase 1 – Funded in 2006 to construct 67,000 gross square feet (GSF) addition and renovate 16,010 GSF in north section.
- Phase 2 - Renovate 52,793 GSF in center/south section and renew exterior shell – roof, masonry and plaza repairs for sciences.
- Renovation will remove $19 million from backlog (for both phases).

**Project Description**

Remodel and renew the existing south/center section of Trafton Science Center. Renew the exterior shell including reroofing, masonry and outdoor plaza repairs in the center section.

The south section of Trafton primarily houses the Biology department. This renovation would include areas of the wet biology labs, greenhouse, classrooms and offices. The heating, ventilating and air conditioning (HVAC), fume hood exhaust systems, controls and roof would also be replaced. Other work includes new plaza pavers and waterproofing system, masonry repairs and new thru-wall flashing. Trafton Science Center produces 30 percent of all Mankato's credit hours. This project will remove $19 million from the deferred maintenance backlog.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity:* Mankato's enrollment in math, science, and engineering has grown more than 40 percent in five years. Partnerships with regional and state biotechnical and engineering industries have also grown.

*Strengthen Community Development and Economic Vitality:* Mankato scientists with state and business partners have developed collaborative applied student research through five privately funded research centers: Water Resources, Automotive Research (alternative fuels), Rapid Prototyping and Manufacturing, Advanced Telecommunications, and Space Imaging.

*Deliver High Quality Learning Options and Services:* In 2000, a Midwest Wireless-Nokia partnership and federal grant created an innovative, high technology, wireless campus. With expanding technology in every classroom and laboratory, and ubiquitous wireless access, the physical spaces designed in the 1970s must be improved to provide high quality learning opportunities--particularly for science and technology disciplines.

Mankato's Master Plan:
Mankato's Master Facilities Plan was presented to the Board of Trustees in May 2002, and Trafton was identified as the number one priority. This was based on four considerations: (1) over-crowding created by growth of the basic sciences, engineering, and mathematics; (2) an addition of a civil engineering program in 2001; (3) the pressing need to establish a "home base" for the electrical engineering program started in the mid-80s; and (4) more than $14.1 million of deferred maintenance in the Trafton complex.

Enrollment and Space Utilization:
When Trafton opened in 1972, only biology, chemistry, physics, and math, with a total of 700 majors, were offered. Enrollment has quadrupled to 2,800 majors with an expanded curriculum: engineering (electrical, computer, mechanical, and civil), engineering technology, biotechnology, molecular biology, biochemistry, astronomy and statistics as well as emphases in microbiology, toxicology, human biology, and physiology. In 1972 the majority of Trafton graduates went into teaching. Now, most declared majors are in non-teaching science or engineering careers.

| FY | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| FYE | 13,157 | 13,406 | 13,373 | 13,343 | 13,350 est. |

The 2001 MnSCU Space Utilization Study showed Mankato with a 6 percent deficit in teaching laboratories and 18 percent in research labs. The College of Science, Engineering and Technology generates 47 percent of its enrollment from general education and service courses for allied health, nursing, and K-12 education. Under the general education requirements, every student must take one math and one lab science course. Overcrowding is common.

**Project Rationale**

Trafton was constructed in 1972 as a three-story 224,864 GSF structure. A 55,940 GSF north addition was added in 1994 for engineering. The existing building has three defining sections. The south section currently houses Biology, Anthropology, some Engineering, a civil engineering lab and the Water Resources Center. The center section houses academic classrooms, lecture halls, offices, and electrical engineering labs. The second level is an open outdoor plaza. The north section houses Physics, Astronomy, Chemistry, Geology, Electrical Engineering, and Social Work.

Wet labs will consolidate in the new addition (underway) and in the south section of the existing building. Dry labs will locate in the north section. Approximately 69,000 square feet or 31 percent of the existing space in Trafton is being renovated with this project.

Programmatically, consolidating wet labs in one location will place Chemistry and Biochemistry in close proximity to Biology to enhance collaboration, share sophisticated instrumentation, utilize a common support staff, and be energy efficient. The addition will have increased inter-floor heights, providing necessary space for lab ventilation. Because of differing floor heights, connection of floors between buildings will be handled with stairs and elevators.

By moving chemistry to the new addition, the north section can be converted to “dry” laboratories, or those not requiring heavy ventilation. The first floor will remain unchanged with the Department of Physics and Astronomy. The second and third floors will house Engineering, a math lab, and co-located Anthropology and Social Work departments.

With this renovation the center section will be defined as the core for instructional classrooms and administrative offices. In 1972, laboratory pedagogy was visual and descriptive with microscopes and colorimetric chemistry being the norm. Today, labs are computer driven with sophisticated analytical instrumentation that is absolutely essential to graduate a well-prepared scientist or engineer. Labs and classrooms will all be technology-enhanced to link to the latest scientific discoveries. The south section currently is Biology and will remain so after the renovation.

Predesign:
Completed by HGA in the Spring of 2003.

**Impact on Agency Operating Budgets (Facilities Note)**

Building Operations Expenses:
The existing building will be renovated, with no new space added. Operating cost will be reduced by $82,000 per year, or 26 percent, with new efficient air handlers and exhaust fans operated by variable fan drives.

Debt Service:
This project, and all others requested, would create an annual obligation estimated at less than 1.6 percent of the annual operating budget. Mankato has the ability to pay this debt service and understands the obligation.

Capacity of Current Utility Infrastructure:
The central utility plant provides all utility services to the campus. A new 90,000 pounds per hour boiler was installed in 2004 with capacity to heat the entire campus with three other boilers providing redundancy. The centralized electrical distribution system was upgraded in 2006 providing reliable service and capacity well into the future. Cooling is adequate now that the chilled water system has been optimized with installation of new circulation pumps and cooling tower upgrades at the utility plant in 2006. Plans to connect the north and south chiller loops in 2007 will provide increased flow to the buildings.

Energy Efficiency/Sustainability:
The renovation will replace inefficient, worn out HVAC equipment with energy-efficient equipment.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $32.9 million to construct Phase 1.
Laws 2005, chapter 20, article 1, section 3 appropriated $2.56 million for design of this project.

**Other Considerations**

This project addresses $19 million in deferred backlog and $500,000 in 10 year renewal from the FRRM forecast. This will reduce the FCI for Trafton from .41 to .12. Improvements will include roofing, waterproofing the outdoor plaza, replacement of air handlers and controls, electrical upgrades, plumbing fixtures and rough-in, fire protection, built-in equipment and interior finishes along with abatement of deteriorate ceiling spray containing asbestos. The remaining backlog and renewal will be requested as HEAPR projects in future years.

Consequences of Delayed Funding:

- Continued waste of energy with outdated, inefficient ventilation
- Continued lack of academic space for teaching and research
- Impeded recruitment and retention of faculty due to inferior facilities

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $25.5 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 381 | 0 | 0 | 0 | 381 |
| 3. Design Fees | 3,329 | 460 | 0 | 0 | 3,789 |
| 4. Project Management | 1,128 | 707 | 0 | 0 | 1,835 |
| 5. Construction Costs | 25,933 | 19,200 | 0 | 0 | 45,133 |
| 6. One Percent for Art | 100 | 100 | 0 | 0 | 200 |
| 7. Relocation Expenses | 0 | 80 | 0 | 0 | 80 |
| 8. Occupancy | 4,970 | 1,542 | 0 | 0 | 6,512 |
| 9. Inflation | 0 | 3,411 | 0 | 0 | 3,411 |
| **TOTAL** | **35,841** | **25,500** | **0** | **0** | **61,341** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 35,460 | 25,500 | 0 | 0 | 60,960 |
| **State Funds Subtotal** | 35,460 | 25,500 | 0 | 0 | 60,960 |
| Agency Operating Budget Funds | 381 | 0 | 0 | 0 | 381 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **35,841** | **25,500** | **0** | **0** | **61,341** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 65 | 0 | 0 | 65 |
| Building Repair and Replacement Expenses | 106 | 0 | 0 | 106 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 171 | 0 | 0 | 171 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 171 | 0 | 0 | 171 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 17,085 | 67.0% |
| User Financing | 8415 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# St. Cloud State Univ - Brown Hall Science Renovation

**2008 STATE APPROPRIATION REQUEST:** $14,800,000

**AGENCY PROJECT PRIORITY:** 3 of 37

**PROJECT LOCATION:** St. Cloud State University, St. Cloud

**Project At A Glance**

- Project design funded in 2005
- Phase 1 new addition construction funded in 2006
- Renovation and equipping of 75,000 gross square feet (GSF)
- Construction of 1,400 GSF skyway
- Renovation will address $1.179 million of deferred maintenance

## Project Description

Renovate, furnish and equip Brown Hall to serve as an instructional facility primarily for Nursing and Communication Sciences and Disorders; including Audiology and Continuing Studies. The project also includes re-glazing the 35 year-old skyway to the Wick Science Building and the construction of a new skyway to Centennial Hall, an adjacent classroom and student service building, which in turn is connected to the campus student union.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* **-** St. Cloud State University (SCSU) has had a strong reputation in the areas of Speech Pathology and Audiology for many years. These programs need space to meet current lab and practical standards for instruction and licensure.

The nursing program, which was initiated seven years ago in response to statewide and regional needs, is housed in leased space six miles off campus that is not optimally configured, causing inconvenience for students, faculty and staff.

Continuing Studies is the heart of the out reach for instruction in the wider community and needs adequate administrative and testing space to meet their mission. Continuing Studies manages Post-Secondary Enrollment Options (PSEO), Senior to Sophomore, distance education, customized training and online programs; all growing endeavors. For example, the online portion of the University's instruction is now about 7 percent of the total credits taught.

*High-quality Learning Programs and Services* **-** The Speech Pathology, Audiology and Nursing programs are all accredited and high quality programs but require current facilities to continue successful operation. In the summer of 2006, SCSU was the only nursing program in the state to have a 100 percent pass rate on the licensure exam given to all nurses.

*Innovate to Meet Educational Needs Efficiently* - Bringing the nursing program to campus, while not a remarkable innovation, will meet the needs of the nursing and pre-nursing students much more efficiently. The space used by nursing currently costs over $82,000 in lease expense that will be saved in bringing the program to campus.

The Continuing Studies program has seen dramatic growth, and recently moved from a former single family home to expended space in residence halls as an interim solution. As the residence hall occupancy has improved, it is expected that they will need to be displaced in the next two years. Brown Hall is the planned location for the on campus needs of this program.

Institution Master Plans and Regional Collaborations:
This project is consistent with broader plans for facilities for the College of Science and Engineering and the University's Master Facilities and Strategic Plans. Renewal of Brown Hall is a key element of these plans. It will improve the quality of the University's facilities, influence the quality of the programs housed and improve success in recruiting faculty and students. These programs are core programs for the University and having appropriate, convenient instructional student service and administrative space is important. The project will allow the University to continue to meet key needs for health care professionals in the region and the State.

Enrollment and Space Utilization:
The University has seen recent increases in enrollment that are expected to continue into the future. The following illustrates that trend:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 14,029 | 13,932 | 14,200 | 14,250 |

The University's leased nursing labs are used to capacity. Moving them to campus will increase flexibility of scheduling. The Communication Studies Labs are used to near capacity but are functionally obsolete and are not sufficiently accessible for the various clients that come to the lab so that students can experience effective practicums.

**Project Rationale**

Remodeling of Brown will impact the following departments:

- Nursing Sciences (consolidate to Brown Hall)
- Communication Sciences and Disorders (move to Brown Hall)
- Continuing Studies (move to Brown Hall)

*Nursing* **-** St. Cloud started a nursing program in 2001; both a traditional BSN and an accelerated BSN for adults with four-year degrees. St. Cloud has launched a "Health Sciences Initiative" to maximize nursing resources of St. Cloud Technical College, the College of St. Benedict, and St. Cloud Hospital. One goal of the initiative is a "learning lab" that all partners can share, but the required space is lacking. While there is a general shortage of nurses in the state, the most acute shortage is for nurses with advanced degrees.

Nursing is now in leased space at an off-campus location and has eight faculty members located in four different buildings on campus; there is no room for a master's degree program. The nursing faculty has attracted private grants for equipment from the Bremer Foundation, Initiative Foundation, and other private sources. The state Board of Nursing has accredited the B.S. program; that program also has national accreditation. The inadequate and scattered space has been an accreditation issue. This remodeling will consolidate and enlarge nursing in Brown Hall.

*Communication Disorders* - Classrooms, labs, faculty offices, and clinics will move from the Education Building to Brown Hall. At present the department has two small labs; one for instrumentation and one for audiology. Two labs will remain in Brown Hall, although the increased size will allow instruments to have stations and all students to have a lab station. In 2005, national accreditation standards changed, requiring 25 hours more student lab and clinic time. The accrediting agency has twice listed the complete absence of a waiting room for clients who bring their children to consult the faculty and students at the clinic as an area of concern. Communication Disorders boasts a 90 percent pass rate on national certification tests (national average is 75 percent) and the post-graduate program turns away 20 – 25 students per year because of space. The graduate program could double in a remodeled Brown Hall.

*Continuing Studies* **-** Continuing Studies recently moved from a former single family home to leased space in a residence hall. This growing program that serves distance education students, customized training needs and manages online course program needs appropriate and sufficient space to meet its needs. This facility will provide for those needs.

Predesign:
Predesign was completed by Afton Architects in October 2002 and updated by Rafferty Rafferty Tollefson Architects in October 2005.

Capacity of Current Utility Infrastructure:
The existing building is served by adequate infrastructure for all utilities. The replacement of the single glazed windows and the roof will reduce the demand for energy by this building.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The difference in operating costs will be marginal. The building is currently in service so there is no expected change in the compliment of staff when it is completed. Utilities will decrease slightly as a result of energy conservation. Although the University will increase debt service, the $83,000 annual off-campus lease expense for the nursing program and the space leased in the residence hall for Continuing Studies will no longer be required.

Energy Efficiency/Sustainability:
This project is essentially a renovation it is inherently a manifestation of sustainability. New windows replacing the existing single glazed and a new roof will improve comfort and save energy. This project, in addition to replacing the crazed and clouded glazing on the existing skyway from Brown Hall to Wick Science Building, removes the backlog of deferred maintenance on Brown Hall of $1.179 million.

Debt Service:
The University is prepared to assume the debt service as required by legislation and Board practice. The University manages its total debt load liability well below the Office of the Chancellor guideline of three percent of budgeted expenditures. The sum of all current and proposed projects at the University, if funded on the schedule requested, will result in a debt service of less than one percent of the operating expenses.

**Previous Appropriations for this project**

Laws 2006, chapter 258, section 3 appropriated $14.0 million to construct Phase 1.
Laws 2005, chapter 20, article 1, section 3 appropriated $900,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- If the single glazed windows and roof are not replaced the building will remain an excessive energy consumer.
- The University will continue indefinitely to have the inconvenience, uncertainty and expense of off campus leased space for the nursing program.
- The Audiology and Speech Pathology programs will have their required accreditation at risk because of inadequate and obsolete lab facilities.
- Continuing Studies will likely be encouraged to move out of needed residence hall space with no viable alternative.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $14.8 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 39 | 0 | 0 | 0 | 39 |
| 3. Design Fees | 1,155 | 276 | 0 | 0 | 1,431 |
| 4. Project Management | 547 | 650 | 0 | 0 | 1,197 |
| 5. Construction Costs | 11,630 | 11,698 | 0 | 0 | 23,328 |
| 6. One Percent for Art | 90 | 100 | 0 | 0 | 190 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 1,478 | 804 | 0 | 0 | 2,282 |
| 9. Inflation | 0 | 1,272 | 0 | 0 | 1,272 |
| **TOTAL** | **14,939** | **14,800** | **0** | **0** | **29,739** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 14,900 | 14,800 | 0 | 0 | 29,700 |
| **State Funds Subtotal** | 14,900 | 14,800 | 0 | 0 | 29,700 |
| Agency Operating Budget Funds | 39 | 0 | 0 | 0 | 39 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,939** | **14,800** | **0** | **0** | **29,739** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 83 | 83 | 0 | 166 |
| Expenditure Subtotal | 83 | 83 | 0 | 166 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 83 | 83 | 0 | 166 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,916 | 67.0% |
| User Financing | 4884 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Saint Paul College - Transportation and Applied Technology Lab Renovation

**2008 STATE APPROPRIATION REQUEST:** $13,500,000

**AGENCY PROJECT PRIORITY:** 4 of 37

**PROJECT LOCATION:** Saint Paul College, St. Paul

**Project At A Glance**

- Project funded for design in 2006
- Renovation of 105,911 gross square feet (GSF)
- Construction of 5,218 GSF
- Project will eliminate $1.5 million in deferred maintenance

## Project Description

Remodel, renovate, furnish and equip classroom, lab, shop and other space and construct an expansion to the truck mechanics shop to effect a complete ground floor transformation at Saint Paul College. The project creates a "construction trades and transportation academy" that promotes more engaged industry experiences and partnerships. The project will provide a modern, 21st century environment for students and industries that more closely models the real world working environment.

Academic programs impacted by this second phase of the ground floor remodel include: auto body repair, automotive technician, diesel truck mechanic, carpentry, pipefitting, cabinetmaking, and chemical technician.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - This project will create a learning environment that is multi-functional and safe. Such an environment is critical to the success of all students, including under represented students. Minority full-year equivalents (FYE) student enrollment at the college in fiscal year 2006 was 45 percent - a seven percent increase over 2004. During Fall 2006 the college enrolled 867 students in English as a Second Language courses, an increase of 19 percent over Fall 2005.

*High-Quality Learning Programs and Services* - This project will complete the enhancement of the trade and industrial programs which account for 24 percent of the College's enrollment. Program advisory committees have expressed concern about the lack of appropriate lab and classroom spaces, and the impact that has on the College's ability to attract and retain students. They have also expressed concern about the ability to provide a workforce trained to maximize local industries' investment in innovations necessary to compete in the 21st century.

*State and Regional Economic Needs* **-** The employment outlook projection for the seven county metro area indicates a demand for 12,603 jobs in 2010 for the occupations affected by this project. The three year average placement rate for the graduates in these occupations is 97.8 percent. The College wishes to continue its outstanding legacy of meeting center city industry workforce needs that it has enjoyed since 1910.

*Innovate to Meet Educational Needs Efficiently* - This project will preserve and improve the state's investment in its physical assets and significantly reduce deferred maintenance. This project, along with the completion of Phase 1 and Higher Education Asset Preservation and Rehabilitation (HEAPR) investments, should reduce the campus facilities condition index (FCI) from .29 to .20. Single purpose classrooms will become flexible, multi-use classrooms that will realign and reallocate the physical resources of the college resulting in efficient and effective use of space.

St. Paul College Master Plans and Regional Collaborations:
The Board of Trustees approved the Master Facilities Plan in January 2001 and will have an updated plan complete in 2007. This project is aligned directly to priority number 1 of the College's Master Plan which transforms space to support:

- Long term stewardship of investment in existing facilities
- Clustering/coring of programs
- Space utilization improvement
- Sharing of resources internally and externally to the college

Enrollment and Space Utilization:

| | FY 1999 | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|
| FYE | 2133 | 3,000 | 3,090 | 3,250 | 3,330 |

St. Paul College has experienced more than 50 percent growth in FYE enrollment over the previous eight years. The mission expansion to a community and technical college has had a significant impact on this growth. Phase one of this project moves five construction electricity labs and classrooms to the ground floor to free up 5,859 GSF for liberal arts and sciences course offerings. This phase of the project will compliment the 2006-2008 project by providing several flexible classrooms on the ground floor.

More than half of the College's students reside in Ramsey County, and nearly 20 percent are from Hennepin County, both of which are expected to grow steadily in the next twenty years. The College is one of eleven seven-county Metro institutions that provide education to nearly 25 percent of the ethnically diverse students in the state. In 2006, Saint Paul College enrolled 3,012 credit seeking students of color or 43.5 percent of its credit student body, the highest percentage in the MnSCU system. Yet, Minnesota's fastest growing populations have the lowest rates of participation in postsecondary education and over 72 percent of students in the Saint Paul Public School System are students of color. The College expects to continue its tradition of serving students of color and may need to anticipate growth of yet another 50 percent in the next eight years.

MnSCU's Fall 2006 Space Utilization report shows Saint Paul College with 80 percent seat usage and 127 percent of available room hours. This project will increase these percentages by reallocating space and reconfiguring underutilized seat usage areas. It will remove classrooms from shop areas and provide flexible classrooms and labs that can be converted to open scheduling for any college course or custom training.

**Project Rationale**

The existing spaces on the ground floor have several severe life safety hazards that must be rectified. These hazards include: poor air quality, non-compliant or difficult to locate emergency exits, and risky working conditions for staff and students.

The spaces for the affected programs are not up to the standards of their respective industries in size, configuration, or quality of space. Remodeling of current labs and classrooms will allow programs to work together in efficient trade-related clusters, mirroring trends in industries. The project will:

- Improve the learning environment for students in Transportation and Geomatics.
- Respond to industry's need to train students in high-quality, up-to-date environments that meet or exceed industry standards.
- Accommodate the need for classroom flexibility by removing classrooms from inside the shop/lab areas making them available for open scheduling.
- "Clustering" like programs in floor plan layouts to facilitate shared resources and interdisciplinary learning.
- Technology upgrades in classrooms and labs to replicate conditions found in modern workplaces.
- Meet current building code requirements for emergency egress, heating, ventilating and air conditioning (HVAC), indoor air quality, and other life safety issues.

This project will remodel and/or reconfigure:

- Pipefitting, that is currently located in six separate labs. This project will combine spaces to economize space and increase flexibility.
- Auto Body and Auto Technician shops that are chopped up by unnecessary internal partitions, which will be removed increasing flexibility. However, the paint shop will be isolated from other shop areas. Modern exhaust systems will be installed to improve safety and air quality.
- Diesel Truck mechanics shop that is too short for the dyno equipment and today's longer trucks. There is inadequate space for storing engines.
- Cabinetmaking shop that needs its own delivery door and clearances for forklift operation inside the lab. Carpentry needs an expanded lab to accommodate 24 students at one time, increasing instructor efficiency.

Deferred maintenance of the ground floor will be addressed in all renovated areas. The asset preservation and infrastructure investment is $2.7 million, which will reduce deferred maintenance by $1.5 million through replacement of air handling units, lighting, electrical distribution, fire doors, and fire and security systems.

<u>Predesign:</u>
The original predesign by TKDA was submitted October 2004 in anticipation of capital bonding to fund the project in 2006. Because only design was

funded in 2006, an updated and revised predesign by TKDA was submitted in January 2006.

Capacity of Current Utility Infrastructure:
Since the new square footage is minimal, there is no requirement to expand the utility infrastructure. The project will be replacing and/or improving a large percentage of the current utility infrastructure, which is included in the project budget. The new energy efficient equipment should enable the college to recognize up to a 10 percent savings in utility costs.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The new addition will add $4,500 annually to operating expenses. Savings should be realized with newer, more energy efficient equipment. The minor increase in square footage should have no effect on operating funds.

Energy Efficiency/Sustainability:
Most of the present air supply system is 100 percent exhaust. The new system will improve fresh air make-up, reduce heating costs and emissions from boilers. There will also be filters installed for exhausts systems that are standard in the automotive and truck industries, reducing particulates emitted to the atmosphere.

Debt Service:
The current debt service obligation of the college is $150,000 annually. The estimated increase in debt liability from this project will be approximately $200,000 – increasing debt service to a manageable, anticipated 1.4 percent of the College's operating budget.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $3 million for design of this project, including replacement of the electrical system.

**Other Considerations**

Consequences of Delayed Funding:
The College cannot afford to address severe building safety issues with operating funds and:

- Potential unsafe working and learning environments will continue.
- Band-aid approach will be used to mitigate serious life safety issues.
- Core safety problems will not be addressed.
- Inefficiencies will be created – both academically and fiscally.

Timeline:
The schedule for design and construction has been considered and estimates substantial completion by September 2009.

Enrollment and Placement:
Also of concern is the potential impact on enrollment in the trade and industry programs. The college has an exemplary placement rate in high paying local jobs that help drive the economies of Saint Paul and the state of Minnesota. Placement rates may be threatened by industry's impression that the facilities are outdated or inadequate to support today's technology. The current space negatively impacts the college's ability to provide relevant programming necessary to prepare students for what they will find on today's job site.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $13.5 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 35 | 0 | 0 | 0 | 35 |
| 3. Design Fees | 549 | 183 | 0 | 0 | 732 |
| 4. Project Management | 0 | 635 | 0 | 0 | 635 |
| 5. Construction Costs | 2,451 | 10,395 | 0 | 0 | 12,846 |
| 6. One Percent for Art | 0 | 93 | 0 | 0 | 93 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 978 | 0 | 0 | 978 |
| 9. Inflation | 0 | 1,216 | 0 | 0 | 1,216 |
| **TOTAL** | **3,035** | **13,500** | **0** | **0** | **16,535** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 13,500 | 0 | 0 | 16,500 |
| **State Funds Subtotal** | 3,000 | 13,500 | 0 | 0 | 16,500 |
| Agency Operating Budget Funds | 35 | 0 | 0 | 0 | 35 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,035** | **13,500** | **0** | **0** | **16,535** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 10 | 38 | 38 | 86 |
| Other Program Related Expenses | <2> | <8> | <8> | <18> |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 8 | 30 | 30 | 68 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 8 | 30 | 30 | 68 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,045 | 67.0% |
| User Financing | 4455 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Bemidji State Univ - Sattgast Science Building Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $8,900,000

**AGENCY PROJECT PRIORITY:** 5 of 37

**PROJECT LOCATION:** Bemidji State University, Bemidji

**Project At A Glance**

- Project funded for design in 2006
- Addition to the 46 year old Science Building of 21,600 gross square feet (GSF) for aquatic biology, general biology and general chemistry lab spaces
- Renovation of 8,332 GSF for nursing, botany and anatomy and physiology
- Decommissioning 4,000 GSF of the Peters Aquatics Lab will eliminate $903,000 in deferred maintenance backlog and $2.3 million in deferred maintenance backlog for Sattgast.

**Project Description**

The expansion and renovation will provide a safe, flexible, and interactive learning environment for Bemidji State University (BSU) students.

The project will enhance collaborative teaching, learning, and research for three unique programs – Aquatic Biology Wetlands Ecology, and Environmental Studies – that support the university's commitment to serve the region and the state in the preservation of natural resources.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* **-** Current unsafe, outdated and non-accessible classrooms and laboratories are limiting course offerings and hampering a professional teaching and learning environment.

*High-quality Learning Programs and Services* - Provide facilities that will expand program offerings, curriculum, and services to all learners in the region.

*State and Regional Economic Needs* **-** Increased educational opportunities will improve skills of the local and regional workforce. An example of some of the partnerships currently in place:

- Pioneer Hybrid
- Marvin Windows and Doors
- North Country Health Services
- Minnesota Department of Natural Resources
- University of Minnesota Natural Resource Research Institute

*Innovate to Meet Educational Needs Efficiently* - The Allied Health learners from Northwest Technical College, other higher education partners (BSU has articulation agreements with 42 community and technical colleges), customized training, community, and other educational partners will utilize the classroom and lab facilities constructed and renovated as a result of this project. It will also support a research agenda that will benefit several external partners previously identified.

Institution Master Plans and Regional Collaborations:
Bemidji's Master Facilities Plan was updated in 2006 and the Sattgast Hall expansion and renovation is covered within the long-range master facilities plan as the top and most immediate priority. This project is the most critical to support the University's master academic plan, which was updated in 2005. With the project, four health and safety goals of this plan will be met:

*Consideration of new program development and growth* - Nursing labs, classrooms and offices will be added to the renovated facility, and some existing science and health programs will see growth because of the building renovation and better room configurations.

*Safety concerns* - In labs and computer station reconfiguration is necessary in almost every department. The air quality presents major health concerns. The upgrade of the entire building is necessary for ventilation, accessibility, electrical outlets and Internet connections to meet the current usage standards necessary in classrooms and labs. Peters Aquatic lab will be taken off line.

*Up-to-date science, healthcare and technology facilities* - Sattgast Hall was originally constructed in 1962. Remodeling and an addition was completed in 1989. The Harold T. Peters building was built in 1972 and has major leaking problems that will cost more to correct than to build new. The completed project will bring this science facility up to the standard set by other universities within the state.

*Promote interdisciplinary efforts to redesign existing majors or create new ones* – Student demand is increasing for wetlands and other science majors, for science educators, and for collaborative degrees between the sciences and other majors, such as computer science, public health, and engineering.

Enrollment and Space Utilization:
Enrollment has remained relatively stable:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 4,386 | 4,236 | 4,242 | 4,250 |

While overall space utilization on this campus is at 78 percent, this facility represents one of the greatest utilizations in the context of number of students served. Nearly one-third of overall credits generated are through the College of Social and Natural Sciences. Greater space utilization is anticipated once the safety, accessibility and other deficiencies are corrected so the expansion of programs in this college can be pursued. At this time, the current facilities are not sufficient to allow opportunity for further expansion into allied health and science fields. With this project space utilization will improve because the updating of labs will make them more flexible allowing more cross scheduling of disciplines within the labs.

**Project Rationale**

The unsafe and leaking condition of Peters laboratory is a principal driver of this request, along with the following identified deficiencies in Sattgast Hall:

- Low floor to floor height which makes distribution of mechanical systems, fume hood exhaust, plumbing and electrical systems difficult.
- Narrow laboratory planning module that affects the accessibility and instructional methods.
- American with Disabilities Act (ADA) inaccessibility, e.g. narrow aisles between benches.
- Ventilation and fume hoods are inadequate and unsafe in many of the existing laboratories.
- Laboratory egress does not meet current building code.
- Laboratory sizes and layouts are smaller than required for the number of student stations.
- Casework and bench top materials are deteriorating.
- The lack of student and faculty research space creates a non-competitive situation in attracting highly qualified faculty and students.
- Outmoded facility in which to provide today's pedagogy for undergraduate science, which is a collaborative environment where learners are active participants in learning science by doing science.

An expanded and renovated Sattgast will provide:

- New science labs
- Remodeled science labs
- Remodeled research space with the latest technologies

The facilities condition index (FCI) for Sattgast Hall will be reduced by dealing with backlog of $2.3 million in the areas of air quality, code compliance, accessibility, chemical resistant countertops, and temperature and humidity controls. Peters Aquatic lab has insurmountable leakage issues and will be decommissioned, which will eliminate its backlog of $903,000 and reduce its FCI to zero. The total renewal needs that will be completed during this project are over $3.2 million and will assist in reducing the University's overall FCI of 0.14.

Predesign:
The predesign was completed November 2004 and was updated in August 2005. Schematic design is currently in progress using the $700,000 in design funds that were secured in the 2006 bonding bill.

Capacity of Current Utility Infrastructure:
Utilities on campus are delivered via the central energy plant. The electrical distribution system was replaced with FY 2002 Higher Education Asset Preservation and Rehabilitation (HEAPR). HEAPR funding was secured in 2006 to replace one boiler, which is expected to be completed in the summer of 2008. Replacing a chiller is the university's top HEAPR request for the next round of HEAPR funding. This capital project includes costs to replace the outdated and hazardous ventilation system in Sattgast Hall.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Increased square feet in the new construction will add about $94,000 per year to the operating budget, however the planned energy efficiency should cut that by 10 percent to $85,000. Additional maintenance staff support will add another $36,000, for a total of $121,000 annually in operating costs. The one percent renewal account is approximately another $90,000 annually. Operating cost additions along with additional funding for renewal consists of less than 0.4 percent of the overall university's operating budget.

Energy Efficiency/Sustainability:
The proposed building additions will exceed the Minnesota Energy Code as required by MnSCU standards, and if feasible, will meet LEED certification requirements. Building systems (structural, mechanical, electrical) will be designed with maximum flexibility in mind to facilitate future remodeling and reconfiguration of spaces. Natural daylight will be utilized to supplement artificial lighting. Exterior glazing will be located with consideration of sun orientation, and appropriate sun control measures taken to avoid unwanted heat gain. All new lighting will be energy efficient, and employ occupancy sensors. Recycled content or renewable products will be favored in material selection.

Debt Service:
Debt Service for this project is approximately 0.25 percent of the University's operating budget at its peak, which would bring the overall debt service commitment for the University to about 0.75 percent of its operating budget in FY 2010.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $700,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:
- BSU will not serve regional learners and businesses in a manner consistent with its mission.
- Nursing and sciences, two of BSU's strongest programs, will not have the needed space to expand.
- Interdisciplinary collaborations and majors will be curtailed
- Quality of nursing and science programs will be compromised

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $8.9 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 65 | 0 | 0 | 0 | 65 |
| 3. Design Fees | 486 | 112 | 0 | 0 | 598 |
| 4. Project Management | 51 | 428 | 0 | 0 | 479 |
| 5. Construction Costs | 163 | 6,962 | 0 | 0 | 7,125 |
| 6. One Percent for Art | 0 | 60 | 0 | 0 | 60 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 500 | 0 | 0 | 500 |
| 9. Inflation | 0 | 838 | 0 | 0 | 838 |
| **TOTAL** | **765** | **8,900** | **0** | **0** | **9,665** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 700 | 8,900 | 0 | 0 | 9,600 |
| **State Funds Subtotal** | 700 | 8,900 | 0 | 0 | 9,600 |
| Agency Operating Budget Funds | 65 | 0 | 0 | 0 | 65 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **765** | **8,900** | **0** | **0** | **9,665** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 36 | 72 | 72 | 180 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 85 | 170 | 170 | 425 |
| Building Repair and Replacement Expenses | 90 | 180 | 180 | 450 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 211 | 422 | 422 | 1,055 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 211 | 422 | 422 | 1,055 |
| Change in F.T.E. Personnel | 0.0 | 0.5 | 0.5 | 1.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,963 | 67.0% |
| User Financing | 2937 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Normandale Comm College - Classroom Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $7,000,000

**AGENCY PROJECT PRIORITY:** 6 of 37

**PROJECT LOCATION:** Normandale Community College, Bloomington

**PROJECT AT A GLANCE**

- Project design funded in 2006.
- Phase I under construction with funds from 2006
- Phase II construction of additional classroom space and renovation to the health and wellness building
- Remodel a 1968 athletic building into useable classroom space
- Renovate 23,250 gross square feet (GSF)
- Add 9,310 GSF of new space
- Add 8,500 GSF for classrooms and support space
- Address life safety issue
- Project will eliminate $1.5 million in deferred maintenance
- Address major enrollment increases and lowest GSF/ full-year equivalents (FYE) ratio of any Minnesota State Colleges and Universities (MnSCU) college

**Project Description**

This is the second phase of a two phase project. Predesign and schematic design have been completed. The project will design, construct, furnish and equip a 37 year old building that has not been renovated since its original construction in 1969.

The project will improve classroom environment for the following academic programs: Health, Exercise Physiology, General Classrooms, Customized training, Fitness Center, and Physical Education.

Enrollment growth of over 26 percent in the past five years has left Normandale Community College (Normandale) with a major space crunch for its student population and its steady anticipated regional growth. The building was designed specifically for inter collegiate athletics in 1969. Since 1994 intercollegiate athletics is no longer part of the college offerings. The building must be updated for current curriculum offerings.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Student enrollment at Normandale has increased from 1,391 students when the building was originally constructed to over 13,000 students in 2005-06. Normandale has the third largest headcount in MnSCU. The project will reduce the instructional space deficit of over 44 percent because it provides additional classroom space. Normandale has the highest percent of room usage within MnSCU at 142 percent of room usage. This project will allow Normandale to serve more students in modern, updated facilities.

*High-quality Learning Programs and Services* - Normandale is one of the highest transfer schools in MnSCU. The Health department provides students with courses on health issues by exploring preventative, complementary and curative health practices. Three National Science Foundation Grants awarded Normandale supports teacher education in math and science with a health and wellness component to the curriculum.

A renovated space and new classrooms will support new pedagogy and curriculum. The project will focus on flexible classroom space, health and safety upgrades and American with Disabilities Act (ADA) requirements.

*State and Regional Economic Needs* - The new construction will provide classroom space for corporate partners, dislocated worker training and other workforce needs. Normandale has six Minnesota Job Skills Partnership Grants. Normandale's training partners include Fairview Health System, Metro Dental, Seagate Technology, and Best Buy. Normandale draws 80 percent of its students from a 20 mile radius including the southwest metro region where the heaviest growth in population is predicted. Normandale's population represents an economically diverse as well as racially and age diverse student population that reflects the region and the university's mission.

*Innovate to Meet Educational Needs Efficiently* - Normandale is already a MnSCU leader in the process of transfer from high school to the four year University. This project will enhance that long standing reputation and align itself with recommendations from the recent Minnesota Citizens League Study that encourages a greater partnership with high schools and preparing students for the workplace.

Normandale is innovative in class scheduling and offerings. Normandale is at the highest enrollment in its 38 year history and is the MnSCU leader in classroom usage. Increased classroom capacity will offer new opportunities in teaching and learning.

Institution Master Plans and Regional Collaborations:

- Normandale's Master Facilities Plan was presented to the Board of Trustees in March 2003. Meeting the challenge for future expansion was identified as the number one priority. This project meets that challenge and is supported by the Metro Alliance. It was accepted by the MnSCU Board of Trustees as the second phase of 2006-2008 Capital bonding initiative.
- Exhibit leadership in transfer curricula – This project will enhance Normandale's long-standing reputation as a leader in the transfer from high school to four-year universities by having more quality learning spaces.
- K-16 partnerships – Aligns with recommendations from the Minnesota Citizens League Study to form partnerships with local high schools in preparing students for college and the workforce.
- Southwest metro access to four-year degrees – Normandale partners with Minnesota State University (MSU) Mankato to offer Elementary Education Degrees, a four-year degree, on the Normandale Campus. Classes will be held in the additional space. In addition, Normandale offers 38 MSU Mankato classes and 10 Metro State classes per year on site. Increased classroom capacity would increase access for southwest metro students and residents to attend MnSCU universities closer to home and work.
- Normandale is a partner for two MnSCU Center of Excellence Grants, Engineering and Manufacturing; and Integrated Health Science Education and Practice.

Enrollment and Space Utilization:
Normandale is at the largest enrollment ever in the 38-year history of the college, the third largest headcount in MnSCU.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 5,857 | 6,120 | 6,304 | 6,350 |

The state demographer indicates major population growth will continue to occur in the southwest corridor of the metro region where Normandale is located for at least the next 10 years.

At an average of 78 GSF per student Normandale has the smallest amount of space per FYE of any college in the MnSCU system, but produces by far the most credits (3,083) per classroom. At 142 percent Normandale has the highest used classrooms. Well over the MnSCU average, Normandale is crowded.

**Project Rationale**

Enrollment growth has left Normandale with no space for its students much less its continued growth. This is a major asset preservation project. Phase II will:

- Create six general purpose classrooms
- Install an elevator to make the entire building ADA accessible; a major life safety issue
- Remodel a very outdated building and unusable space into a modern classroom building.
- Renovate physical education spaces
- Eliminate Higher Education Asset Preservation and Rehabilitation (HEAPR) by providing new heating, ventilating and air conditioning and roof.

The project will eliminate $1.5 million in deferred maintenance in the areas of building code compliance and ADA accessibility and will provide the adaptive reuse of existing spaces. A new roof will also contribute to a reduction in the building backlog. Existing facilities condition index (FCI) is .09 with this proposed renovation it will be .00.

Predesign:
Completed December 2004, forwarded to the Department of Administration. Schematic design completed July 2007.

Capacity of Current Utility Infrastructure:
The capacity of the utility infrastructure will accommodate the new project. The addition will not require the extension of existing campus facilities to provide utility service. Utilities are expected to be taken from the existing building. Minor adjustments to existing sanitary and storm sewer manhole casting elevations will be required.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
There are no anticipated additional expenses due to increase efficiency of new systems.

Energy Efficiency/Sustainability:
Meet or exceed all Minnesota building design guidelines.

Debt Service:
College has the ability to reallocate resources to meet the cost of the additional debt.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated a total of $5.125 million for projects at Normandale. This amount included funding to design this project.

**Other Considerations**

Normandale's FCI is .02 overall. Normandale spends on average $1.54/GSF per year on repair and replacement issues as compared to the MnSCU average of $.93/GSF per year, the large headcount each year makes it mandatory to continually maintain and upgrade facilities.

Consequences of Delayed Funding:
Projected continued enrollment growth will not be satisfactorily accommodated and life safety issue will not be corrected.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 35 | 0 | 0 | 0 | 35 |
| 3. Design Fees | 750 | 88 | 0 | 0 | 838 |
| 4. Project Management | 164 | 261 | 0 | 0 | 425 |
| 5. Construction Costs | 4,432 | 5,167 | 0 | 0 | 9,599 |
| 6. One Percent for Art | 36 | 45 | 0 | 0 | 81 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 213 | 612 | 0 | 0 | 825 |
| 9. Inflation | 0 | 827 | 0 | 0 | 827 |
| **TOTAL** | **5,630** | **7,000** | **0** | **0** | **12,630** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 5,125 | 7,000 | 0 | 0 | 12,125 |
| **State Funds Subtotal** | 5,125 | 7,000 | 0 | 0 | 12,125 |
| Agency Operating Budget Funds | 505 | 0 | 0 | 0 | 505 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,630** | **7,000** | **0** | **0** | **12,630** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,690 | 67.0% |
| User Financing | 2310 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Inver Hills Comm College - Classroom Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $13,200,000

**AGENCY PROJECT PRIORITY:** 7 of 37

**PROJECT LOCATION:** Inver Hills Community College, Inver Grove Heights

**Project At A Glance**

- Project funded for design in 2006
- Through creative reuse, will demolish 4,400 obsolete gross square feet (GSF), renovate 19,000 GSF and add a 27,300 GSF energy efficient addition for needed classrooms
- Facility will renovate code problems with the 33-year-old building, improve classroom utilization and add significantly needed general classroom space.
- Project will eliminate $961,000 in deferred maintenance backlog

**Project Description**

The new facility will include nine new "smart," i.e. high technology, general classrooms, 16 teaching labs, and renovated spaces in the original 1974 Fine Arts building to provide state-of-the-art, innovative programming to meet student needs.

The project will also correct deferred maintenance, severe life safety issues, Americans with Disabilities Act (ADA) compliance issues, and other building code shortcomings. The project will reduce the Fine Arts Building Facilities Condition Index (FCI) from .20 to .03 based on FY 2006 data. The campus FCI will be reduced from .07 to .05.

Academic programs impacted are the college's significantly growing liberal arts and sciences offerings, including studio arts, music, and theatre. Total enrollment in all academic programs has increased by 43 percent between 2000 and 2007. During this period, the enrollment increased in the STEM (Science, Technology, Engineering and Mathematics) programs by 42 percent and in the arts programs by 48 percent.

This project received funding for design in the 2006 bonding bill. Design, through construction documents, for this project will be completed in 2007 to allow for bidding as soon as construction funding is approved. This will allow for class use in Fall 2009.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - This project provides additional academic classrooms and labs that will meet the college's growing enrollments, severe space shortages and increased demand for technology-mediated courses, and provide opportunities for seamless pathways to four-year institutions. This will allow the college to serve its increasingly diverse student body - currently 17 percent of the total are students of color - and first generation learners, who make up 44 percent of the student body.

*High-quality Learning Programs and Services* - The renovation and addition will increase smart classrooms and teaching labs that meet demand for innovative programs to satisfy workforce needs. The new and renovated areas provide space for credit and continuing education courses, thus addressing lifelong learner needs. New classrooms will provide quality learning environments for up to 1,100 students needing core liberal arts and science courses for transfer and career programs.

*State and Regional Economic Needs* - The smart classrooms will allow the college to develop its unique program in IP (Internet Protocol) Telephony, which is part of the Center for Strategic Information Technology and Security— -the college's Center of Excellence. The new facilities will support the college partnership with River Heights Arts Alliance to create student opportunities to learn from, and side-by-side with, master artists. This will help the college meet Board of Trustee and Chancellor's goals associated with MnSCU institutions supporting regional vitality by contributing artistic, cultural, and civic assets that attract employees and other residents seeking a high quality of life. This project will strengthen transfer opportunities for pre-baccalaureate students in many pre-majors and in the new Associate in Fine Arts degree.

*Innovate to Meet Educational Needs Efficiently* - Renovation of existing instructional areas will eliminate safety and health issues. This project

exhibits good stewardship by eliminating over $961,000 of all currently identified deferred maintenance that will build organizational capacity to meet future challenges and remove barriers to innovation, responsiveness, and efficiencies. This will significantly reduce the FCI for the Fine Arts building from .20 to .03.

Institution Master Plans and Regional Collaborations:
Inver Hills' Master Facilities Plan was presented to the Board of Trustees in July 2002, and the Fine Arts building was identified as the college's next most urgent priority. The project is also aligned with goals of the Metro Alliance Plan to provide academic space for the college's fast growing regional area. Adding to and renovation of the Fine Arts building will meet the following academic and facilities master plan objectives:

- Inver Hills currently has the fourth lowest gross square feet per full-year equivalents (FYE) within MnSCU. Resolving these severe space needs with new classrooms and labs will enable the college to offer 100 additional sections of high-demand courses.
- Nine additional technology-enhanced classrooms in this project will meet the college's current needs for smart classrooms, as the faculty takes a leading role in developing a technology-rich curriculum.
- Meet classroom technology needs for the college's Center for Strategic Information Technology and Security—the college's legislatively funded Center of Excellence in partnership with Metropolitan State University and Minneapolis Community and Technical College. Inver Hills' role in curriculum development and course offerings in IP Telephony, Technology Security and Information Assurance.
- Meet classroom needs for Biomedical Technology offered in partnership with Anoka Ramsey Community College and Normandale Community College.
- Provide sufficient space for the new Associate of Fine Arts degree with an Art emphasis.
- Strengthen partnerships with River Heights Arts Alliance to build regional art programs for community members. The Alliance brings together artists from various disciplines to promote the importance of the Fine Arts in contributing to the artistic, cultural, and civic aspects of the college's service area. Music, art, and theatre events can attract up to 300 community members per event.

Enrollment and Space Utilization:
The college has experienced 43 percent enrollment growth from 2000 to 2007 and anticipates additional growth to 40.8 percent through 2008. During this period, academic instructional space has increased by only 25 percent.

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 3,274 | 3,300 | 3,486 | 3,521 |

The college utilized existing classrooms and labs 106 percent of the available weekly hours as shown in a Fall 2005 MnSCU space study and room utilization report. Inver Hills produces 1,779 credit hours per classroom, 162 percent of the MnSCU average. The project builds on the college's efficient use of space while meeting continued enrollment growth by providing versatile, multi-purpose instructional space.

**Project Rationale**

This project contributes to Inver Hills Community College's goal of reducing its critical shortage of academic space for its rapidly growing student body.

General-purpose Smart Classrooms:
Fall 2005 data indicated that the average room use was 106 percent when the overall system was only 89 percent. That is the third highest of all the two year campuses indicating a strong need for expansion. The college lacks sufficient high-technology classrooms and teaching labs to support existing and expanding core liberal arts and sciences requirements in the Minnesota Transfer Curriculum that the majority of Inver Hills' students take. Increasing students' technological capabilities is a key and long-standing component of Inver Hills' mission. The college is committed to assisting faculty with integrating technology into their curriculum and providing instructors and students with technology-equipped classrooms. Increased faculty and student use of technology has increased the need for more smart classrooms than are currently available.

There has been an enrollment increase since 2000 of 45 percent in the college's top six disciplines. Specifically, a 122 percent (from 147 to 324 FYE) enrollment growth in biology and a 105 percent (from 79 to 162 FYE) increase in registered nursing since 2000 require immediate additional smart classroom space that this project will satisfy. It is anticipated that the

collaborative biomedical technology degree will bring enrollment growth as well since Minnesota has a vibrant biomedical supply industry. To meet the demands of its service area that has grown by over 200 percent in the past 30 years, the college has increased its space utilization by offering Saturday classes, hybrid web-enhanced classes that share classroom spaces and scheduling popular classes at times that typically are under-enrolled. These strategies cannot indefinitely meet continued demand for educational programs in this growing service area without a building expansion.

Studio and Theatre Arts:
The enrollment in all Fine Arts disciplines has increased by 48 percent (from 136 to 201 FYE) since 2000. Teaching labs are needed to support enrollment growth in art, music and theatre in response to a vigorous regional fine arts community. New and renovated studio arts labs are needed to support the new AFA degree.

At present, the Fine Arts Building does not have capacity to take advantage of community partnerships such as the River Heights Arts Alliance due to a lack of room. Additional studio space will allow master artists from the arts alliance to provide real-world experience and enhance Inver Hill's students' learning through on campus demonstrations and/or seminars. Over 900 students will benefit from the relationship with master artists from the community.

The current teaching labs have serious health and safety issues due to uneven heating, lack of ventilation in art spaces that use chemicals, and inadequate electrical distribution. Currently, ceramic dust which may lead to silicosis is present in the air and on surfaces throughout the building, and doors are swollen and function poorly due to excess building humidity.

The Inver Hills Classroom Addition and Renovation project addresses this college-wide enrollment growth. It provides:

- Nine new smart classrooms to relieve liberal arts overcrowding
- Sixteen new teaching labs
- Updated auditorium
- Serious health and safety issues corrected

Asset Preservation:
The current building is not code compliant. It does not have elevator access to key classrooms, labs, and the theatre. Outdated building infrastructure and acoustical shortcomings prevent clear audio sound and are out of compliance with ADA requirements, as well as incompatible with modern teaching and learning techniques. A fire protection system will be installed in the existing building to bring it up to modern fire safety requirements. The college's deferred maintenance backlog will be reduced by $961,000 and will eliminate the deferred maintenance in the Fine Arts building. The Building FCI will be reduced from .20 to .03 based on FY 2006 data.

Predesign:
Predesign has been completed. Project design, through construction documents, will be completed in 2007 to allow for bidding as soon as legislative funds are available.

Capacity of Current Utility Infrastructure:
With 2002 and 2005 Higher Education Asset Preservation and Rehabilitation (HEAPR) funding the college increased its heating capacity and installed a centralized chiller plant. Heating and cooling capacity is sufficient to support the proposed addition. This project will upgrade ventilation systems in Fine Arts to improve air quality.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Building operating expenses will increase by $151,020 per year, which includes one new maintenance FTE at $34,000. Program expenses will increase by $15,804 annually which includes .375 support staff. The college anticipates allocating an additional $94,640 per year to the Repair and Replacement fund.

Energy Efficiency/Sustainability:
Design will incorporate sustainable approaches to reduce energy use by 30 percent more than building code, simplify cleaning and maintenance, and meet MnSCU's design standards as well as Minnesota sustainability guidelines.

Debt Service:
The project will increase the college's current debt service from an estimated $213,677, or 0.80 percent of the college's current operating budget for FY 2007 to a maximum of $493,347, or 1.6 percent of the college's estimated operating budget in FY 2011. This amount is within the college's ability to reallocate resources to meet the cost of the additional debt.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $700,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- Growth in core liberal arts and sciences offerings essential to the AA degree that 60 percent of for-credit students pursue will be curtailed.
- Space will not be available for new and existing STEM programs.
- Current severe safety concerns will not be addressed.
- Health threats due to inadequate ventilation in the existing Fine Arts building will go uncorrected.
- Community partners and businesses will have incumbent workforce training needs go unmet due to lack of space.
- 10 Fine Arts performances/events will take place in a substandard environment or not at all.
- Delay will impact up to 1,100 students in achieving their educational goals.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $13.2 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 52 | 0 | 0 | 0 | 52 |
| 3. Design Fees | 626 | 209 | 0 | 0 | 835 |
| 4. Project Management | 74 | 350 | 0 | 0 | 424 |
| 5. Construction Costs | 0 | 9,997 | 0 | 0 | 9,997 |
| 6. One Percent for Art | 0 | 76 | 0 | 0 | 76 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,166 | 0 | 0 | 1,166 |
| 9. Inflation | 0 | 1,652 | 0 | 0 | 1,652 |
| **TOTAL** | **752** | **13,450** | **0** | **0** | **14,202** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 700 | 13,200 | 0 | 0 | 13,900 |
| **State Funds Subtotal** | 700 | 13,200 | 0 | 0 | 13,900 |
| Agency Operating Budget Funds | 52 | 250 | 0 | 0 | 302 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **752** | **13,450** | **0** | **0** | **14,202** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 93 | 98 | 191 |
| Other Program Related Expenses | 0 | 9 | 12 | 21 |
| Building Operating Expenses | 0 | 128 | 191 | 319 |
| Building Repair and Replacement Expenses | 0 | 118 | 189 | 307 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 348 | 490 | 838 |
| Revenue Offsets | 0 | <10> | <20> | <30> |
| **TOTAL** | 0 | 338 | 470 | 808 |
| Change in F.T.E. Personnel | 0.0 | 0.5 | 0.9 | 1.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,844 | 67.0% |
| User Financing | 4356 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# North Hennepin Comm College - Business & Tech Addition & Renovation

**2008 STATE APPROPRIATION REQUEST:** $13,300,000

**AGENCY PROJECT PRIORITY:** 8 of 37

**PROJECT LOCATION:** North Hennepin Community College, Brooklyn Park

**Project At A Glance**

- Project schematic design was funded in 2006
- Construction of 20,000 gross square feet (GSF) addition
- Renovation of 35,423 GSF
- Preserve, renovate and increase of space utilization
- Addition of essential teaching space
- Project will eliminate $1.5 million in deferred maintenance backlog

## Project Description

Construct new addition and renovate existing Center for Business and Technology (CBT) building. This project will preserve, renovate, and increase the space utilization of an existing structure while adding essential teaching space. The predesign was completed in 2005 and the schematic design, design development, and construction documents are currently under development with completion scheduled to allow for construction to begin following the 2008 legislative session.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - North Hennepin Community College needs more space in order to increase access and opportunity in the rapidly growing northwest corridor. In FY 2007 the unduplicated headcount of students consisted of 2,178 students of color (26 percent of total students). In addition, 70 percent of students are first generation college students and 43 percent of our students are classified as low income by federal standards. The college has a successful, innovative, and growing Student Success program which, given space, is well-positioned to help the system achieve its goals in this area.

This renovation will allow the college to expand the use of technology in programs that reach out to low-income and under-served populations. They already use flexible room scheduling that allows multiple courses to access computer-equipped technology classrooms at the same time on alternating days. They have converted student study areas to temporary technology classrooms and limited hours of student access to open computer labs in order to provide academic classes with some access to technology classrooms. In order to maintain and expand access, additional computer-equipped technology classrooms are required so that the instructors can utilize proven and innovative technology tools to help the students succeed.

*High-quality Learning Programs and Services* - This project adds and renovates essential technology-enabled classrooms and computer lab classrooms. The academic areas that will most directly benefit will be Business, Computer Information Systems, Network and Data Security, Workforce Training, Academic Development, Computer Science, Construction Management, Paralegal, and Information Technology. They offer A.S. degrees, A.A.S. degrees, and certificates in these established, high-demand areas. The programs based in the CBT building utilize business and industry advisory boards comprised of leaders from local business, industry, service organizations, chambers of commerce, and higher education institutions. The Business Management program holds accreditation from the Association of Collegiate Business Schools and Programs and the Paralegal program is approved by the American Bar Association in addition to the college's overall accreditation by the Higher Learning Commission.

*State and Regional Economic Needs* - North Hennepin Community College has a conservatively estimated annual, recurring local economic impact of more than $78 million. This estimate is based on actual college spending data and estimated student spending. The College provides a valuable service to dislocated workers by getting them retrained and back to work quickly. The Adult Education and Training efforts are housed in the area being remodeled and are currently constrained. The college is currently renting classroom space from the Hennepin North Workforce Center in order to provide computer training to dislocated workers, but this center is

scheduled to close in June 2008. There is a need for more classroom space in order to continue this vital service.

The campus is located in the rapidly expanding northwest corridor of the Twin Cities metro area just a mile south of Target's proposed "third downtown" in Brooklyn Park. North Hennepin Community College provides employees, classes, and training to many high tech and high growth area companies such as Medtronic, PDL pharmaceuticals, Boston Scientific, Target, Wells Fargo, Allina, Carlson Companies, US Bank, General Mills, and many others. The campus receives over $300,000/year in federal Perkins funding, much of which is used to fund high-skill, high-pay, and high-demand academic programming housed in the CBT building.

*Innovate to Meet Educational Needs Efficiently* - Enrollment growth is projected to increase by 27 percent in full year equivalent students (FYE) from 2000 to 2011. This growth in enrollment has left the college in desperate need of additional classroom and computer classroom/computer lab space. The college has responded to this shortage of teaching space by adding Weekend College, evening classes, accelerated programs, online classes and programs, holding classes at Buffalo High School, and creating collaborations with other MnSCU institutions. Even with these innovations, the space utilization number of 122 percent is one of the highest in the MnSCU system. The college does not have the ability to offer additional needed academic programming without additional teaching space.

Institution Master Plans and Regional Collaborations:
This Center for Business and Technology addition and renovation is an integral part of the master plan and is aligned with the goals of the Metro Alliance. In addition to North Hennepin Community College programs, Metropolitan State University, Minnesota State University Moorhead and the University of Minnesota offer classes on the campus and could expand their capabilities with more classroom space. Metropolitan State University is currently in the process of replicating their BS in Business Administration to North Hennepin Community College and the college is struggling to find classrooms in which to offer this needed programming.

Enrollment and Space Utilization:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 4,211 | 4,165 | 4,150* | 4,190* |

*projected

The FY 2006 MnSCU Space Study shows room usage of 122 percent, among the system's highest. North Hennepin has only 65 gross square feet (GSF) per student FYE, among the lowest space per student in the system. The campus has used every means possible to squeeze as much utilization out of existing space.

**Project Rationale**

Address Capacity Concerns:
To accommodate this enrollment growth and students' needs for flexibility, the college expanded its availability for instruction into Weekend College, evening classes, accelerated programs and classes, and online classes. Lack of space is constraining the ability to add needed sections of current classes, new courses, and begin new academic collaborations. The college presently offers several accelerated web-enhanced courses that meld online and
in-class experiences to meet both student interest and classroom space limitations. This allows two courses to share one classroom in the same time slot. Program reviews are systematically conducted to determine the viability of existing credit and continuing education/customized training programs, and to discontinue non-viable courses.

- This project will add a total of 22,000 new square feet, a 5.5 percent increase in campus space, and renovate another 32,345 square feet to become the Center for Business and Technology.
- This project will add new technology-enabled "smart" classrooms, new and renovated computer classrooms/ labs, and, a new lecture hall.

Meet the Future Needs of the Marketplace:
The renovated and expanded CBT building will include technology-enabled "smart" classrooms able to deliver Business and Technology courses and training in the formats dictated by current and future marketplace needs. Rapid changes in technology require updated classroom space that allows

students to learn the most current information using the technology that simulates what students will work with on the job. Local industries require employees who are up to date on the information technology needs and equipment that businesses use today. These businesses count not only on our graduates, but also on the customized, flexible, and just-in-time continuing education and training opportunities provided by North Hennepin Community College. This project will also allow the college to expand collaborations with four year MnSCU universities such as the BS in Business Administration which is currently being replicated at North Hennepin by Metropolitan State University.

Renovate a Deteriorating and Inefficient Building:
The existing CBT Building is 35,423 GSF, only 43 percent of which is available space for classroom or teaching space. The remaining building consists of inefficiently placed offices with large voids. The result is an underutilized floor plan. In addition, the building's exterior walls are improperly constructed and result in trapped moisture and the potential for future mold. Air quality tests indicate there are no health problems yet, so time is of the essence if future problems are to be avoided. This project, in conjunction with replacement of the CBT roof, will remove $1.5 million in deferred maintenance (15 percent of the campus total). The campus currently has a Facilities Condition Index (FCI) of .04 and in five years the campus FCI will grow to .11. This project will reduce the five year growth in FCI to less than .10. The project will also demolish a small underutilized and deteriorating building to make room for the addition.

Predesign:
Predesign was completed in August 2005. Schematic design, design development, and construction documents were funded in 2006 and are currently being prepared to allow for consideration in the 2008 legislative session.

Capacity of Current Utility Infrastructure:
The recent installation of new heating, ventilating and air conditioning systems (boiler and chiller) with Higher Education Asset Preservation and Rehabilitation (HEAPR) funding provides sufficient capacity to handle the addition. There will be no additional utility upgrades needed to proceed with this project.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Operating expenses will increase $75,000 per year for the new square footage and $78,000 for two additional maintenance FTE for a total yearly increase of $153,000.

Energy Efficiency/Sustainability:
In addition to applicable building codes and energy standards, the building will take sustainable design into consideration, including the following points: site design, enhance indoor environmental quality, conserve energy and water resources, use resource-efficient materials, minimize construction waste, and optimize maintenance and operations.

Debt Service:
The cost of debt service for this project is projected to peak at $250,008 in 2011. This represents less than one percent of the college's 2006-07 operating budget. The cost of debt service for past projects, this project and other new project requests currently under consideration for funding, is projected to peak at $996,700 in 2013, representing less than 3.4 percent of the college's 2006-07 operating budget.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $350,000 for design of this project.

**Other Considerations**

This project will be coordinated with a 2008 request for HEAPR funding to replace the existing CBT roof which has zero years of remaining useful life. Combining this HEAPR roof replacement with the new construction will result in significant overall savings.

Consequences of Delayed Funding:
- Space utilization of 122 percent would continue to climb and limit our ability to serve the students and the state of Minnesota.
- Moisture problems in the existing building would not be corrected in time to avoid more serious problems.

- $1.5 million of deferred maintenance (15 percent of the total campus backlog) would not be cleared.
- Student access to credit and continuing education/customized training programs would be limited due to capacity issues, and some students may not be able to graduate on time due to unavailability of required course sections.
- The opportunity to grow existing academic programs will be seriously inhibited.
- The ability to add new programs in response to changing employer needs will be negatively impacted.
- Development of new collaborations and partnerships with other MnSCU institutions will be limited.

**Project Contact Person**

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Note: This document refers the Center for Business and Technology (CBT). This building was renamed in 2006 and was formerly the Center for Career and Continuing Education (CCE). Both names refer to the same building.

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 60 | 0 | 0 | 0 | 60 |
| 3. Design Fees | 638 | 212 | 0 | 0 | 850 |
| 4. Project Management | 24 | 553 | 0 | 0 | 577 |
| 5. Construction Costs | 0 | 10,574 | 0 | 0 | 10,574 |
| 6. One Percent for Art | 0 | 86 | 0 | 0 | 86 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 788 | 0 | 0 | 788 |
| 9. Inflation | 0 | 1,087 | 0 | 0 | 1,087 |
| **TOTAL** | **722** | **13,300** | **0** | **0** | **14,022** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 13,300 | 0 | 0 | 13,300 |
| **State Funds Subtotal** | 0 | 13,300 | 0 | 0 | 13,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,300** | **0** | **0** | **13,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 598 | 598 | 598 | 1,794 |
| Other Program Related Expenses | 77 | 77 | 77 | 231 |
| Building Operating Expenses | 296 | 296 | 296 | 888 |
| Building Repair and Replacement Expenses | 100 | 100 | 100 | 300 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 1,071 | 1,071 | 1,071 | 3,213 |
| Revenue Offsets | 0 | <1,441> | <1,441> | <2,882> |
| **TOTAL** | 1,071 | -370 | -370 | 331 |
| Change in F.T.E. Personnel | 17.0 | 17.0 | 17.0 | 51.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,911 | 67.0% |
| User Financing | 4389 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Science Lab Renovations

**2008 STATE APPROPRIATION REQUEST:** $5,775,000

**AGENCY PROJECT PRIORITY:** 9 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Alexandria Technical College – Renovation of biology lab
- Anoka Technical College – Renovation of multi-purpose science lab
- Anoka Ramsey Community College – Renovation of multi-purpose science lab
- Bemidji State University – Renovation of clinical research center
- Central Lakes College, Brainerd – Renovation of dental clinic
- Century College – Renovation of radiology lab
- Inver Hills Community College – Renovation of multi-purpose science lab
- Hennepin Technical College, Brooklyn Park – Renovation of general science lab
- Hennepin Technical College, Eden Prairie – Renovation of general science lab
- NHED Vermilion Community College – Renovation of science lab
- Ridgewater Community Technical College – Renovation of science lab

## Project Description

*Alexandria Technical College* – Alexandria will renovate 2,000 gross square feet (GSF) to create a 26-station biology lab and associated prep/storage room. This will be used by Practical and Registered Nursing, Medical Lab Tech and General Education. There will be electrical upgrades, abatement of asbestos (floor tile), upgrades to mechanical system and fire protection.

*Anoka Technical College* – Anoka will renovate 3,175 GSF for a multipurpose science lab. This would provide Anoka with its own science lab since it currently shares facilities off site. The academic programs that will be affected are Practical Nursing, Medical Assisting, Microbiology, Horticulture, Landscape, Electronics, Machine Trades, etc. This will also expand the opportunities for secondary learners as well as the adult plus college learners at Anoka Technical College.

*Anoka Ramsey Community College at Cambridge* – Cambridge will renovate 4,000 GSF in the science wing of the College Center building for a multipurpose science lab. This will create a multipurpose chemistry lab for 24 students with related storage/prep room, to help meet the needs of growing health sciences programs. In addition it would help support work force and job skills development for health care workers.

*Bemidji State University* – Bemidji will remodel 6,400 GSF. It will create one large space and several small adjacent spaces to provide a hands-on skills lab for clinical procedures for Registered Nursing (RN) students. This will help to put in place a four year generic baccalaureate nursing program in addition to the current RN baccalaureate program. The design of a four-year generic nursing program will incorporate significant community collaboration including North Country Health Services, a regional system of health care facilities.

*Central Lakes College at Brainerd* – Central Lakes is to renovate 4,230 GSF. This will turn a nursing classroom lab and general classroom, along with existing dental assisting program lab and clinic, into an expanded dental community clinic. Operations of the clinic will be facilitated through a collaborative inter-agency agreement between Central Lakes College and the Department of Human Services. This will help to create greater access to quality dental services for low income, under-served individuals in the central Minnesota region.

*Century College* – Century will remodel 3,130 GSF of a Radiology Lab. This will help to create a lab space for students in the Radiologic Technology AAS degree, replacing dependence on off-campus hospital facilities that will no longer be available. The greatest workforce impact of the remodel is to increase the number of multi-skilled technologists able to perform more complex imaging examinations and to increase the number of radiologic technologists with the advanced radiologic imaging specialty included in their education.

*Inver Hills Community College* – Inver Hills will renovate 1,375 GSF for a multipurpose science lab. The project will help increase access for all

students to high-quality physics and engineering labs. Creation of a multi-purpose lab will expand ability of the College to offer open lab hours, and will also promote interdisciplinary work among the science and technology fields.

*Hennepin Technical College at Brooklyn Park* – Brooklyn Park will renovate 1,400 GSF to create a general science lab and storage/prep area. There are currently no science labs on campus and this project would allow easier transfer between institutions and more flexibility in schedule choices for students. This project directly addresses several goals of Hennepin Technical College's Master Academic Plan including increasing quality of programs, development of new programs specifically in biosciences, and increased articulation with other two-year and four-year institutions.

*Hennepin Technical College at Eden Prairie* – Eden Prairie will renovate 1,350 GSF to create a general science lab with storage/prep area. Currently there are no science labs on campus and this project would help to benefit the Nursing and Manufacturing programs. This will also help maximize student opportunities to transfer to four-year programs.

*NHED Vermilion Community College* – Vermilion will renovate 2,800 GSF. Two outdated labs will be turned into an Integrated Biology Lab with ITV capabilities and a physics/meteorology/climatology lab. This will increase capabilities for long distance learning in lab courses. This project will help eliminate $75,000 of deferred maintenance.

*Ridgewater Community Technical College at Willmar* – Willmar will renovate 5,686 GSF of science labs and support space in their Science Building. This project would benefit Physics, Biology and Earth Science programs and will help the College to investigate potential partnerships with Novatech and MnWest Technical Campus for equipment and programs.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* – Improve access to opportunities and careers for all Minnesotans, and help meet Minnesota state goals for a better educated workforce in the sciences and in applied technologies.

*High-Quality Learning Programs* – Improve instructional technology in labs to both bring a wider array of information and alternative learning formats to students, and to prepare graduates to operate the technology in which businesses have invested to improve productivity.

*State and Regional Economic Needs* – This is an Office of the Chancellor initiative to assist campuses directly to meet workforce needs for healthcare and technical employees, as well as teaching and learning objectives, while simultaneously reducing the backlog of interior deferred maintenance issues. This project directly supports the long-time Board focus on renewal and preservation, maximizing functionality, and utilizing future-oriented technology. Each of these projects has a direct and significant impact on the overall workforce development in the state and in the region.

Institution Master Plans and Regional Collaborations:
All of the projects are noted in the individual campus master plans.

Enrollment and Space Utilization:
Four year enrollment data for the eleven campuses is projected as follows:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 27,348 | 26,619 | 26,591 | 26,852 |

**Project Rationale**

The following deferred maintenance items will be reduced or eliminated:

- Mechanical reliability – heating, ventilating and air conditioning (HVAC), air quality, and electrical systems.
- Interior space restoration – interior finishes, fixtures, voice and data wiring, fume hoods, chemical resistant surfaces, plumbing and lighting.
- Life safety and accessibility – fire protection, fire-code-mandated second egress, emergency lighting, handicapped accessibility, and asbestos abatement.

This project will improve the overall condition and functionality of science and applied technology laboratories. It will remove more than $600,000 from the deferred maintenance backlog.

This project focuses on the Board's priority on science and technology. The pace of change in the sciences, manufacturing and construction technology fields has outdistanced the ability to keep up with renovations to teaching and learning spaces, particularly making the labs technologically "smart."

This will help campuses strategically meet a demand for a workforce educated in the most up-to-date fashion on the standard of equipment currently used in industry. Minnesota businesses have strategically invested in new technologies and expect a workforce trained in its use.

Three of the projects focus on the priority of targeted industry partnerships in allied health. Specifically, the need for dental and radiology workforce need is documented by enrollments and by full placement in the workforce.

The other eight projects are renovations that directly address the increase in nursing and allied health job vacancies. Nursing and allied health students are required to take between two and five science laboratory courses. MnSCU colleges have moved healthcare students into the general science curriculum, thereby raising the bar on AA and AAS degree preparation. Healthcare curriculum also requires more traditional lecture delivery than other more traditional technical careers. This has put pressure on availability of science labs and smart classrooms and caused them to be necessary at colleges that had no need prior to career-laddering nursing and allied health degrees.

Renovations of laboratories where students spend so much of their on-campus time will have an immediate positive impact on the quality of their educational experience, particularly with the requested life safety and air quality improvements. The addition of voice and data cabling will support the change in educational delivery from close-ended problems with a known answer to open-ended problems that require more creativity and exploration from the students, most often working in teams using computers.

Predesign:
Conceptual predesigns from the campuses were completed for these projects by one consultant who traveled to each campus in the Fall of 2006 to assure the adequacy of need.

**Impact on Agency Operating Budgets (Facilities Notes)**

Capacity of Current Utility Infrastructure:
The existing utility infrastructure already serves each of these spaces, so there will be no additional strain on mechanical systems over and above that caused by the age of existing mechanical systems. There will be a reduction in utility usage at most campuses with the replacement of more energy efficient systems. There will a reduction in utility usage at most campuses with replacement of more energy efficient systems. However; some campuses may experience additional utility costs due to increase in usage. That increase will be covered by user fees.

Building Operations Expenses:
Increase for addressing code and safety ventilation issues.

Energy Efficiency/Sustainability:
Any new equipment will be energy efficient.

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each campus affected.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $5.14 million for science lab and workforce renovation initiatives.
Laws 2005, chapter 20, article 1, section 3 appropriated $6.668 million for science lab renovations.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5.775 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 380 | 0 | 0 | 380 |
| 4. Project Management | 0 | 240 | 0 | 0 | 240 |
| 5. Construction Costs | 0 | 4,180 | 0 | 0 | 4,180 |
| 6. One Percent for Art | 0 | 38 | 0 | 0 | 38 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 417 | 0 | 0 | 417 |
| 9. Inflation | 0 | 520 | 0 | 0 | 520 |
| **TOTAL** | **0** | **5,775** | **0** | **0** | **5,775** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,775 | 0 | 0 | 5,775 |
| **State Funds Subtotal** | 0 | 5,775 | 0 | 0 | 5,775 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,775** | **0** | **0** | **5,775** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,869 | 67.0% |
| User Financing | 1906 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation

**2008 STATE APPROPRIATION REQUEST:** $7,800,000

**AGENCY PROJECT PRIORITY:** 10 of 37

**PROJECT LOCATION:** Northland Comm & Tech, East Grand Forks

**Project At A Glance**

- Project design through construction documents was funded in 2006
- Construction of 8,300 gross square feet (GSF) addition for new healthcare classrooms
- Renovation of 30,975 GSF
- Address fire and building code requirements
- Academic and support programs impacted are Nursing, Allied Health, Surgical Technician, Library, Learning Resource Center, Computer Labs, Information Technology, Early Childhood, Bookstore and Commons.
- Project will eliminate $2.446 million in deferred maintenance backlog.

## Project Description

The project is for construction of an addition for new healthcare classrooms. This project will expand the Learning Resource Center (Library) to meet today's teaching and learning objectives and accreditation recommendations; as well as remodel the commons and expand the bookstore and learning resource center to address fire and building code requirements, improve efficiency, and update campus image.

## Relationship to Strategic Plan

MnSCU's Strategic Goals:

*Increase Access and Opportunity* - The Nursing addition will increase nursing lab space in response to growing enrollment (99 students in 2000 to 518 in 2006), promote collaboration between allied health programs, and facilitate shared use of simulation technology and interdisciplinary experiences with other allied healthcare students. This project will improve access to nursing opportunities at Northland, which is one of the top suppliers of licensed and registered nurses in the state according to the State Board of Nursing. In 2003, Chancellor McCormick reorganized Northwest Technical College (NTC). This organizational change merged the East Grand Forks campus of NTC with Northland Community and Technical College (Northland), Thief River Falls. The regional reorganization has brought the Associate of Arts degree in Liberal Arts to East Grand Forks for the first time, requiring the college to expand and upgrade the Learning Resource Center, and to add general education classrooms and faculty.

*Deliver High Quality Learning Programs and Services* - The Nursing addition will integrate human simulation mannequins ("Sim Man") into the curriculum. Mannequins can be programmed to have controlled medical emergencies. This better prepares Northland nurses to handle real emergencies once they graduate. Northland's Learning Resource Center is the smallest in space per student in the entire MnSCU system and far below minimum college library standards. There is insufficient space to provide the research services a college must have.

*State and Regional Economic Needs* - Northland is one of the state's leaders in providing highly qualified and well trained nurses for rural communities. The project also improves access to customized training the region's incumbent workforce. The college has a waiting list of 100 students for customized training for incumbent nurses.

*Innovate to Meet Educational Needs Efficiently* – This facility make-over project exhibits good stewardship of state investment with asset preservation of 30,975 GSF of sound, existing physical space. As a result of this project, deferred maintenance will be reduced by $2,446,000. This investment will reduce the projected Facilities Condition Index (FCI) for FY 2008 on the East Grand Forks campus from .21 to .14.

Northland Community Technical College (CTC) Master Plans:

Northland's Master Facilities Plan was presented to the Board of Trustees in December 2002, and allied health and Learning Resource Center improvements were identified as the top priorities, based on three considerations:

*Create a quality learning environment* - The project will create quality teaching and learning spaces that increase access to allied health careers, improve teaching and learning by use of medical emergency simulation technology, and increase access to information and remedial learning resources for a well-rounded education via an expanded Learning Resource Center.

*Preserve and maintain existing assets* - Corrects Americans with Disabilities Act (ADA) issues and fire code deficiencies while increasing the existing building's flexibility with multi-use classrooms and collaboration opportunities. It also enhances the current campus architectural style while providing a clear identity for the 21st century

*Community linkages* - Strategically responds to emerging workforce needs of the northwest region.

Enrollment and Space Utilization:
Campus enrollment in East Grand Forks has increased from 1,040 full-year equivalents (FYE) in 2001 to 1,314 in 2006, with Nursing and Allied Health programs leading the growth. In just five years, nursing enrollment has grown by from just 99 students in 2000 to over 500 students in 2006.

| | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|---|---|---|---|---|---|
| FYE | 1,040 | 1,091 | 1,188 | 1,284 | 1,314 |

Current campus labs are used to maximum capacity 13 hours a day. Allied health and nursing lab spaces are located throughout the campus which creates operational inefficiencies with room scheduling. MnSCU's Spring 2006 Space Study reported 75 percent use of available classroom and lab hours at East Grand Forks. This project will re-purpose several obsolete spaces to improve space utilization.

**Project Rationale**

Northland CTC at East Grand Forks plans to:

- Expand and reconfigure its nursing classrooms and laboratories into a new collaborative learning addition
- Relocate the Surgical Technology laboratory in existing space to accommodate equipment and better align with other Allied Health programs
- Recreate and expand the Learning Resource Center (1972 design) in existing obsolete space
- Renovate and revitalize the commons/cafeteria area to remedy fire code concerns and update campus image
- Expand the bookstore (1972 design) in existing obsolete space
- Renovate the outdated auditorium into multi-purpose classrooms with operable partition walls to increase space utilization

*Nursing* - The Nursing addition will increase nursing lab space in response to growing enrollment (99 students in 2000, to 518 in 2006), promote collaboration between allied health programs, and facilitate shared use of simulation technology and interdisciplinary experiences with other allied healthcare students. The addition will include a new entryway that will double as a mock emergency room entrance and triage for simulation exercises in conjunction with the Fire-Emergency Medical Technician (EMT) program. Existing nursing laboratories will be reconfigured into a new state-of-the-art surgical laboratory that simulated a hospital operating room. To meet accreditation requirements, the Surgery Tech laboratory will have the ability to run two mock surgical procedures at the same time and will accommodate equipment donated by local medical service providers.

The project will also remodel existing nursing laboratories and reconfigure the auditorium area into multi-use classrooms. These multi-use class/lecture rooms will be ideal for nursing and all other college courses.

*Learning Resource Center* **-** The existing Learning Resource Center can accommodate only five percent of the student body, and is so crowded now that traffic flow is impeded. The existing space will be renovated and expanded at its current location to create a more modern, collegiate reference and research resource.

According to the American Library Association , East Grand Forks' Learning Resource Center should be 2½ times its existing size with triple its current number of books (from 3,000 to 20,000 volumes) to adequately serve its student enrollment. There is no space to add book shelves, and the existing small workroom for processing and repairing books is also the storage room,

the copier room, and the campus IT network closet. This past year, 800 exams were proctored in the Learning Resource Center with no dedicated, quiet space. Other location options on campus were examined, but the existing location provides the most economical solution.

*Cafeteria, Commons, and Bookstore* **-** The existing cafeteria and commons areas will be renovated and revitalized to correct building code deficiencies, and correct deferred maintenance in the areas of fire doors, fire walls, fire sprinklers, air quality, electrical, and Americans with Disabilities Act (ADA). The commons will be updated to provide a brighter, more contemporary atmosphere. The existing small bookstore, which has severely limited display space for textbooks, will be expanded and renovated.

The project will also recreate the main entrance and entryway to improve campus way-finding for new students and visitors, and to reduce deferred maintenance by fixing moisture intrusion problems with the exterior wall.

Predesign:
Predesign was completed, approved by MnSCU, and forwarded to the Department of Administration in August 2005. Design of the project was funded in 2006, and is scheduled to be complete in July 2007.

Capacity of Current Utility Infrastructure:
Current mechanical systems are at the end of their useful lives. The 2006 Higher Education Asset Preservation and Rehabilitation (HEAPR) boiler replacement project is currently underway. It will provide the necessary heating capacity for the proposed new construction area. Also added to this request is a chiller replacement project. Air handlers and ventilation systems serving renovated areas will be updated or replaced. Storm sewers are adequate for the existing building but new storm sewers may be required depending on location of the addition. All other utilities are adequate for the addition and renovation.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Building operating expenses with the new addition are anticipated to be $29,600 annually. However, the current boiler replacement project, funded through FY 2006 HEAPR and matched with $100,000 in college funds should reduce that anticipated annual expense by 10 percent.

Energy Efficiency/Sustainability:
Minnesota Sustainable Building Guidelines will be followed. Sustainable design methods and products will be incorporated. This project will increase energy conservation to exceed Minnesota energy code by 30 percent, improve indoor air quality, and use products made from renewable resources.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

- Enrollment Growth - Growth has been steady (1,040 FYE in FY 2002 to 1,314 FYE in FY 2006) despite the disastrous flood of 1997.
- Reorganization - The campus has also been reconfigured from the former five-campus Northwest Technical College, and is now merged with Northland CTC, Thief River Falls.
- Population - Future regional population projections predict even more growth.

This modest new nursing wing and major expansion of the Learning Resource Center will meet regional education and workforce needs for the near-term future.

Consequences of Delayed Funding:
- The College may have to lease space. Improvements will most likely have to be made to the leased space to accommodate student needs.
- The college has had no major capital investment in over ten years and its outdated spaces will not meet today's building codes or today's teaching and learning requirements.
- Nursing and allied healthcare workers will not be as prepared as they could be to face health crisis situations. In rural areas, many nursing students never experience all possible medical emergencies during their clinicals, and Sim Man provides valuable, first-hand crisis experience.

- East Grand Forks students will not have access to a modern Learning Resource Center which is needed for a well-rounded education.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 12 | 0 | 0 | 0 | 12 |
| 3. Design Fees | 368 | 100 | 0 | 0 | 468 |
| 4. Project Management | 103 | 355 | 0 | 0 | 458 |
| 5. Construction Costs | 5 | 5,990 | 0 | 0 | 5,995 |
| 6. One Percent for Art | 0 | 52 | 0 | 0 | 52 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 24 | 600 | 0 | 0 | 624 |
| 9. Inflation | 0 | 703 | 0 | 0 | 703 |
| **TOTAL** | **512** | **7,800** | **0** | **0** | **8,312** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 7,800 | 0 | 0 | 8,100 |
| **State Funds Subtotal** | 300 | 7,800 | 0 | 0 | 8,100 |
| Agency Operating Budget Funds | 212 | 0 | 0 | 0 | 212 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **512** | **7,800** | **0** | **0** | **8,312** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 59 | 59 | 118 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 59 | 59 | 118 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 59 | 59 | 118 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,226 | 67.0% |
| User Financing | 2574 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn State Univ Moorhead - Lommen Hall Renovation

**2008 STATE APPROPRIATION REQUEST:** $13,100,000

**AGENCY PROJECT PRIORITY:** 11 of 37

**PROJECT LOCATION:** Minnesota State University, Moorhead

**Project At a Glance**

- Project design funded in 2006.
- Finalize construction and renovation of 81,885 gross square feet
- Renovation will provide functional academic improvements
- Code violations will be addressed
- Project will eliminate $5 million in deferred maintenance backlog

## Project Description

The comprehensive renovation will provide for functional academic improvements, heating, ventilation and air conditioning (HVAC), electrical and plumbing replacements, and the correction of building code violations. Academic programs impacted include Teacher Preparation, Social Work, Sociology, Criminal Justice, Counseling, and Gerontology.

Lommen Hall and its addition have over $5 million in deferred maintenance. The existing facilities condition index (FCI) is 0.32 and with the remodeling it will be lowered to an FCI of 0.01. This project will remove a backlog of deferred maintenance ($5.2 million) and a considerable amount of renewal deferred maintenance. As an example, neither the current FCI nor list of deferred maintenance items include a $428,000 estimate of projected electrical work that will be added to the facilities module in 2007. This project will significantly reduce the deferred maintenance on campus and improve the campus FCI by reducing it from 0.24 to 0.23.

Initial design funding of $300,000 was received in 2006, and architectural documents are 70 percent complete.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:

*Increase Access and Opportunity* – Once renovated, Lommen will be the primary location for collaboration with regional partners in the training of pre-service teachers; development of research projects and in-service training with elementary, middle and high school teachers. The College of Social and Natural Science and the College of Education and Human Services coordinate outreach efforts to recruit students from underserved populations, and to develop multicultural initiatives at Minnesota State University Moorhead (MSUM).

*High-quality Learning Programs and Services* – Lommen Hall will provide updated teaching classrooms and labs to support growing programs and contemporary pedagogies. The upgraded facility will have "smart" classrooms with multimedia capabilities including distance-learning options and specialized inter-active observation labs for social work and counseling. Most importantly, renovated space will support a variety of student learning styles and expanded options for hands-on activities, such as service learning.

*State and Regional Economic Needs* – MSUM is the premier regional institution for the training of teachers, criminal justice majors, counselors and social workers. Updated facilities will provide essential support for improving teaching and learning in each discipline, and serve as an on-campus site for expanding outreach activities, such as e-learning and cooperative efforts with local law enforcement and social service agencies.

*Innovate to Meet Educational Needs Efficiently* **-** This project is illustrative of appropriate stewardship of state investment by preserving a sound, existing physical asset; and efficiently meeting the instructional technology needs of faculty and students.

MSU Moorhead Master Plans:

Minnesota State University Moorhead's facilities master plan was presented to the Board of Trustees in November 2004. Renovation of Lommen Hall is included in that plan, because it addresses three key goals:

- Enhanced learning processes and environment for all students – revitalized, modern, dynamic facilities that support a technology-

enhanced, media-rich curriculum will enhance teaching and learning in the academic environment, as well as meet industry expectations for a qualified workforce.

- Exhibit good stewardship of resources – includes a significant number of asset preservation issues. Currently the facility suffers from air quality problems, regulatory violations, and inability to respond to current pedagogy.
- Community outreach – will enable departments to improve their outreach and cooperative program initiatives with other higher education institutions, K-12 school partners, law enforcement, and social service agencies.

Enrollment and Space Utilization:
In fall 2004, about 40 percent of MSUM's student body (3,132 of 7,700 headcount) had at least one class in Lommen Hall.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 7,008 | 6,818 | 6,695 | 6,681 |

Current utilization of Lommen Hall averages above 100 percent, with some classrooms exceeding 140 percent (based on a 32 hour week). The HVAC system does not meet the air quality requirements for piece-meal reassignment of space for classrooms, laboratories, or offices. While the space is fully assigned now, redesign will provide a considerable improvement in efficient utilization. The entire facility must be renovated and ventilation improved in order to efficiently meet current and future academic and outreach space needs.

Lommen is used more extensively than any other building on campus. The ongoing in-service training center for area teachers is used 8-14 hours a day, six days a week, throughout the year.

**Project Rationale**

Lommen Hall, constructed in 1932, needs to be completely renovated in order to provide an appropriate learning environment for the campus community. The facility will house seven academic departments: Educational Leadership, Elementary and Early Childhood Education, Foundations of Education, Social Work, Sociology/Criminal Justice, Special Education/Counseling, and Early Childhood. There are 70 faculty offices, 25 classrooms and labs, the Write Site, and the Early Childhood Preschool presently located in the building.

Lommen Hall has had minor renovations in the past, which were limited to carving out office space and cosmetic upgrades. Lommen Hall suffers from building code violations - especially ADA accessibility, poor air quality, and poor lay-outs to accommodate current teaching and learning trends. While the building is aesthetically pleasing on the exterior, its interior spaces are starting to show their age and the building is difficult to maintain. The HVAC system cannot appropriately accommodate classroom use during the summer months. Air flow is particularly acute when outside temperatures reach the upper 70's.

In addition, the building needs a new fire detection system, sprinkler system, updated electrical systems, and plumbing replacement. This facility is 74 years old, and there has been a lack of attention to exterior maintenance. Windows and exterior doors must be replaced, and the building must be tuck-pointed. Altogether, deferred maintenance will be reduced by approximately $5.2 million. The FCI is 0.32 for Lommen Hall and its addition.

The project includes infill on the second floor to create new space for classrooms and fixing elevator code issues.

Reconfigured classrooms, laboratories, restrooms, and some offices are required to assure appropriate utilization of an attractive and sound structure. Most importantly, the renovation will enable multipurpose-use of classrooms by most of the housed departments. All classrooms will fully support a technology-rich and media-rich curriculum, as well as the most current teaching and learning methodologies.

Predesign:
Pre-design was completed in November 2005 and projected construction costs updated in December 2006.

Capacity of Current Utility Infrastructure:
The interior HVAC needs to be replaced. Those costs are included in the project budget. Electrical distribution to Lommen Hall was upgraded during

the construction of the science lab building. A new 12" water line was installed in the summer of 2005 with federal VA-HUD and state funding. All remaining utilities are adequate.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Obermiller Nelson Engineering Co. estimates that replacement of the interior ventilation system will result in a reduction of $10,000 to $15, 000 per year in building operating expenditures.

Energy Efficiency/Sustainability:
The design criteria will exceed the minimum energy efficiency requirements for heating, ventilation and air conditioning by at least 30 percent. Design criteria for water usage will also exceed the minimum conservation requirements.

Debt Service:
Total debt of $12.644 million will result in MSUM having yearly debt payments (assuming five percent interest) of $169,098.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:
MSUM will continue to maintain and support the academic programs housed in Lommen Hall. However, the faculty and staff have complained about the inappropriate learning environment, inaccessibility issues, and extremely poor air quality for many years.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 10 | 0 | 0 | 0 | 10 |
| 3. Design Fees | 245 | 368 | 0 | 0 | 613 |
| 4. Project Management | 55 | 501 | 0 | 0 | 556 |
| 5. Construction Costs | 0 | 9,484 | 0 | 0 | 9,484 |
| 6. One Percent for Art | 0 | 84 | 0 | 0 | 84 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,054 | 0 | 0 | 1,054 |
| 9. Inflation | 0 | 1,609 | 0 | 0 | 1,609 |
| **TOTAL** | **310** | **13,100** | **0** | **0** | **13,410** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 13,100 | 0 | 0 | 13,400 |
| **State Funds Subtotal** | 300 | 13,100 | 0 | 0 | 13,400 |
| Agency Operating Budget Funds | 10 | 0 | 0 | 0 | 10 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **310** | **13,100** | **0** | **0** | **13,410** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | <15> | <25> | <25> | <65> |
| **TOTAL** | -15 | -25 | -25 | -65 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,777 | 67.0% |
| User Financing | 4323 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Century College, White Bear Lake - Classroom & Student Support Space Renovation

**2008 STATE APPROPRIATION REQUEST:** $7,900,000

**AGENCY PROJECT PRIORITY:** 12 of 37

**PROJECT LOCATION:** Century College, White Bear Lake

**Project At a Glance**

- Second phase of the approved 2006 science/library project
- Design and renovation of 47,500 GSF to backfill the vacated spaces for the new science/library space
- Renovation to improve classroom utilization
- Renovation to address merged east and west campus areas
- Project will eliminate $6.4 million in deferred maintenance backlog and renewal

**Project Description**

The project will address:

- General purpose classrooms, computer lab and faculty offices on west campus.
- A student services center on west campus where students can connect with admissions, business office, counseling, records and financial aid. It also includes a space where students can meet, study and socialize.
- General purpose science classroom/science resource center on east campus.
- Support office space for information technology on east campus adjacent to the recently renovated Kopp Technology Center.
- Reduction of the Facilities Condition Index (FCI) for Bldg. "B" on the West campus from 0.27 to 0.12 and a reduction of the FCI for the main bldg. on the East campus from 0.30 to 0.28. This equates to a total reduction in backlog and future renewal/reinvestment costs of $6.4 million; which is the total construction cost of project. This project will reduce the backlog and renewal/reinvestment projects at the campus by $6.4 million, which currently totals $35.5 million. This equates to a reduction in campus FCI from 0.24 to 0.20.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - As the largest combined community and technical college in Minnesota, and the seventh largest college in the state, Century is striving to continue to meet the space needs of a student population that has grown 49 percent in full-year equivalents (FYE) in the last seven years. A recent space utilization study found that Century is at 115 percent of room capacity. Students need:

- Common areas in the college where they can meet, study and socialize. Research shows that when students do not engage with other students and become involved in student activities, they tend to drop out. Century had a 1.16 percent increase in new students in the fall of 2006, but a 3.45 percent decrease in returning students.
- Contiguous spaces where students can access the college's wide variety of student services. This is particularly important for first-generation, under-represented college students who need additional help to achieve success.
- Additional general purpose classrooms so that more sections of the most sought-after courses can be offered. All parts of this project are intended to promote recruitment, retention and the success of students.

*High-quality Learning Programs and Services* – Century offers nearly 60 technical and liberal arts programs. To retain students in these programs and classes, Century needs space where students can access student services and also engage with each other. A recent Community College Survey of Student Engagement (a national assessment tool) found that Century students interact with faculty less than their counterparts at other two-year colleges in the country. The new common areas are proximate to faculty offices and will provide space for this critical student-faculty interaction to take place. In addition, the new general purpose classrooms are needed to meet student demand.

*State and Regional Economic Needs* – Century College produces many of the state's paramedics, nurses, radiologic technicians, medical assistants, orthotic and prosthetic technicians, dental hygienists and other allied health professionals. To retain students in these programs and classes, this project will:

- Right-size vacated space and give students a collegiate environment that will allow them to interact with each other and access needed student services.
- Benefit hospital partners such as St. John's and United by increasing student retention. The hospitals provide Century's nursing and radiologic technology students with vital clinical experience.
- Enhance Century's long-standing partnership with Intermediate School District 916 and its 1,400 high school students who take classes on Century's campus every day during the school year. These students, who originate from 11 different school districts, also will benefit by taking advantage of the new student center and the new general purpose classrooms.
- Benefit other partnerships including the Century College Community Dental Clinic supported by 3M and Delta Dental, the Century Investigative Sciences and Law Enforcement program and its business partners, the English for Speakers of Other Languages joint program with Century and Metropolitan State University, and the Century Multi-Cultural Center by providing additional science classrooms and student support services.

*Innovate to Meet Educational Needs Efficiently* – This facilities renewal project will help sustain an innovative educational delivery project called the (Goals + Plans = Success) GPS LifePlan. The GPS LifePlan helps Century students connect with college resources, faculty and staff for guidance on their journey to achieving their personal and career goals. The new student services area will enhance the delivery of this important planning tool for students. In addition, the new student center and high-tech classrooms will provide more interactive, hands-on learning experiences for students, and also accommodate the 49 percent FYE enrollment growth the college experienced from 1999 to 2006. The additional classrooms will be proximate to expanded laboratory space for writing, math and reading/study skills. They also will be near new faculty offices and allow students to increase their interaction with faculty.

Institution Master Plans and Regional Collaborations:
This is the second phase of the approved 2006 science/library project. Following funding for design in 2005 and construction of new square footage for the science/library consolidation in 2006, this project will backfill the vacated spaces. Century presented a master plan to the Board of Trustees in September 2001. A new master facilities plan was submitted in October 2006. The current project is included in the updated master facilities plan as submitted in October 2006.

*Curricular renewal and teaching excellence* – Common spaces and additional classrooms that are technologically enhanced with up-to-date equipment will provide students access to a teaching and learning environment that is relevant to today's workplace. In addition, these new spaces will help the college deliver its innovative new GPS LifePlan planning tool to assist students in choosing courses that will advance their career, personal and leadership goals.

*Technology integration* – Century will continue to integrate technology into curriculum and administrative operations. The location of the new west campus technology center will facilitate more interaction between the campus information technology operation and the teaching technology programs. In addition, the new GPS LifePlan has a strong electronic component that needs support from a strong campus technology infrastructure.

*Workforce development* – The student services center will give students easier access to representatives from admissions, business, counseling, records and financial aid. These are the services that keep students in school and advancing their career goals. The new student services center will allow the college better to support the GPS LifePlan planning tool that assists students in connecting their education plans to their career goals. First-generation, under-represented college students are especially in need of this additional help. The student center also will help improve student retention by giving students the space they need for meeting, studying and socializing. Students who engage with the campus are more likely to stay in school, earn degrees and achieve their career goals.

Enrollment and Space Utilization:
During "prime time", Century College is at maximum capacity. It is not uncommon to have 130 to 150 percent classroom utilization rates, with the average being 115 percent room capacity. The college's average seat usage is 84 percent. Enrollment at Century College grew 25 percent in FYEs from 2000 to 2006. As the only public technical and community college in the

rapidly growing northeast quadrant of the Twin Cities, Century is expected to sustain its enrollment for some time.

| | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|---|
| **FYE** | 6,134 | 6,133 | 5,980 | 5,900 | 5,960 |

**Project Rationale**

This project is a backfill of vacated space created by the construction of a new library/science building funded in 2006 with a completion date of 2008. It takes the first step toward a campus space re-organization that focuses on a student-centered learning environment. The four main parts are:

- West campus general purpose classrooms, computer lab and faculty offices.
- West campus student center that connects students to admissions, business, counseling, records and financial aid, and also provides space for students to meet, study and socialize. This space will increase access and opportunity for under-represented, first-generation students who need additional help to be successful.
- East campus general purpose science classroom/resource center.
- East campus office space and general purpose classroom adjacent to the Kopp Technology Center. This space will increase interaction between the college's information technology operation and the academic programs related to technology.

Pre-design:
Completed in October 2003. Time between 2003 pre-design and funding of this project along with minor modifications resulting from completion of Campus Master Plan resulted in project cost exceeding rate of inflation. All changes have been made with the advice and assistance of the MnSCU facilities staff.

Capacity of Current Utility Infrastructure:
Century College has invested heavily in infrastructure upgrades that will support renovation including upgrading the heating, ventilation and air-conditioning systems and re-roofing. The college's infrastructure investments have been made at a rate that is nearly double the average of other colleges in the Minnesota State Colleges and Universities system. The college has adequate utility infrastructure to support this remodeling project. In 2002, the college was allocated $1.775 million in Higher Education Asset Preservation and Replacement dollars to centralize the chiller plant for both East and West Campus use.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
This project is a fine example of maximizing the use of campus space to meet student needs. The renovations will decrease the college's FCI, from 0.27 to 0.12 on the West campus and from 0.30 to 0.28 on the East campus. The facilities renewal project will reduce the backlog and renewal/reinvestment projects by $6.4 million. This equates to a reduction in campus FCI from 0.24 to 0.20. Operating costs for utilities and custodial staff are not expected to increase with this remodeling project.

Energy Efficiency/Sustainability:
This project will open up the new student center to south-facing daylight and will allow daylight harvesting and energy efficiencies. The sustainable features of this project deal with improving human comfort, increasing productivity and improving the learning environment. The renovation will emphasize energy efficiency and minimize operations costs.

Debt Service:
This amount is within the college's ability to reallocate resources to meet the cost of the additional debt.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $19.9 million to construct Phase 1.
Laws 2005, chapter 20, article 1, section 3 appropriated $1 million for design.

**Other Considerations**

Consequences of Delayed Funding:

- Access and opportunity for prospective students will be limited due to the current confusing configuration of student services offices.

- Student retention will be negatively affected. The college could continue to lose students who do not engage with the campus due to a lack of space for meeting, studying and socializing.
- Student services will be adversely affected because these services will continue to be delivered in space that is confusing and not contiguous. Again, this has an adverse effect on student retention.
- Without the new west campus technology office and computer lab, the interaction between the campus information technology operation and the academic programs will be limited.
- Without the new general purpose classrooms, student access will be curtailed.
- Without the facilities improvement, the Facilities Condition Index of 0.27, which is significantly above the system average, will continue to increase.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 1,305 | 489 | 0 | 0 | 1,794 |
| 4. Project Management | 1,232 | 350 | 0 | 0 | 1,582 |
| 5. Construction Costs | 17,163 | 5,606 | 0 | 0 | 22,769 |
| 6. One Percent for Art | 100 | 50 | 0 | 0 | 150 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 1,100 | 345 | 0 | 0 | 1,445 |
| 9. Inflation | 0 | 1,060 | 0 | 0 | 1,060 |
| **TOTAL** | **20,900** | **7,900** | **0** | **0** | **28,800** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 20,900 | 7,900 | 0 | 0 | 28,800 |
| **State Funds Subtotal** | 20,900 | 7,900 | 0 | 0 | 28,800 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **20,900** | **7,900** | **0** | **0** | **28,800** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,293 | 67.0% |
| User Financing | 2607 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Southwest Mn State Univ - Science & Hotel & Restaurant Administration Labs Renov

**2008 STATE APPROPRIATION REQUEST:** $9,000,000

**AGENCY PROJECT PRIORITY:** 13 of 37

**PROJECT LOCATION:** Southwest Minn. State University, Marshall

**Project At a Glance**

- Project design funded in 2006.
- Renovation of 7,300 gross square feet (GSF) of Hotel, Restaurant Administration (HRA) teaching labs in the Individualized Learning (IL) Center to accommodate a Hotel Restaurant Administration academic degree.
- Renovation of 11,300 GSF in Science and Technology (ST) to remodel and update biology and chemistry labs.
- Renovation of 12,200 GSF in Science and Math (SM) to remodel and update biology and chemistry labs.
- Project will eliminate $6.6 million in deferred maintenance backlog

**Project Description**

This request is to renovate teaching labs to accommodate a newly reinstated Hotel Restaurant Administration academic degree, and to remodel and update biology and chemistry labs.

Academic programs impacted are: Culinary Arts/Culinology, Hotel Restaurant Administration (HRA), Biology, Biology Education, Biology – Medical Technology / Cytotechnology, Chemistry, Chemistry Education, Chemistry – Environmental Emphasis, Environmental Science – Geology, Environmental Science – Natural Science, Environmental Science – Humanity and Environment, Geology, Agronomy, and pre-professional programs. Ten percent of Southwest Minnesota State University (SMSU) majors are enrolled in these programs and all students must take eight credits of biology, chemistry, physics or environmental science as part of the core curriculum.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - SMSU is the only baccalaureate institution within 20,000 square miles with a mission to provide higher education opportunity and access for all Minnesotans, regardless of financial circumstances. The remodeling also reflects a tradition of distinctive, barrier-free architectural access for students with disabilities.

*High-quality Learning Programs and Services* - Science and culinology students need training on up-to-date, state-of-the-industry technology and scientific equipment to better serve regional industry. SMSU can offer signature interdisciplinary culinolgy degree combining science and culinary arts with a service learning component aligned to learning goals.

*State and Regional Economic Needs* - HRA remodeling supports a high-quality learning program responsive to region's multi-billion dollar economy composed of precision farming, agricultural processing and multi-national food companies who are partners with SMSU. HRA will be restored as a signature academic program included in SMSU's 2010 strategic plan. U.S. Bureau of Labor Statistics reports demand for HRA graduates will rise 12 percent in Minnesota by 2010 creating 7,000 more jobs; and 8 –12 percent in both South Dakota and Iowa creating 6,000 jobs.

*Innovate to Meet Educational Needs Efficiently* - There have been many changes in science pedagogy over the last 36 years since these science labs were built. Science instruction is more open-ended, active inquiry, utilizing measurement and analysis tools that computers and the internet have made available at reduced cost. This renovation will incorporate technology to match the new science pedagogy.

Institution Master Plans and Regional Collaborations:
Southwest MSU's master facilities plan update was presented to the Office of the Chancellor in November 2006. Biology, chemistry, and HRA lab renovations tie directly to the following master plan principles and initiatives for future campus development:

*Acknowledge current density and compactness and take advantage of existing space* – This project is totally renovation of existing space, and the HRA lab takes advantage of space previously used in a similar capacity.

*Strengthen and support the University's mission* - Responds affirmatively to SMSU's mission, biennial and master plan initiatives and MnSCU system strategic initiative for increasing student enrollment in science, technology, engineering and mathematics (STEM) and increasing secondary teacher licensures in math and science. The programs will offer a unique blend of education, internships and hands-on experiences responsive to the region's workforce needs for science and food science graduates.

*Accommodate and support University growth* **–** Renovations acknowledge current density, compactness and taking advantage of existing space. Renovations will provide space for SMSU's biennial targets and resource needs for science (STEM), science teacher, and HRA food science enrollment. SMSU is the fastest growing university in the MnSCU system with science enrollments alone increasing 14 percent over the past five years without critical renovation to its labs.

*Regional collaborations* - HRA benefits from supportive partnerships with The Schwan Food Company, ARAMARK Corporation, and an advisory board of top restaurant and food company executives who provide internships, resource support, planning assistance and cooperative program development to the culinary arts program.

Enrollment and Space Utilization:
University enrolment has grown continuously since the University was founded in 1967.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **FYE** | 3,513 | 3,754 | 3,501 | 3,500 |

Fall Semester 2005, SMSU's overall space utilization rate was 89 percent of available weekly classroom hours and 54 percent seat usage.

**Project Rationale**

*Basic Sciences* **-** SMSU's biology and chemistry labs in Science and Technology and Science and Math Buildings have not been updated since original construction in 1970. The fume hoods are a safety hazard, and none of the labs meet today's standards for fresh air intake and ventilation. Chemical storage is not vented directly to the outside as current building code requires. Plumbing at the lab benches is overdue for replacement. Linear lab benches do not work for combined lecture/labs, which SMSU faculty now employ, and the more modern pod benches would better support "learning science by doing". The existing prep/storage rooms are a confusing and inefficient array of interconnected rooms that do no function well for lab work.

Six biology labs and five chemistry labs will be renovated and updated. The labyrinth of prep/storage areas will be simplified into one common lab prep area per floor that can be efficiently staffed, and will allow sharing of lab materials and equipment. Some of the inefficient prep-storage spaces will be converted into dedicated spaces for on-going student scientific research projects. One new "smart" science classroom in Science and Math will allow higher order thinking skill development in analyzing the results of real-time data collection from the labs.

*Hotel, Restaurant Administration (HRA)* **-** The proposed HRA lab was once used by SMSU's Hotel Restaurant Administration Program, which was replaced by a cooperative degree with the U of M Crookston that has since been discontinued. SMSU has reinstated the HRA degree – to include culinology. Culinology combines culinary arts, food science, and business to meet workforce demands for new products development specialists. Food science, food safety, and new food product development are core themes. Renovations are needed to provide modern facilities for the re-engineered program. The remodeling and right-sizing of the existing university space to commercial-grade academic labs will foster student learning and smooth transition to industry environments.

Renovation focuses on a total remodel of, and expansion into existing space, commercial grade equipment and materials, and the following spaces:

- basic skills kitchen to accommodate six identical kitchen stations
- upper level high production kitchen with areas for hot food, cold food, bakery, prep and beverage areas, and point of service computer system,
- a demonstration/teaching lab designed with industry-leading audio visual and instructional technology capabilities
- Food Science Research and Development lab
- public access gourmet dining hall for service learning opportunities

Total Campus FCI will be reduced from 0.23 to 0.21. Asset preservation, including plumbing, ventilation, code-complaint fume hoods and vented chemical storage, electrical, ADA compatible learning spaces, asbestos abatement, and life safety and code improvements, will affect deferred maintenance (DM) and FCI's as follows:

| | Current DM Backlog | Amount Eliminated | Current FCI | FCI After Project |
|---|---|---|---|---|
| ST | $ 6,261 | $ 2,669 | .28 | .16 |
| SM | $ 6,961 | $ 2,492 | .29 | .18 |
| IL | $ 8,428 | $ 1,513 | .43 | .35 |

Predesign:
Predesign was completed December 2005. Schematic design was funded by the legislature in 2006 and will be completed in early 2007.

Capacity of Current Utility Infrastructure:
Renovation will have negligible impact and the existing utilities will be adequate to meet the needs of this remodeling. New energy management systems will monitor and adjust to peak mechanical system usages.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Since this is a remodeling of existing space, there will be only a modest $10,000 increase in electricity with more and newer fume hoods that introduce more code-mandated fresh air into the labs than the existing outdated fume hoods.

Energy Efficiency/Sustainability:
To improve energy efficiency and meet goals of the Minnesota Sustainable Guidelines, this project ties equipment into the University's energy management system to provide continuous monitoring of heating, ventilation, and air conditioning, specifies low energy light fixtures, utilizes energy saving infrared toilet and sink controls, includes the use of motion sensors, and will include the use of green materials in the project design.

Debt Service:
At its high point in 2013, its annual debt service obligation could be $439,800, which would be 1.37 percent of the university's general operating revenues. This is a prudent level of managed debt and will be structured into SMSU's annual operating budgets.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Alternatives and Options:
This project is a renovation, demonstrating excellent stewardship of state assets, removing $6.674 million in deferred maintenance of the total campus backlog of $47 million. Remodeling of existing labs is the best approach because the number and type of existing labs is optimal for SMSU's needs but needs to be enlarged to accommodate larger class sizes. Adequate space can be better arranged to allow for enlarged labs and would be less expensive than building a new building.

Consequences of Delayed Funding:

- SMSU science students will continue studying in outdated facilities that do not meet current building codes and air quality requirements.
- The renovations are integral to achieving MnSCU System and SMSU established Biennial Targets and Resource needs (2007-2011) for STEM and science teacher licensure enrollment.

- Student access, opportunity and enrollment will decrease.
- Marketing and development of this signature 2010 Culinology accredited program will be jeopardized without adequate instructional labs.
- Donor confidence in funding for faculty positions, instructional supplies and professional development and travel may decrease.
- Deferred maintenance backlog will remain.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45 | 0 | 0 | 0 | 45 |
| 3. Design Fees | 222 | 295 | 0 | 0 | 517 |
| 4. Project Management | 78 | 313 | 0 | 0 | 391 |
| 5. Construction Costs | 0 | 6,505 | 0 | 0 | 6,505 |
| 6. One Percent for Art | 0 | 54 | 0 | 0 | 54 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 805 | 0 | 0 | 805 |
| 9. Inflation | 0 | 1,028 | 0 | 0 | 1,028 |
| **TOTAL** | **345** | **9,000** | **0** | **0** | **9,345** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 9,000 | 0 | 0 | 9,300 |
| **State Funds Subtotal** | 300 | 9,000 | 0 | 0 | 9,300 |
| Agency Operating Budget Funds | 45 | 0 | 0 | 0 | 45 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **345** | **9,000** | **0** | **0** | **9,345** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,030 | 67.0% |
| User Financing | 2970 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Classroom Renovations

**2008 STATE APPROPRIATION REQUEST:** $3,625,000

**AGENCY PROJECT PRIORITY:** 14 of 37

**PROJECT LOCATION:** Systemwide

**Project At a Glance**

- Design and renovation of obsolete classroom space on seven college campuses
- Classroom design will increase utilization of the campuses
- Deferred maintenance will be addressed
- Project will eliminate $1.762 million in deferred maintenance backlog

**Project Description**

Project will renovate college classrooms to promote innovation in a number of academic fields, improving utilization of the campus space and advancing workforce programs in technology, entrepreneurship, and nursing.

- Central Lakes College, Brainerd – large classroom renovation
- Mn State Community Tech College, Wadena – right-sizing classroom renovation
- Mn State Community Tech College, Moorhead – classroom and advanced technology
- Mn West Community Tech College, Pipestone – Interactive Television (ITV) and learning center
- Northland Community Tech College, Thief River Falls – Swenson Center for Entrepreneurship
- Pine Technical College, Pine City – prototype / metallurgy lab
- Rochester Community Tech College, Rochester – nursing labs / health classroom

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Improve access to opportunities and careers for all Minnesotans, and help meet Minnesota state goals for enhanced educated workforce in applied technologies.

*High-Quality Learning Programs* - Improve instructional technology in obsolete or underutilized lab or classroom spaces. Each of these projects was evaluated as to how the spaces could be made more efficient and more effective for instructional use. Many of these spaces need these renovations to optimize the current utilization. These renovations will allow for the investment to bring both a wider array of information and alternative learning formats to students and to prepare graduates to operate the technology in which businesses have invested to improve productivity.

*State and Regional Economic Needs* - Converts obsolete campus space to meet the mandate to educate a skilled and flexible workforce for the state's future. It will directly match workforce needs with workers. This Office of the Chancellor initiative will assist campuses directly to meet workforce and educational needs for teaching and learning objectives, while simultaneously reducing the backlog of interior deferred maintenance issues. This project directly supports the long-time Board focus on renewal and preservation, maximizing functionality, and utilizing future-oriented technology and improving obsolete, underused spaces.

Institution Master Plans and Regional Collaborations:
All of the projects are noted in the individual campus master plans.

Enrollment and Space Utilization:
These are renovation projects only, so there will be no new square footage involved. Space utilization will improve because the rooms are currently obsolete since they were designed to house specialized programs that have been closed or re-located within the campus. The objective is to capture unused space and turn it to a useful purpose.

Four year enrollment data for the seven campuses is projected as follows:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 10,559 | 10,879 | 10,967 | 11,153 |

**Project Rationale**

*Central Lakes College, Brainerd* - Central Lakes will renovate a 3,160 gross square feet theatre into a cross-functional learning space and combine two small classrooms into one large classroom that will create a multi-use space for academic programs such as Chemistry, Physics, Earth Science, Natural Resources, Economics, History, Psychology, Anthropology, Sociology, Political Science, Theatre, Humanities, Philosophy, Art, and Music. The renovation would allow delivery of interdisciplinary programming to large groups of credit students, non-credit students, and community members as well as potential collaboration with local service organizations and four-year institutions. The renovation would reduce deferred maintenance by $121,000.

*Mn State Community Tech College, Wadena* – Wadena will convert 10,010 gross square feet of underutilized space in the heart of their main building. This will help increase campus inventory of flexible, innovative classrooms and to enlarge an under-sized library. The academic programs affected include ITV classrooms, Library/Resource Center, and Learning Services. The renovation will reduce backlog by $120,000.

*Mn State Community Tech College, Moorhead* – Moorhead will remodel 6,000 gross square feet of existing classrooms to provide advanced technology delivery in flexible general classroom spaces. Classrooms of the right size will accommodate a greater number of classes while gaining high quality instructional environments and three extra classrooms. Backlog will be reduced by $90,000.

*Mn West Community Tech College, Pipestone* – Pipestone will convert 2,800 gross square feet of the closed Meat Cutting Program space at the center of campus into a student learning and academic hub. The reconfigured area will create ITV, tutoring, studying, research, interactive learning and collaboration areas, and physical support for online learning. This project will reduce the backlog by $100,000.

*Northland Community Tech College, Thief River Falls* – Thief River Falls will convert the Swenson House from a residential building into a commercial facility. This will create a 17,435 gross square feet space for the Entrepreneurial Education Center, the Center for Outreach and Innovation, multi-purpose classrooms, the College Advancement and Entrepreneurial Learning Program. This project will reduce the backlog by $50,000.

*Pine Technical College, Pine City* – Pine City will renovate 2,350 gross square feet of unused and underused space to create a Prototyping and Reverse Engineering Lab and Metallurgy Lab to meet goals of the MnSCU Manufacturing and Applied Engineering Center of Excellence collaboration. This project continues improvements to Machine Tool and Gunsmithing projected in the 2001 Facilities Master Plan. It is also in line with regional plans developed by the East Central Minnesota Workforce Partnership (ECMnWP) and the East Central Manufacturing Coalition (ECMC) for expansion of manufacturing education and training. The backlog will be reduced by $25,000.

*Rochester Community Tech College, Rochester* – Rochester will remodel 3,500 gross square feet of two vacated nursing labs and three vacated nursing practice rooms into two anatomy and physiology laboratories and an adjoining health science learning center. The remodeling will help the college provide fundamental science classes to increase the pipeline of qualified applicants to health science programs. This will lead to a potential increase in capacity of the transfer nursing and allied health programs. This project will improve the overall condition and functionality of science and applied technology laboratories. It will reduce the FCI for the building from 0.31 to 0.21 and remove a combined $356,000 from the deferred maintenance backlog.

This project will improve the overall condition and functionality of classrooms and science and applied technology laboratories.

Predesign:
Conceptual predesigns from the campuses were completed for these projects by one consultant who traveled to each campus in fall of 2006 to assure adequacy of need and to confirm each funding request.

Capacity of Current Utility Infrastructure:
The existing utility infrastructure already serves all these spaces, so there will be no additional strain on mechanical systems over and above that caused by the age of existing mechanical systems. With the replacement of more energy efficient systems; at most campuses there will a reduction in utility usage.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Increase for addressing code and safety ventilation issues.

Energy Efficiency/Sustainability:
Any new equipment will be energy efficient.

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each campus affected.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $5.14 million for science lab and workforce renovation initiatives.
Laws 2005, chapter 20, article 1, section 3 appropriated $3.083 million for workforce training classrooms and $1.019 million for technology updated classrooms.

**Other Considerations**

Consequences of Delayed Funding:
If funding is delayed, the institutions would continue to have obsolete or underused spaces. Campuses often do not have the ability to use scarce operating budget dollars to align academic offerings in high-demand programs with strong workforce needs to the physical classroom or lab spaces on campus.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 240 | 0 | 0 | 240 |
| 4. Project Management | 0 | 129 | 0 | 0 | 129 |
| 5. Construction Costs | 0 | 2,640 | 0 | 0 | 2,640 |
| 6. One Percent for Art | 0 | 24 | 0 | 0 | 24 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 265 | 0 | 0 | 265 |
| 9. Inflation | 0 | 327 | 0 | 0 | 327 |
| **TOTAL** | **0** | **3,625** | **0** | **0** | **3,625** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,625 | 0 | 0 | 3,625 |
| **State Funds Subtotal** | 0 | 3,625 | 0 | 0 | 3,625 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,625** | **0** | **0** | **3,625** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,429 | 67.0% |
| User Financing | 1196 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Lake Superior College - Health Science Center Addition

**2008 STATE APPROPRIATION REQUEST:** $11,000,000

**AGENCY PROJECT PRIORITY:** 15 of 37

**PROJECT LOCATION:** Lake Superior College, Duluth

**Project At A Glance**

- Project funded for design in 2006
- Bidding and construction of a 33,949 gross square feet (GSF) Health and Science Center addition
- Renovation of 1,865 GSF of backfill spaces (Phase 1)
- Renovation of 34,577 GSF of backfill spaces (Phase 2) planned for 2010
- Project will eliminate $480,100 in deferred maintenance
- Request for $4 million is anticipated in 2010 for renovation

**Project Description**

Bidding and construction of the Health and Science Center Addition and renovation of backfill spaces in the existing building (Phase 1); and design through construction documents of renovation of backfill spaces in existing building (Phase 2).

Phase I: The Health and Science Addition will include teaching laboratories, hospital nursing simulation center, "smart" classrooms, workforce development training room and allied health teaching laboratories. This Phase 1 renovation of existing space will remodel and update existing science teaching labs.

Phase 2: The FY 2010 request for renovation of existing spaces vacated by Health and Science will include public clinics and teaching labs for Physical Therapy, Dental Hygiene and Massage Therapist, multi-media classrooms and instructional technology labs.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* **-** Provides state-of-the-art health teaching labs and nursing simulation labs, providing increased opportunities for individuals to participate in science, technology, engineering and math (STEM) and health courses and programs. This creates opportunities for hands-on training in public health clinic settings meeting the needs of the region's uninsured or underinsured and addresses the lack of Americans with Disabilities Act (ADA) accessible labs in several STEM areas.

*High-quality Learning Programs and Services* - The College's capacity for delivering STEM and health programs with up-to-date technology is currently severely limited. In order to meet the full range of student learning needs, new facilities are needed which make use of future-oriented learning spaces and equipment.

*State and Regional Economic Needs* - Supports collaborations with St. Mary's Medical Center, Duluth Clinic, St. Luke's Hospital and other regional healthcare facilities by offering community public health access and education. Science faculty will have expanded opportunities to work collaboratively with other colleges, universities, high schools, and local home school parents.

*Innovate to Meet Educational Needs Efficiently* - This facility will be designed to simulate a hospital setting, thus providing innovative learning space closely attuned to real-world healthcare settings. New science labs will create technology-enhanced learning opportunities supportive of innovative teaching and learning.

Institution Master Plans and Regional Collaborations:
Lake Superior's Master Facilities Plan (MFP), originally approved by the Board of Trustees in December 2001 is currently under revision. This project is an integral part of the current plan and the update. The plan focuses on options for expanding the campus to meet student enrollment growth, current and new program needs, and necessary improvements to existing facilities and the environmentally-sensitive site. There is a strong need for a science addition to provide new laboratories and classrooms as identified in the MFP. This future site development will be in a place away from the sensitive creek

area. The MFP design and this building will provide a more visible college presence and access to the main campus from Trinity Road. The college's MFP augments and supports the city of Duluth's master planning for the city's fourth district, supports transfer collaborations with regional universities in both STEM and health programming, and provides needed workforce training space for new and incumbent healthcare workers through the building's simulation center.

Enrollment and Space Utilization:
Over the past five years Lake Superior College (LSC) has experienced a 51.3 percent full-year equivalents (FYE) enrollment growth, from 2,230 to 3,376 FYE in 2006. Current projections suggest that growth in health and science enrollment will show strong growth, putting further strain on the existing facilities.

| | FY2000 | FY2003 | FY2006 | FY2009(proj) |
|---|---|---|---|---|
| **FYE** | 3,230 | 3,080 | 3,396 | 3,590 |

The MnSCU FY 2006 space study found an 88.4 percent overall utilization rate for classrooms and teaching labs at LSC, above the median of 77.8 percent for all MnSCU institutions. The lack of campus teaching and open lab space most adversely affects the sciences. The major existing classrooms and labs that serve the sciences and health programs have an average utilization rate of 101.4 percent. The overall space deficiencies at LSC will decrease, but will not be eliminated, when the addition funded in 2006 is completed. The Health and Science Center will add an additional nine teaching and open labs, resulting in anticipated utilization still over 90 percent. The college's projected growth in health and STEM programs will certainly keep the college's space utilization high.

**Project Rationale**

*Nursing and Allied Health* - Lake Superior's allied health and nursing programs serve a significant need within the region and state by training healthcare workers. Recent Department of Employment and Economic Development employment and job opening projections for northeast Minnesota show a 19 - 58 percent increase in the need for health care workers between 2000 and 2010. LSC has already added evening, weekend, summer, and distance-site courses to help serve the needs of its 1,579 health-related program students.

The Health and Science Center will include (new and remodeled):

- Six Health teaching labs
- Two instructional technology labs
- Nine Science teaching labs
- One workforce development training room
- Three multi-media classrooms
- One hospital nursing simulation lab
- Two general classrooms
- Three outpatient public clinics

*Basic Sciences* - LSC has only three science classrooms to serve a student population of nearly 3,500 FYE, well below the number of science labs available at similarly-sized institutions. The three existing science laboratories are strained by both a steady increase in general enrollment (3,643 unduplicated students enrolled in science courses in FY 2006) and by the significantly large increase in the nursing and allied health students (1,579 unduplicated students enrolled in health programs) at LSC who must take 12 science credits rather than the eight the general student population take. The current science laboratories are fully utilized throughout instructional times and unavailable for lab prep or independent student work. The physics and natural sciences programs do not have access to laboratories and have courses taught from mobile carts in general classrooms. This curtails the full range of experiments instructors are able to offer and provides no opportunities for the housing of technology and science-related equipment to support student learning.

In addition, area education institutions such as the University of Minnesota – Duluth (UMD) and the University of Wisconsin – Superior (UWS), and home schooling programs rely on Lake Superior College to offer introductory science courses for students prior to transfer and graduation. Additional laboratories are needed to support these collaborations.

Predesign:
The building predesign has been completed and design is underway.

Capacity of Current Utility Infrastructure:
Current utility capacity at Lake Superior College is sufficient to accommodate the Health and Science Center.

**Impact on Agency Operating Budgets (Facilities Notes)**

It is anticipated that an additional two maintenance FTE will be required at a yearly cost of $80,000. Utility costs will increase approximately $52,000 annually. The current FCI for LSC is 0.13 and projected to grow to 0.16 in 2011. The addition of the Health and Science Center and the renovation of existing space will eliminate approximately $480,000 of a projected $15.935 million backlog projected by 2011, resulting in a projected FCI of 0.15.

Building Operations Expenses:
Building operations expenses are expected to increase $52,000 for utilities.

Energy Efficiency/Sustainability:
Building design, site development and construction methods may comply with the current state Sustainable Building Guidelines of B3 (Buildings Benchmarks and Beyond), as adopted by MnSCU, or the current Leadership in Energy and Environmental Design (LEEDTM) reference guides for new construction (LEED-NC) and existing building renovation (LEED-EX) developed by the United States Green Building Council (USGBC).

Debt Service:
Lake Superior College currently carries an annual debt service of approximately $32,000 annually. The new Administrative and Student Services addition and design/construction of the Health Science Center will create additional debt service which will peak at $396,000, or 1.3 percent of overall budget, in 2013.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $420,000 for design of this project as well as the 2010 renovation of existing spaces

**Other Considerations**

Consequences of Delayed Funding:

- Stagnant or declining enrollment in STEM and health-related programming
- Inefficient and inadequate support to students, including lack of technologically-supported innovation
- Inability to meet the state's workforce needs for healthcare, science and engineering workers
- Stagnant learning methods lacking emphasis in innovative technologies and the use of proper learning equipment,
- Continued and increased stress on already inadequate facilities
- Rising asset preservation costs and closure of obsolete spaces.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 50 | 0 | 0 | 0 | 50 |
| 3. Design Fees | 538 | 312 | 79 | 0 | 929 |
| 4. Project Management | 137 | 519 | 157 | 0 | 813 |
| 5. Construction Costs | 0 | 8,513 | 2,711 | 0 | 11,224 |
| 6. One Percent for Art | 0 | 79 | 25 | 0 | 104 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 541 | 280 | 0 | 821 |
| 9. Inflation | 0 | 1,036 | 748 | 0 | 1,784 |
| **TOTAL** | **725** | **11,000** | **4,000** | **0** | **15,725** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 420 | 11,000 | 4,000 | 0 | 15,420 |
| **State Funds Subtotal** | 420 | 11,000 | 4,000 | 0 | 15,420 |
| Agency Operating Budget Funds | 305 | 0 | 0 | 0 | 305 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **725** | **11,000** | **4,000** | **0** | **15,725** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,370 | 67.0% |
| User Financing | 3630 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Metropolitan State Univ - Classroom Center Addition

**2008 STATE APPROPRIATION REQUEST:** $4,980,000

**AGENCY PROJECT PRIORITY:** 16 of 37

**PROJECT LOCATION:** Metropolitan State University, St. Paul campus

**Project At A Glance**

- Construct, remodel, furnish and equip 16,500 gross square feet (GSF)
- Demolition to make room for new construction
- Renovation will address serious deferred maintenance issues
- Project will eliminate $3.9 million in deferred maintenance backlog

**Project Description**

Construct, remodel, furnish and equip the partial replacement of a demolished building in order to provide technology-enhanced classrooms and academic offices. The upper level of St. John's Hall "Power Plant" annex will be demolished, leaving the ground floor power plant. This project also rebuilds the upper two floors, providing a climate controlled link between St. John's, New Main, and the Library.

This project will complete the last phase of the St. Paul campus quad development (the last of four buildings facing the courtyard) and is a key element in finalizing the original campus master development plan and protecting the campus energy plant.

- Protects campus' existing central heating, cooling and electrical plant while also addressing the waterproofing of adjacent areas which are currently subject to water intrusion.

- Creates high quality learning environments for growing educational program needs. This is particularly for instructional Technology Programs, Computer Technology Training, Science, Business and Nursing programs.

- The project provides improved basic infrastructure for the University's growing Informational Technology Systems. Project includes power generator, uninterruptible power source and cooling upgrades which are functioning currently at capacity.

- Life safety and fire suppression systems as well as American Disabilities Act (ADA) upgrades that will make the currently "inaccessible" building meet ADA requirements.

- Replaces the central campus heating plant's "smoke stack" which is 90 years old and at near failure.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
This project meets the strategic goals identified by Minnesota State Colleges and Universities (MnSCU) for:

*Increase Access and Opportunity* – The unique student demographics of Metropolitan State University offer a unique opportunity to provide educational opportunities for many historically underserved individuals who want access to upper division and graduate level education.

- Creates a learning resource that enables students many of whom are non-traditional students to achieve their educational and career goals through high quality learning and support services.

- The Power of You program supported by this project is specifically designed to help retain students who typically have difficulty staying enrolled and to eliminate real and perceived financial barriers to higher education that prevent many high school students, particularly students at risk, from considering post-secondary education.

- The "Bridge to Success" program is a retention program providing a variety of intensive, individualized support services to help underserved students successfully complete their certificate, diploma or degree program. The "Bridge" program serves students of color, low income students, students who are first in their family to attend college, and English language Learners (ELL).

*High-quality Learning Options and Services* – Provides state-of-the-art facilities to support nationally and internationally competitive programs, using technology-enhanced teaching and learning techniques. Academic programs impacted are Management Information Systems, Decision Sciences, Information Studies, Information and Computer Sciences, Management, and Communications, as well as general applied science and liberal arts core curriculum courses.

*State and Regional Economic Needs* – Specifically, this project will support the education of a diverse workforce to fill the shortage of workers in various technical and professional vocations with more ethnic minorities and persons of color. For example, Metropolitan State University is the most diverse university in the State of Minnesota, culturally and ethnically.

*Innovate to Meet Educational Needs Efficiently* – Metropolitan State has a partnership with Century College at the St. Paul Campus to serve students who have English as a second language. This project will facilitate that initiative by providing additional office and program space. The design of this project maximizes operating efficiency; since the building will now connect with St. John's Hall which will allow co-location of related academic departments located in St. John's Hall to efficiently share support spaces, staff, and equipment.

*Strengthen Community Development and Economic Vitality* – Over 95 percent of Metro's students continue to work and reside in the Twin Cities after graduation. Support services also included in this building will facilitate student retention, improve the quality of students' academic experience through quality technology-rich facilities, and foster a sense of community.

*Create an Integrated System* – Improve the stewardship and management of physical assets.

Institution Master Plans and Regional Collaborations:
This project is in close alignment with the institution's master plan developed jointly with Minneapolis Community and Technical College (MCTC) that was completed in 2002 and updated in 2004. This project satisfies top priorities of the master plan and provides for expanding programs; consolidating programs with diminishing enrollment; improving the instructional facilities for programs specifically geared to enhance the quality of the regions workforce; and reducing the asset preservation backlog.

This capital project has also been endorsed by the Metro Alliance, a partnership of regional MnSCU institutions. Space within this facility can be used by students who attend Metro Alliance institutions, including Century College which has educational programs serving new immigrants housed on the St. Paul campus.

The co-location with MCTC encourages seamless transitions for students with associate degrees to baccalaureate degree programs. The University collaborates with Metro Alliance institutions in the development of baccalaureate degrees for registered nurses, specifically with Anoka-Ramsey Community College and North Hennepin Community College. The "Power of You" is a collaborative program between MCTC, Saint Paul College, and Metropolitan State University.

In addition, completing this project will meet the university's technology plan objectives that emphasize the following strategies:

- Technology infrastructure needed to implement technology-based learning strategies, both for instructional and administrative purposes that are consistent with student, faculty, and industry expectations.
- Position the institution as an educational leader in information technology-based education.
- Ensure sufficient on-campus student access to current technology.
- Enable instructors to make use of technology in instructional delivery.
- Pursue emerging technologies that improve and expand student services and learning opportunities.

Enrollment and Space Utilization:
The University's enrollment projection through 2007 and 2008 were made to be fiscally conservative. However, it is possible that current collaborations with other MnSCU colleges as well as the "Power of You" initiative which funds tuition for Twin Cities-area high school graduates will have a positive impact on enrollment projections.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 4,662 | 4,571 | 4,571 | 4,600 |

A fall 2005 MnSCU Space Study reported campus classroom usage at 64 percent of available weekly room hours. The traditional Metro State degree-seeking student is a working adult. Metro State attracts this student by offering the majority of classes in the evening from 6:00 P.M. until 10:00 P.M. Monday through Thursday and all day Saturday.

There are 21 general use classrooms on the St. Paul campus. Six of these rooms have a capacity of less than 32 which is now the standard class size for many of Metro's course offerings particularly in Finance, Accounting, Management, Mathematics and Nursing - all programs that are growing. The demand for smart classrooms increases each semester, yet only five of the classrooms in St. Paul are smart rooms and they are all located in the new Library building. The St. Paul campus provides space for approximately 22 percent of the university's evening classes. Evening classes are offered on the three main campus sites as well as between ten and 17 off-site locations each semester. The off-sites include a number of MnSCU community and technical colleges in the Twin Cities area which can be relied on to provide space for one to six classes, but other sites are always being developed to keep up with the continually increasing demand for classroom and office space. In FY 2005, those sites included the University of Minnesota's Continuing Education and Conference Center.

This project, which is a one-for-one replacement of space formerly existing on campus, will provide additional classrooms to address over-crowding during non-traditional days and hours, as well as to facilitate learning through instructional use of leading-edge technology. It will also provide additional office space on the university's St. Paul campus where faculty and advisors are most visible and accessible to students.

**Project Rationale**

- The reconstructed/remodeled building provides students with a highly visible and centrally located facility from which they can access "smart" classrooms as well as student support resources, in a space formerly unusable because it did not meet life safety occupancy requirements.

- The current upper levels of the building are unusable due to many life safety and structural deficiencies. The demolished upper two floors of the "power plant" will be replaced by two new floors of technology-enhanced classrooms, a large lecture hall, and support spaces.

- This building is the last piece of the old St. John's Hospital site yet to be remodeled, and will complete the core campus square. Site conversion has spanned five biennia. Design for this project has been funded through schematic design.

- The facility condition assessment for this building identifies an estimated $3.9 million deferred maintenance backlog by 2008. This yields a MnSCU building Facility Condition Index (FCI) of 1.21 versus the system average campus FCI of approximately 0.13.

- The building addition will include four new "right-sized" smart classrooms, one large smart lecture hall, and two seminar rooms as well as approximately 16 academic program work areas.

Faculty requests to teach in "smart" classrooms have increased over 300 percent since FY2005, particularly for courses in Business Management, Management Information Systems, and Computer Information Systems. Interest in "smart" classrooms has outpaced the university's ability to meet faculty demand since 2001. Instructors indicate:

- a growing need for technology that allows multi-media presentations in the classroom,
- a need to access and navigate Internet sites as part of classroom activity (many help manuals and even some textbooks are now only available on the Internet), and
- the ability to deliver newly redesigned curriculum content developed with an expectation of "smart classroom" technology.

"Smart" classrooms will contain technologies that both display and record multiple electronic information including video, audio, and data. This electronic capability will support a change in educational delivery including alternatives to audio-only learning formats and training on the same equipment in which local industry has heavily invested to improve productivity. The electronic capacity will also support an educational delivery change from close-ended to open-ended problems requiring more creativity and exploration from students. "Smart" labs will support students working in teams using computers and the resources of the Internet. Both wired and wireless connectivity will enable the widest variety of electronic devices needed to facilitate teaching and learning. All lighting will be computer controlled to accommodate the technology-enhanced and media-rich curriculum that faculty are creating and students are demanding.

Both phases of this project taken together address $3.9 million in deferred maintenance needs projected by 2008 in MnSCU facility renewal module. Assessment studies in 1998, 2001 and 2004 have continued to support the need for replacement of the upper level of the existing building as the most efficient facility management strategy. The campus' central energy plant, valued at over $4 million and located in the lower level of this building, will be protected by this project.

Predesign:
This project moved to schematic design prior to the predesign requirement.

Capacity of Current Utility Infrastructure:
The existing campus utility plant located on the ground floor of this building will easily serve this addition within existing capacity.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:

- Because the university currently pays $45,000 per year to minimally maintain this facility, replacement of existing, unusable space with new construction will add only $25,000 per year to operating costs, and another $18,000 with one-half additional maintenance full-time equivalent (FTE).
- Completion of this project will reduce the backlog by $3.9 million including deferred maintenance for building shell and interior furnishes, Life Safety and ADA code compliance, Heating, Ventilating, and Air Conditioning (HVAC), plumbing and energy efficient lighting.

Energy Efficiency/Sustainability:
Energy efficient terminal fans, motors and lighting will be installed that are compatible with the existing mechanical and electrical systems in order to comply with the B3 Guidelines (MN Statute 16B.325) developed by the state and the most current best practice for designing energy efficient systems for existing facilities. Finishes and materials will be selected with the following criteria: to provide durable and long lasting environments; to provide materials with high post-consumer recycled material content; and, to provide materials with low-VOC (volatile organic compound) content to maintain a healthy indoor environmental quality. Waste management and selective salvaging of quality materials and systems will be required during demolition and construction to minimize landfill impact and to encourage the wise use of natural resources.

Debt Service:
Metropolitan State can accommodate the debt load for this project. This project and other projects previously funded and requested is less than three percent of Metropolitan State's general operating revenues.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for the university:

- Compromise the quality of instruction for an underserved student population
- Further delay considerable asset preservation work that has direct impact on quality of instruction
- Impede implementation of retention programs for students such as Power of You and Bridge to Success

- The university will need to lease related lesser-quality facilities in other off-campus locations for operational and not access reasons.
- Require the university to construct a temporary roof on top of the undemolished ground floor of the power plant. This is an unnecessary expense that can be avoided by addressing this building need.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 28 | 0 | 0 | 0 | 28 |
| 3. Design Fees | 282 | 80 | 0 | 0 | 362 |
| 4. Project Management | 56 | 286 | 0 | 0 | 342 |
| 5. Construction Costs | 442 | 3,510 | 0 | 0 | 3,952 |
| 6. One Percent for Art | 0 | 32 | 0 | 0 | 32 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 603 | 0 | 0 | 603 |
| 9. Inflation | 0 | 469 | 0 | 0 | 469 |
| **TOTAL** | **808** | **4,980** | **0** | **0** | **5,788** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 780 | 4,980 | 0 | 0 | 5,760 |
| **State Funds Subtotal** | 780 | 4,980 | 0 | 0 | 5,760 |
| Agency Operating Budget Funds | 28 | 0 | 0 | 0 | 28 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **808** | **4,980** | **0** | **0** | **5,788** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 36 | 72 | 108 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 35 | 70 | 105 |
| Building Repair and Replacement Expenses | 0 | 35 | 70 | 105 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 106 | 212 | 318 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 106 | 212 | 318 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,337 | 67.0% |
| User Financing | 1643 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Alexandria Tech College - Law Enforcement Center Addition

**2008 STATE APPROPRIATION REQUEST:** $10,500,000

**AGENCY PROJECT PRIORITY:** 17 of 37

**PROJECT LOCATION:** Alexandria Technical College

**Project At A Glance**

- Complete design of Phase 1 of Law Enforcement Center that was partially funded in 2006
- Construct Phase 1 of New Law Enforcement Center and tactical space that has multiple program use for Diesel Mechanics, Marine and Small Engines, Truck Driving, Health and Fitness, Carpentry.
  - ⇒ Allied health service use such as ambulance, Emergency Medical Technicians (EMT), and fire departments
  - ⇒ Gymnasium remodeling into teaching lab
  - ⇒ Renewal of general classrooms
- Request of $4.2 million is anticipated in 2010 for renovation.

**Project Description**

Phase 1:

- 62,300 gross square feet (GSF) Law Enforcement Center addition for labs and faculty offices
- 8,500 GSF remodeling of the gymnasium into an industrial teaching lab
- Renewal of 11,300 GSF of general classrooms
- Academic programs impacted will be Law Enforcement, allied public safety fields, Diesel Mechanics, Marine and Small Engines, Health and Fitness, and Truck Driving.

Phase 2 (2010 funding): Remodeling of 8,400 GSF of existing library, relocate library and bookstore by renovating 10,000 GSF, and demolition of two temporary classroom buildings (7,000 GSF). The new construction will eliminate the repetitive flooding and will save operating dollars for repair, replacement of damaged equipment and supplies, and mold abatement. Funding for design and construction of Phase 2 will be requested in 2010.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:

*Increase access and opportunity* **-** Through extremely dedicated staff and students the Law Enforcement program has been highly successful. This expansion allows the program to grow and add training for new allied public safety entities at a single site. The Law Enforcement program is committed to diversity, currently accommodating 25 percent of Alexandria Technical College's (ATC) entire minority population.

*Expand high quality learning programs and services* - This project will support expansion to a national student recruitment pool for new students preparing to enter law enforcement and for existing officers needing continuing education. The project will provide realistic, state-of-the-art simulations to train officers how to survive in highly dangerous situations. It provides a high-tech infrastructure to support teaching methods for new equipment being used in the industry. As a result of the high quality of education and training the law enforcement students receive, the Alexandria Technical College (ATC) Law Enforcement program has had over 40 graduates elected sheriff in the state and over 100 graduates appointed chief of police in the state since its inception. This project will build on ATC's reputation of providing high quality instruction by creating an integrated state of the art facility.

*Strengthen Community Development and Economic Development* - In 2005 Alexandria provided 51 days of campus training for local sheriffs, jailers, police, Department of Natural Resources (DNR) officers, and federal Internal Revenue Services (IRS) agents. The college also provides self defense, judo instruction, and fingerprinting of small children to the general community in connection to its Safety Awareness program, with over 500 children served to date.

*Create an Integrated System* - ATC provides Law Enforcement Skills training for students from six MNSCU institutions and six private colleges, allowing optimal use of specialized facilities. The expansion will allow these cooperative agreements to remain in place and provide for new cooperative agreements particularly with federal law enforcement agencies. The Facility Condition Index (FCI) of the college will improve with this integrated use of the new building as well as the right-sizing of existing classrooms and shop

areas. This new building will diminish the current shop space shortage and optimize classroom usage by renewing existing Law Enforcement classrooms near the new building and repurposing former Law Enforcement areas for other shop/lab programs.

Alexandria Technical College Master Plan and Regional Collaborations:
Alexandria's master facilities plan was presented to the Board of Trustees in April 2002 and is being updated in 2007. The master plan update will include analysis of the courtyard infill in relation to the renovation of existing facilities. The master academic and master facilities plans envision Law Enforcement as a Center of Excellence; construction of a new Law Enforcement Center is the top priority in both plans.

Regional Collaborations:
ATC provides law enforcement skills training for students from colleges and universities that offer only the academic portion of the required Peace Officer Standards and Training (POST) Board Professional Peace Officer Education. This is a ten week comprehensive skills training course offered in the summer. Over the last ten years, ATC has trained 1,090 students, in groups which for the first five years averaged 85 students each session but has increased to an average 132 in the last five years. These students come from colleges and universities from across the state, as well as from one South Dakota technical college. Law enforcement training is also offered through collaborations with the Minnesota Chiefs' of Police Association, Minnesota Sheriffs' Association, Minnesota Department of Natural Resources, regional Chiefs' of Police Associations, and the Internal Revenue Service (IRS).

Enrollment and Space Utilization:

| FYE Enrollment | 2002 | 2004 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| ATC Overall | 2,131 | 2,153 | 2,071 | 2,075 | 2,100 |
| Law Enforcement | 450 | 450 | 450 | 450 | 450 |

Although interest continues to grow each year, enrollment in Law Enforcement is currently capped at 450 students. The enrollment breakdown for these 450 students is: 160 first-years – 140 second-years – 150 Skills.

- Following completion of the Phase 1 project enrollment in Law Enforcement is expected to grow from 160 to 186 admits per year.
- Law Enforcement graduate placement rate at ATC averages 89 percent.
- Approximately 20 percent of all new peace officers licensed by the Minnesota POST Board annually are ATC graduates.
- Over 90 percent of ATC graduates pass the POST Board licensing exam.
- Graduates are employed with the Minnesota State Patrol, county sheriffs departments and city police departments, mostly in Minnesota.

Space utilization of the ATC gymnasium, which is heavily used by Law Enforcement for athletic and tactical training, is 125 percent of the available hours. The college has continued to right-size its facilities by modifying general classrooms into science labs, shops, and technology spaces. As classrooms are repurposed, they are equipped and allocated for growing degree fields.

Alexandria Technical College's FCI index is 0.22. This project will reduce that number through the demolition of all the remaining temporary buildings on the main campus. It is anticipated that this action will reduce the deferred maintenance costs by approximately $208,000. This, along with the remodeling of the gym into a shop/lab, will reduce the College's heating and cooling costs. The remodeling of the library in Phase 2 will improve that wing of the college through removal of an attached temporary building. The addition of the courtyard infill in Phase 2 will eliminate the flooding that has contributed to a maintenance backlog in the 600 wing. Although the college's existing boiler system is reaching its life expectancy, ongoing negotiations with the adjacent incinerator plant to provide steam to the campus could relieve some of the demands on the boiler and extend its useful life.

**Project Rationale**

Law Enforcement is a highly successful program at ATC that is being taught by energetic instructors with law enforcement experience. Unfortunately, existing undersized and technologically inadequate spaces hinder the instructors' ability to adequately prepare future peace officers.

The college has never had facilities designed specifically for Law Enforcement, even though Law Enforcement is its largest degree program. Law Enforcement averages 296 degree-seeking students while Carpentry, the next-largest program has 108. Law Enforcement instruction requires adaptable space with large open areas, physical training areas, and

computer technology. As a leading provider of law enforcement training, ATC needs appropriate space and capacity to prepare students for the complexities of law enforcement careers of tomorrow.

Current program needs and facility problems to be addressed are:

- Temporary buildings: Not energy efficient; do not meet acceptable fire standards and are expensive to maintain. The goal of the college is to remove all temporary buildings on the main campus and significantly improve asset preservation.
- Outdoor Firing Range: Noise complaints from the college's residential neighbors limit usability; outdoor conditions limit classes to one semester per year. Indoor firearms and tactical training facilities will allow for a wide range of simulated weather and night time lighting conditions while eliminating noise issues and weather constraints.
- Officer Survival Training: It is of paramount importance for students to learn the areas of safety and protective cover available to them in a variety of dangerous situations, such as streets, alleys, residences, commercial buildings, and storage spaces. The new building will provide these specialty spaces for a wide variety of scenarios and simulations.

*Tactical component* – The project will construct a large flexible "tactical warehouse" space 180' long and 30' high, simulating an actual urban environment, with mock-up indoor street/neighborhood environment for officer training, multiple program use such as the Diesel Mechanics, Marine and Small Engines, Truck Driving, Health and Fitness, Carpentry, and Allied health service use such as ambulance, EMT, and fire departments.

*Physical Training and Firearms component* – The project will also construct a large physical training room for fitness, obstacle course, and use-of-force training with locker rooms and a weight room, and an indoor firing range. This replaces the existing gymnasium that is currently at 125 percent capacity. The current gym will become a shop for either Diesel Mechanics or Marine and Small Engines, both of which have waiting lists due to space limitations. The firing range will be capable of conducting night firing activities without regard for weather conditions or noise. The firing range will have a ventilation system that protects the users and the environment by moving air past the shooter to down-range, removing and capturing lead dust and other contaminants before exhausting air to the outside. Outside agencies will be provided access to the range for a user's fee.

Predesign was completed, approved by MnSCU, and forwarded to the Department of Administration in August 2005. Schematic design for Phase 1 began with funding from the 2006 bonding bill and will be completed in February 2007.

**Impact on Agency Operating Budgets (Facilities Notes)**

New facility will increase operating expenses $160,000 per year. ATC will see an additional cost of $76,000 annually for two additional maintenance FTE's. Tactical space will not be air conditioned nor heated above 55 degrees. Approximately $8,000 per year will be generated from user fees.

Capacity of Current Utility Infrastructure:
Heat, cooling, domestic water and sewer service have adequate capacity. An electrical upgrade was recently completed and is adequate. Data and voice infrastructure will be extended from the adjacent computer science building.

Energy Efficiency/Sustainability:
Energy-efficiency for the new facility will be 30 percent above code. The college is negotiating the purchase of energy from the Pope/Douglas County Incinerator Plant. The state's energy conservation goals and sustainable building guidelines will be met or exceeded.

Debt Service:
Alexandria Technical College has reviewed the debt and assures that the campus can pay the annual average cost of $300,000 for this proposed project. This amount is under MnSCU's three percent guideline.

**Previous Appropriations for this Project**
Laws 2006, chapter 258, section 3 appropriated $400,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- Less than 45 percent of applicants are accepted into ATC's Law Enforcement program due to space limitations. Law Enforcement enrollment is capped at 450 total and a waiting list exists. Due to the capacity cap, in 2006 163 new students out of 373 applicants were accepted and in 2005 175 out of 385 were accepted. If budget restrictions on state and municipal law enforcement departments ease, existing student graduation rates may not be adequate to support the increased demand for licensed peace officers.
- There is a need for expanded continuing education offerings for existing officers to receive training, in facilities that will be available year round, in areas served by this project – specifically the firing range, the physical training room, and the tactical building. This need would not be met.
- Overuse of the current gym presents safety issues.
- ATC has entered into agreements to train national law enforcement agencies such as the Federal Bureau of Investigation (FBI) and IRS. These agreements cannot continue without additional space and modern facilities.
- Without infill construction, drainage problems will continue to cause expensive and disruptive damage in the 600 wing.
- The undersized and inefficient library will continue to contribute to the college's high FCI number, and the safety hazard due to its restricted accessibility for firefighting equipment will be unresolved.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 50 | 0 | 0 | 0 | 50 |
| 3. Design Fees | 310 | 380 | 224 | 0 | 914 |
| 4. Project Management | 90 | 379 | 238 | 0 | 707 |
| 5. Construction Costs | 0 | 7,967 | 2,250 | 0 | 10,217 |
| 6. One Percent for Art | 0 | 70 | 18 | 0 | 88 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 715 | 559 | 0 | 1,274 |
| 9. Inflation | 0 | 989 | 911 | 0 | 1,900 |
| **TOTAL** | **450** | **10,500** | **4,200** | **0** | **15,150** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 400 | 10,500 | 4,200 | 0 | 15,100 |
| **State Funds Subtotal** | 400 | 10,500 | 4,200 | 0 | 15,100 |
| Agency Operating Budget Funds | 50 | 0 | 0 | 0 | 50 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **450** | **10,500** | **4,200** | **0** | **15,150** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 152 | 152 | 304 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 317 | 317 | 634 |
| Building Repair and Replacement Expenses | 0 | 80 | 80 | 160 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 549 | 549 | 1,098 |
| Revenue Offsets | 0 | <16> | <16> | <32> |
| **TOTAL** | 0 | 533 | 533 | 1,066 |
| Change in F.T.E. Personnel | 0.0 | 2.0 | 0.0 | 2.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,035 | 67.0% |
| User Financing | 3465 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $13,900,000

**AGENCY PROJECT PRIORITY:** 18 of 37

**PROJECT LOCATION:** Hennepin Technical College, Brooklyn Park

**Project At A Glance**

- Design and construct a 59,000 GSF regional law enforcement training facility
- Replace 51,000 GSF of current leased facilities
- Provide more space for enrollment

**Project Description**

Construct a 59,000 gross square feet (GSF) regional law enforcement training facility to replace leased facilities which currently house Metropolitan State University and Minneapolis Community and Technical College's (MCTC) law enforcement and criminal justice programs.

- Under Minneapolis CTC and Metropolitan State stewardship, the existing leased facility serves as a regional tactical skills training center for students attending law enforcement degree programs offered at all metro public postsecondary institutions. This project constructs replacement spaces with higher quality learning environments.
- This facility will serve Metropolitan State, Century CTC, Inver Hills CC, Normandale CC, Minneapolis CTC, North Hennepin CC, and Hennepin TC.
- The new center will benefit all metro area institutions with law enforcement and criminal justice programs (e.g. Metropolitan State, Century CTC, Inver Hills CC, Normandale CC, Minneapolis CTC, and North Hennepin CC), since all are currently served at the leased Minneapolis CTC facility.
- It will also facilitate a unique collaboration with Hennepin Technical College's fire and emergency management degree programs. This convergence of emergency response training with Law Enforcement programs is particularly important for improving coordination and response during local and national disasters.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Modernization of teaching lab spaces will better prepare MnSCU's law enforcement students to meet POST Board licensing requirements. MCTC's A.A. degree will mesh seamlessly with related upper division offerings by Metropolitan State. In addition, access to Hennepin TC's fire and EMS programs will be improved. The unique student demographics of Metropolitan State and MCTC offer a unique opportunity to provide educational opportunities for many historically underserved individuals.

Specifically, this project will support the education of a diverse workforce to fill the shortage of workers in various technical and professional law enforcement vocations with more ethnic minorities and person of color. For example, 30 percent of the current students in Law Enforcement programs are individuals of color.

The Power of You program supported by this project is specifically designed to help retain students who typically have difficulty staying enrolled and to eliminate real and perceived financial barriers to higher education that prevent many high school students, particularly students at risk, from considering post-secondary education.

*High-quality Learning Programs and Services* - This project will provide instructional space that reflects current workplace environments and matches current pedagogical methodology. Examples are:

Improvements in educational Law Enforcement and Criminal Justice program spaces will create a higher quality learning experience. This will certainly mean that to date, future law enforcement officers will be better trained to meet the challenges of urban policing and homeland security. To date, the program has been held in adapted leased facilities. Having facilities especially designed for the skills training will provide more realistic simulation of intense training experiences.

*State and Regional Economic Needs* - Completion of this project will support significant economic benefits for the state and surrounding region.

- This facility will train the Law Enforcement/Criminal Justice professionals who will serve tomorrow's needs – particularly in the growing 7 county metropolitan area by 2014.
- The Department of Labor and Industry projects a 25 percent increase in employment for police, sheriff and patrol officers by 2014.
- By 2014, the State projects a 14 percent increase in the need for first time supervisors/managers and protective service workers.
- The State projects market growth of over 15 percent growth in employment of Detectives and Criminal Investigators.
- The Department of Labor and Industry estimate that over 5,000 new positions in Law Enforcement and Criminal Justice will need to be filled in the 7 county metro area by 2014.

*Innovate to Meet Educational Needs Efficiently* - MCTC and Metropolitan State Law Enforcement programs have demonstrated the strength of innovation by creation of the joint training center, and planned future collaborations with other public safety agencies with significant training needs (e.g. Minneapolis/St. Paul Police, Department of Homeland Security, Bureau of Criminal Apprehension, etc.), to offer a wide range of educational services that would not be feasible individually.

Institution Master Plans and Regional Collaborations:
Metropolitan State's joint master facilities plan with Minneapolis CTC was presented to the Board of Trustees in October 2002, and this capital project providing a permanent home for law enforcement skills training is a fundamental component of both institutions' master academic and facilities plans. In addition, the location on Hennepin TC campus is supported by that college's master plans for development of the north campus at Brooklyn Park.

This project is in close alignment with the institution's master plan completed in 2002 and updated in 2004. This project satisfies top priorities of the master plan and provides for expanding programs; consolidating programs with diminishing enrollment; improving the instructional facilities for programs specifically geared to enhance the quality of the regions workforce; and reducing the asset preservation backlog.

Regional collaborations include:
- The co-location with Metropolitan State, which encourages seamless transitions for students with associate degrees to baccalaureate degree programs, and
- Collaboration with Metro-Alliance institutions in the development of baccalaureate degrees for registered nurses, specifically with Anoka-Ramsey Community College and North Hennepin Community College.

The long-standing skills training partnership among all metro higher education institutions with law enforcement degrees exhibit the spirit of collaboration. It has in the past, and will in the future, allow police tactical skills training on a metro-wide basis without completing separate permanent facilities. This project furthers the academic plan of seamless integration of student matriculation from member institutions' law enforcement degrees to Metropolitan State's advanced public safety degrees, and the business plan of realizing lease cost savings. The project is consistent with pre-service training location needs identified by the Department of Public Safety.

In addition, this project will effectively address objectives in the joint technology plan, which emphasizes the following strategies:
- Build a state-of-the-art technical infrastructure to implement technology-based instructional methodologies consistent with student, faculty, and industry expectations.
- Ensure students sufficient on-campus access to current technology.
- Ensure instructors optimum use of technology in instructional delivery, particularly in life-threatening situations, such as computer simulated "shoot—don't shoot" scenarios.
- Pursue emerging technologies to improve learning opportunities.

Enrollment and Space Utilization:
Enrollment at both institutions has increased since Fall 1998 and is expected to continue growing.

| FYE Enrollment | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Minneapolis C&TC | 5,220 | 5,329 | 5,600 | 5,650 |
| Metropolitan State | 4,662 | 4,571 | 4,571 | 4,600 |

- Based on Hennepin Technical College, North Campus' space utilization records, a general shortage of classrooms exists on the North Campus.

- Based on Hennepin Technical College, North Campus' space utilization records, a general shortage of classrooms exists on the North Campus. For example, based on Fall 2006 data, the average classroom was used 94.2 percent of a 32 hour week instructional base. A 2004 Space Study confirmed over 100 percent usage of available classroom hours for Metropolitan State, Minneapolis CTC, and Hennepin TC at Brooklyn Park (north campus).

- Space utilization will be increased with the completion of this project because Metropolitan State, MCTC and HTC will have shared use of one facility rather than separate leased/owned facilities. This complementary demand for use will ensure classroom and lab usage day, night, and weekends.

Currently, law enforcement is a high demand program with capped enrollment. Credit hours in law enforcement and criminal justice have increased over 25 percent since 2000. Only space sufficient to meet current needs is leased. The new facility would enable cohort size to be expanded, increasing the number of students who have access to tactical and skills training in the growing metro region, and allowing cross-training with other first responders (fire and EMT).

**Project Rationale**

Several long-term goals and objectives will be achieved with the project.

- This project provides a 59,000 GSF new state-owned facility (to replace 51,000 GSF of existing leased facilities) including: adjacent exterior training simulation court (an exterior "street" where simulations of traffic stops/arrests can be conducted, evaluated and improved, or other public safety emergencies can be simulated), specialized, state-of-the-art laboratory and high technology training and simulation classrooms for law enforcement tactical skills, firing range, and classrooms, faculty and staff work areas, and student support areas.

- Currently, both institutions utilize costly lease space. Metropolitan State University leases approximately 16,000 GSF of space at 1450 Energy Park Drive in St. Paul which it uses exclusively for classroom instruction. Minneapolis CTC leases 25,000 GSF at 1380 Energy Lane in St. Paul, and rents time at an existing firing range (approximately 10,000 GSF). In spite of the addition of some new firing ranges in the metro area, experience proves that it is increasingly difficult to find firing range time slots due to increased pressure for use by other law enforcement agencies given the growing demand for in-service firearms training.

- The combined on-going lease costs totals over $900,000 per year, including hourly rentals at private firing ranges. A state-owned facility would be a more cost effective, long-term approach.

- MnSCU institutions educate 92 percent of all law enforcement officers statewide. The 7-county metropolitan region educates 40 percent of all law enforcement students passing the POST exam. Yet, unlike most other academic and professional programs, law enforcement has had to offer adapted programs in office buildings to provide specialized training scenarios. As a result, this important program has operated for 30 years without a professional-quality specially-designed facility to train future police officers in use of force.

- The construction of a permanent law enforcement tactical skills training facility will significantly improve law enforcement program quality while eliminating leasing costs, including the firing range. The new construction will support the ever-changing and challenging needs of municipal and county law enforcement, as well as state criminal justice agencies.

Predesign:
Predesign was completed in December 2005 by BTR Architects.

Capacity of Current Utility Infrastructure:
Hennepin Technical College received HEAPR funding in 2006 for heating plant replacement. As a result, the college's energy/utility plant has adequate capacity to serve this new facility. Connections to Hennepin TC's utility plant are included in cost estimates for this project.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Current combined on-going lease costs for both institutions total over $900,000 per year. Operating costs for the new building will be $295,000 annually plus $72,000 for an additional 2 maintenance FTE for a total yearly cost of $367,000. This yields annual savings of $530,000.

Energy Efficiency/Sustainability:
Energy efficient terminal fans, motors and lighting will be installed that are compatible with the existing mechanical and electrical systems in order to comply with the B3 Guidelines (MN Statute 16B.325) developed by the State of Minnesota and the most current best practice for designing energy efficient systems for existing facilities. Finishes and materials will be selected with the following criteria: to provide durable and long lasting environments; to provide materials with high post-consumer recycled material content; and to provide materials with low-VOC content to maintain a healthy indoor environmental quality. Waste management and selective salvaging of quality materials and systems will be required during demolition and construction to minimize landfill impact and to encourage the wise use of natural resources.

Debt Service:
Metropolitan State can accommodate the debt load for this project. This project and other projects previously funded and requested is less than three percent of Metropolitan State's general operating revenues.

**Previous Appropriations for this Project**

None

**Other Considerations**

Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for Metropolitan State, MCTC and Hennepin TC:

- Continue the shortage of related laboratory and training spaces that use leading technology as places to teach skill requirements
- Annual lease costs will continue and will increase
- Become increasingly difficult to locate and to schedule firearms training locations
- Compromise the quality of instruction for an underserved student population (approximately 30 percent of students are students of color)
- Impede the university's efforts to facilitate Law Enforcement program co-location with Minneapolis Community and Technical College
- Restrict laddering opportunities for associate degree and certificate recipients
- Limit Metropolitan State and MCTC's efforts to control operating costs by continuing payment of expenses "off campus" lease spaces.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 54 | 0 | 0 | 0 | 54 |
| 3. Design Fees | 546 | 250 | 0 | 0 | 796 |
| 4. Project Management | 104 | 463 | 0 | 0 | 567 |
| 5. Construction Costs | 0 | 10,551 | 0 | 0 | 10,551 |
| 6. One Percent for Art | 0 | 87 | 0 | 0 | 87 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,240 | 0 | 0 | 1,240 |
| 9. Inflation | 0 | 1,309 | 0 | 0 | 1,309 |
| **TOTAL** | **704** | **13,900** | **0** | **0** | **14,604** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 350 | 13,900 | 0 | 0 | 14,250 |
| **State Funds Subtotal** | 350 | 13,900 | 0 | 0 | 14,250 |
| Agency Operating Budget Funds | 354 | 0 | 0 | 0 | 354 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **704** | **13,900** | **0** | **0** | **14,604** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 144 | 144 | 288 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 590 | 590 | 1,180 |
| Building Repair and Replacement Expenses | 0 | 117 | 117 | 234 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 851 | 851 | 1,702 |
| Revenue Offsets | 0 | <1,600> | <1,600> | <3,200> |
| **TOTAL** | 0 | -749 | -749 | -1,498 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,313 | 67.0% |
| User Financing | 4587 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mesabi Range Comm & Tech College - Shop Space Addition & Renovation

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 19 of 37

**PROJECT LOCATION:** Mesabi Range Comm & Tech College, Eveleth campus

**Project At A Glance**

- Project schematic design was funded in 2006.
- Construction and finishing of 15,500 gross square feet (GSF) of shop space.
- Renovation for Americans with Disabilities Act (ADA) compliant restrooms.
- Project will eliminate $1.183 million in deferred maintenance backlog.

## Project Description

Construct, furnish and equip shop space to move the Carpentry and Industrial Mechanical Technology (IMT) programs back to campus from off-campus leased space. Renovate 115 square feet for new ADA compliant restrooms and in conjunction with the Higher Education Asset Preservation and Replacement (HEAPR) request replace heating, ventilation, and air conditioning (HVAC) and electrical systems in the 27,615 square feet of current space. This will include substantial air quality improvements, heating and cooling improvements in current labs, classrooms and office space.

Mesabi Range – Eveleth currently has a Facilities Condition Index (FCI) of 0.20 which is well above the overall Minnesota State Colleges and Universities average of 0.13. This is based on the $3.679 backlog and on a current replacement value (CRV) of $18.459 million. This project, along with the proposed 2008 HEAPR request, would remove $1.183 million of deferred maintenance which equates to removing 31 percent of the colleges backlog. This would decrease the colleges FCI from 0.20 to 0.14 which is a dramatic improvement.

## Relationship to Strategic Plan

MnSCU Strategic Plan:

*Increase Access and Opportunity* – The 134 students attending the first and second year Carpentry and Industrial Mechanical Technology programs will be able to access library services, career counseling, financial aid and other necessary student services if relocated at the home campus. Currently, first and second year Carpentry programs are located in rented space five miles from the Eveleth home campus. Additionally, Industrial Mechanical Technology first and second year programs are located in rented space eight miles from the home campus. This separation does not offer students access to participate in college student life and programming, to communicate electronically with other students or instructors, or to efficiently receive appropriate and adequate tutoring and disability support services. A 2005 Office of Civil Rights Review also identified a noncompliance on the Eveleth Campus for restroom facilities. This project will enable the construction of a male and female ADA compliant restroom.

*High-quality Learning Programs and Services* – Computer labs, computer classes, internet services, interactive technology and technical services are not easily accessible to students and instructors at the off-campus locations. The limited number of computers available to the students in these programs is an ongoing hardship and detriment to their learning process, particularly as they learn to order materials in their respective trades (lumber, windows and other building materials and machine parts from on-line catalogues). Go into any lumberyard, hardware store or machine parts store and ask a question, and then see how quickly that person reaches for a computer. Technical programs are synonymous with computer technology, simulation, online, and a multitude of software programs.

Technical programs benefit when expensive equipment can be shared. For example, the IMT program has a section on welding. The Eveleth campus has a welding program. Currently, the IMT students cannot be brought on to the Eveleth campus due to distance and time constraints, so the college is forced to duplicate very expensive equipment. Also, the current physical configuration does not allow the college to expand its programming capacity, which will ultimately put the college at risk to effectively meet the needs of a burgeoning regional economy. The new space will tie-in directly to the existing programs on the campus, yet is designed for the future.

*State and Regional Economic Needs* – The Custom Training division of Mesabi Range College continues to grow, particularly in the areas of mining and manufacturing. Having the carpentry and IMT programs back on campus and working more closely with complementary programs offers a comprehensive and seamless model of service to area learners and customers. Through a multitude of partnerships and via its mission, Mesabi Range is an integral part of community development and economic vitality.

*Innovate to Meet Educational Needs Efficiently* – Technical college graduates are expected to go to work in their field upon graduation. If the "school to work" model is going to function effectively, the student must be fully trained for seamless transfer to the workplace. The focus of this project is to align Mesabi Range's program offerings with industry technology and its learning technology infrastructure with that of the MnSCU system.

Institution Master Plans and Regional Collaborations:
Mesabi Range's master facilities plan was approved in May of 2003 and this project aligns to that plan.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **FYE** | 1,244 | 1,069 | 1,102 | 1,113 |

Enrollment surged in FY2002 through 2004 because of the closing of two taconite plants on the Iron Range. The mining industry is now on an upswing and the former employees that were trained are now working. Enrollment is more in line with historical ranges. However, the mining industry is predicting a 70 percent retirement rate of current employees in the next five to seven years. Programs at the Eveleth Campus lead the region in providing education and training for the mining industry. With the consolidation of programs to one campus, the college can more efficiently meet industry needs. Both the IMT and Carpentry programs are at full enrollment.

**Project Rationale**

This addition will resolve a shop space shortage that has forced Mesabi Range to lease 25,000 square feet of space at an annual cost of $4.45 per square foot. In addition, annual utilities and maintenance costs average $3.30 per square foot

Predesign:
Predesign was approved August 2005 and forwarded to Department of Administration. Work on schematic design began with 2006 funding.

Capacity of Current Utility Infrastructure:
Existing municipal water service, sewer services and boilers are adequate with HEAPR project.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
By remodeling and building the addition, the college's operating budget will actually decrease. The building operation per square foot expense for the currently rented space is $1.70 per square foot, as compared to $1.42 for the on-campus costs. The cost to provide maintenance services to the leased space runs $1.60 per square foot as compared to on-campus maintenance costs of $1.49 per square foot. The savings would equate to $0.39 per square foot.

This project would allow efficient use of staff and equipment. Moving the two programs back to the campus would allow the technical programs to share equipment for loading and unloading of program required supplies and share the use of hands-on demonstration equipment and other technologies. This would reduce additional costs that are now necessary since the leased spaces cannot conveniently share the equipment currently on hand at the campus.

Energy Efficiency/Sustainability:
Upgrading the HVAC and electrical systems in the current building will improve energy efficiency. Currently there are a number of means for heating and cooling the building. Electrical panels are old and need to be correctly sized to current capacities. These upgrades will improve heating, ventilation, and power needs of the campus as well as conserve energy dollars.

Debt Service:
The college is paying out approximately $150,000 in lease and building operation expenses for the spaces it leases for its IMT and Carpentry programs. The college's share of the debt service will be covered by savings caused by being able to eliminate these expenses when the two programs are brought back to the campus.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- The college will be forced to continue to lease space at additional cost to the college.
- There is a possibility of loss of food service at the Eveleth campus due to lack of sales since the largest programs are housed off-campus.
- The ability to fully meet the needs of area industries with the new Industrial Technology program will be limited, especially with students and custom training clients having to travel back and forth between facilities.
- Bringing the two programs back to campus would increase space utilization for the classrooms on the Eveleth Campus and would allow for better tutoring, financial aid, counseling, advising and other services to the students currently housed off campus.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 18 | 0 | 0 | 0 | 18 |
| 3. Design Fees | 319 | 74 | 0 | 0 | 393 |
| 4. Project Management | 167 | 246 | 0 | 0 | 413 |
| 5. Construction Costs | 14 | 3,746 | 0 | 0 | 3,760 |
| 6. One Percent for Art | 0 | 30 | 0 | 0 | 30 |
| 7. Relocation Expenses | 0 | 75 | 0 | 0 | 75 |
| 8. Occupancy | 0 | 385 | 0 | 0 | 385 |
| 9. Inflation | 0 | 444 | 0 | 0 | 444 |
| **TOTAL** | **518** | **5,000** | **0** | **0** | **5,518** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 5,000 | 0 | 0 | 5,300 |
| **State Funds Subtotal** | 300 | 5,000 | 0 | 0 | 5,300 |
| Agency Operating Budget Funds | 218 | 0 | 0 | 0 | 218 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **518** | **5,000** | **0** | **0** | **5,518** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 55 | 55 | 55 | 165 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | <114> | <114> | <114> | <342> |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | -59 | -59 | -59 | -177 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | -59 | -59 | -59 | -177 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,350 | 67.0% |
| User Financing | 1650 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Winona State Univ - Memorial Hall Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $8,400,000

**AGENCY PROJECT PRIORITY:** 20 of 37

**PROJECT LOCATION:** Winona State University, Winona

**Project At A Glance**

- Project schematic design funded in 2006
- Construction of 78,000 GSF expansion
- Backfill renovation of 4,860 gross square feet (GSF)
- Project will eliminate $400,000 in deferred maintenance backlog
- Project is leveraging $10 million in donor and student supported revenue bonds.

**Project Description**

Construct, furnish and equip an expansion of Memorial Hall to house the Winona State University (WSU) Integrated Wellness Complex. The expansion will wrap around the south and west faces of the existing building. Memorial Hall is a large academic and athletic complex of approximately 142,000 GSF, constructed in 1953 and doubled in size in 1972. Project includes design for the "backfill" renovation vacated Gildemeister Hall.

Major elements of the project include:

- The WSU Integrated Wellness Complex will be one of the first of its kind in the nation to truly integrate the six dimensions of wellness (Intellectual, Social, Emotional, Physical, Occupational, and Spiritual); not only programmatic but operationally.
- This complex will seamlessly integrate academic departments (Health, Exercise and Rehabilitative Science and Physical Education and Recreation) with student life and development departments (fitness, recreation/intramurals, health, health education, and counseling) and athletics.
- Components of the Integrated Wellness Complex include a 200 meter indoor fitness track, cardiovascular fitness and strength training facilities, gymnasiums, aerobics classrooms, the health services clinic, the counseling center; a health education and resource center; experiential learning labs; and classrooms, faculty and administrative offices.

This project lowers the WSU tunnel backlog and renewal Facility Condition Index (FCI) by $400,000 which equates to a reduction of 0.27 to 0.19.

The state of Minnesota is asked to fund only one-half of the overall project cost. The remainder of this project will be financed from private gifts (about 15 percent) and student-supported revenue fund bonds (about 35 percent).

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Considerable research in the student affairs profession supports that healthy students facilitates learning, promotes academic achievement and improves retention. Staff and faculty in the Integrated Wellness Complex will partner to provide intervention strategies designed to help hi-risk, and/or underrepresented/underserved students succeed. A number of health issues have great potential to impede academic progress such as alcohol and other drug use/abuse, difficulty coping with stress, relationships, transitions and loneliness, untreated mood, sleep and eating disorders, and violent behavior.

*High-quality Learning Programs and Services* – All departments occupying this complex have grown considerably in the past five years.

- Health, Exercise and Rehabilitative Science (HERS) and Physical Education and Recreation (PER) have grown from 421 declared majors to 542 in five years.
- Counseling staff have increased from 3.5 to five full-time staff.
- Health services have added a health education/promotion component with a wellness resource room fully staffed by students primarily majoring in Health Education, Nursing, and Exercise Science.

Increased space for these areas translates to improved and expanded services that further WSU's emerging 'Learning in the 21st Century (L21) concept for a holistic, engaged student-centered campus.

*State and Regional Economic Needs* – A unique partnership of private giving, revenue bonding and state capitol support further emphasizes WSU's focus on collaboration. In addition, this complex will be a partnership with MSC-Southeast Technical College – their students use the fitness facility and health services, plus their massage students will provide massage therapy in this complex as part of their academic experiential learning component (this is just one example, WSU will continue to explore collaborative programs/activities and joint use with MSC-STC).

*Innovate to Meet Educational Needs Efficiently* – This complex will be the cornerstone of a truly innovative model of integrating academics (theoretical, class based learning) with 'learning labs' provided by student life and development (PER and ES). Majors gain experiential learning through work with intramurals and fitness. Health Education, Nursing, Psychology, Social Work, and Counseling majors gain experiential learning through work with health and counseling services.

Educational needs will be met efficiently and effectively through the collaboration of direct services and programs, curricular infusion, community service learning and research studies. These areas will work together in an intentional and coordinated manner to develop a system and process for identifying student learning outcomes to be assessed through the maintenance of an electronic 'Student Learning Passport'.

Institution Master Plans and Regional Collaborations:
Winona's Master Facilities Plan was presented to the Board of Trustees in February 2005. This project proposes an exciting and unique partnership of public, private and WSU efforts to realize the expansion of Memorial Hall to house the WSU Integrated Wellness Complex. Expansion of Memorial Hall is a key component of the short-range plan set forth in WSU's 2005 master plan and supports the goal of integrating wellness into the University community by providing for health care, counseling, pharmaceutical services, and physical fitness opportunities for the student population.

The Integrated Wellness Complex is an outstanding example of WSU's 'Learning for the 21st Century' philosophy and will assist WSU in meeting their L21 goals noted below:

- Provide high-quality undergraduate and graduate programs that respond to economic, environmental and social challenges, and that serve as a durable foundation for the acquisition of the knowledge, skills, habits and capabilities of a well-educated person.
- Create a learning environment that promotes active learning, interdisciplinary collaboration, and new ways to work together within the university community, service region, and the world.
- Provide opportunities and experiences that instill global competencies and learning opportunities that will make a difference in improving the world.
- Develop the infrastructure that supports a culture of change and innovation and that demonstrates new ways of working together to provide an environment that supports and sustains scholarly excellence and outstanding student experiences.

Enrollment and Space Utilization:
Winona's enrollment has grown 18 percent since 1998 despite capped enrollment for many degree programs.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 7,682 | 7,690 | 7,800 | 7,800 |

Departments and programs included in this project had the following space deficits identified in WSU's 2005 Master Plan:

| College/School/Major Unit | 2008 Target Year Deficit |
|---|---|
| College of Education | (30%) |
| College of Nursing and Health Sciences | (25%) |
| Student Health Care and Counseling | (38%) |
| Physical Education and Recreation | (29%) |

Over the last five years the departments and programs included in this project have grown considerably:

- Declared majors in HERS and PER have grown 28 percent,
- Counseling staff FTE have increased 17.5 percent, and
- Health services has added a new health education/promotion component.

**Project Rationale**

WSU's Integrated Wellness Complex is a multi-disciplinary system that will sustain and enhance academic excellence; foster an effective, holistic learning environment; and demonstrate a supportive, inclusive community.

- The WSU Integrated Wellness Complex will be one of the first of its kind in the nation to truly integrate the six dimensions of wellness (Intellectual, Social, Emotional, Physical, Occupational, and Spiritual); not only programmatic but operationally. This complex will seamlessly integrate academic departments (Health, Exercise and Rehabilitative Science and Physical Education and Recreation) with student life and development departments (fitness, recreation/intramurals, health, health education, and counseling) and athletics.
- This innovative model demonstrates WSU's commitment to collaboration and providing a holistic learning environment that supports the notion learning occurs in and out of the classroom setting. This partnering will synergistically optimize the university's resources through shared and multi-purpose spaces, programs and activities. In addition, this complex will enhance students, faculty and staff working together to reach out to the community and be engaged in community programs and activities.
- This project proposes a unique partnership of private giving, revenue bonding and state general obligation bonding support. The state of Minnesota will only be asked to fund about one-half of the overall project cost. Private gifts and student-supported revenue fund bonds will finance the remaining costs. This private-public collaboration will add a major asset to WSU and the Winona community, at a relatively small cost to the state.
- The new addition will relocate the Counseling Center from Gildemeister Hall, Health Services from temporary space in Wabasha Hall, faculty offices from Memorial Hall, aerobics classroom space from Memorial Hall, and the cardiovascular and strength and fitness centers from temporary locations in Wabasha Hall. In all of these cases, the vacated spaces are needed to fulfill pressing academic needs.
- This innovative project allows WSU to provide for badly needed academic space, both in the new addition and in the backfill of vacated space. At the same time it fulfills major goals of the "Learning in the 21st Century" concept for a student-centered campus by bringing together, in one center, educational facilities, well-being facilities such as Counseling and Health Services, and wellness and fitness facilities which serve education, recreation and athletics.

Predesign:
The predesign was completed, approved by MnSCU, and forwarded to the Department of Administration in March 2005.

Approximately one-half of the design funding was appropriated by the legislature in 2006. The remaining design funding has been financed by student-supported revenue fund bonds. Contract documents will be ready so the project can go to bid funding is provided.

Capacity of Current Utility Infrastructure:
Winona's central utility plant was upgraded and new boilers and chillers installed in conjunction with construction of the new library a decade ago. The existing electrical infrastructure is adequate for the academic addition to Memorial Hall. Winona received $4.2 million in Higher Education Asset Preservation and Rehabilitation (HEAPR) appropriations in 2004 and 2006 to replace the ventilation in Memorial Hall. Upgrade of the steam and chilled water distribution loop serving Memorial Hall will be required and funded through this project.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The following annual building operations expenses will be incurred: $150,000 for compensation (3.0 FTE for maintenance personnel), $80,000 for building operation expenses, and $200,000 for the one percent renewal account.

Energy Efficiency/Sustainability:
The design will incorporate sustainable design approaches as outlined in the Minnesota Sustainable Building Guidelines. Specific targeted strategies include:

- reducing energy use to 30 percent below a comparable "code" facility
- reduction of building heat island effect
- building water use efficiency
- use of low-emitting materials
- incorporation of daylighting strategies
- utilizing locally sourced and recycled content materials
- waste minimization and recycling

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $400,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- WSU's goal of truly integrating student wellness facilities will not be realized. This will have a direct negative impact on the quality of student life at WSU and ultimately affect student recruitment and retention.
- Student wellness facilities will continue to be located in ill-suited spaces in Wabasha Hall and Gildemeister Hall.
- The opportunity to leverage $10 million in private gifts and student-supported revenue fund bonds for support of this project will be severely jeopardized or lost completely.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 39 | 0 | 0 | 0 | 39 |
| 3. Design Fees | 735 | 275 | 0 | 0 | 1,010 |
| 4. Project Management | 0 | 538 | 0 | 0 | 538 |
| 5. Construction Costs | 0 | 15,069 | 0 | 0 | 15,069 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 551 | 0 | 0 | 551 |
| 9. Inflation | 0 | 1,967 | 0 | 0 | 1,967 |
| **TOTAL** | **774** | **18,500** | **0** | **0** | **19,274** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 400 | 8,400 | 0 | 0 | 8,800 |
| MNSCU Revenue Bond | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 400 | 8,400 | 0 | 0 | 8,800 |
| Agency Operating Budget Funds | 39 | 0 | 0 | 0 | 39 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 3,000 | 0 | 0 | 3,000 |
| Other | 335 | 7,100 | 0 | 0 | 7,435 |
| **TOTAL** | **774** | **18,500** | **0** | **0** | **19,274** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 150 | 150 | 150 | 450 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 80 | 80 | 80 | 240 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 230 | 230 | 230 | 690 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 230 | 230 | 230 | 690 |
| Change in F.T.E. Personnel | 3.0 | 3.0 | 3.0 | 9.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,400 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn State Comm & Tech College, Moorhead - Trades Addition & LRC Design

**2008 STATE APPROPRIATION REQUEST:** $2,800,000

**AGENCY PROJECT PRIORITY:** 21 of 37

**PROJECT LOCATION:** Mn State Comm & Tech College, Moorhead

**Project At A Glance**

- Design and construction of 5,200 GSF Mechanical Construction Trades lab addition
- Design for 26,000 GSF classroom/library addition
- Demolition of building to allow for better placement of classroom/ library addition
- This project, along with a $5.2 million anticipated request in 2010 for renovation, will eliminate of $2.5 million in deferred maintenance backlog

**Project Description**

Design and construct a Mechanical Construction Trades addition in support of the Associate in Arts (AA) degree and Science and Technology programs. Design for a 2010 request of a three story Classroom/Library addition. (Project construction in 2010 will include demolition of a sheet metal building that is inaccessible and not code compliant.) This project will include construction of:

- 12 classrooms critically needed to be used by all programs on campus as well as in support of the new Nanoscience Technology program. These classrooms are critical due to the explosive growth in the campus. FYE went up over 35 percent from fall 2003 to fall 2006. Headcount is more dramatic with 2,402 students in fall 2006 compared to 1,676 in fall 2003.
- Adequate sized 7,000 square foot centrally located library facility that will become the educational hub of campus. The new library will provide a critical educational component for Associate of Arts programs. Library will serve the expanding science and technical programs by allowing for increased services as well as providing space for additional educational resources. The library will include computer resource spaces, quiet study areas, group study rooms, and larger service areas. The facility is sized to fit the present student population. This library / classroom addition will be the central learning point of campus providing resources for all of the library needs of the AA and Technical students.
- Shared mechanical construction trades lab, to be shared by the carpentry, construction management and refrigeration programs. Campus had previously constructed adequate mechanical systems to effectively and efficiently serve this infill addition. The space will include an internal mock building structure to serve the lab project needs of each of all the construction related programs in one space and is adjacent to the other Trades programs laboratories.
- Renovation of four classrooms that will be utilized by 200 students enrolled in the seven construction and service trades related programs.
- Demolition of the Air Conditioning and Refrigeration (ACR) building, a 1971 sheet metal building with 6,000 gross square feet. The building has an FCI of .60 and the location will allow for a better placement of the classroom and library as noted above.
- Elimination of $2.5 million in deferred maintenance, reducing the current campus Facilities Condition Index (FCI) by one half (from .16 to .08).

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - The current library facility size of only 3,372 sq ft extremely limits the ability to serve the current and growing campus population. The new library facility will support the AA program faculty and students by providing spaces for study, computer training, quiet study areas, and service areas.

The 12 new classrooms will be a variety of sizes consisting of 12 seat seminar space, 18, 24, 32, 40 and 48 seat classrooms. The campus presently reports 100 percent space utilization with only a 65 percent available seat usage due to not having the proper mix of classroom sizes. This project will correct that situation and increase the seat usage. The improved space utilization through the right-sizing of available classrooms will continue the campus use at 100 percent of the classrooms utilized with improved more efficient seat available usage.

The new trade's lab facilities will provide safe, appropriately sized and equipped spaces for faculty and students. The clustering effect of this program will enhance collaboration and connectivity between the trades. The new lab spaces will allow additional students to experience lab projects that are appropriate for the industry training needs. The facilities will provide appropriate accommodations for handicapped students.

Current classroom and lab shortages are limiting current course offerings as well as hampering a professional teaching and learning environment. For example, over 40 general education classes (as part of the recently implemented AA degree) had to be offered off campus in the former Edison Elementary School due to a shortage of available space on the Moorhead campus. Further, the teaching and learning environment in the off-campus space was hindered by the size of the rooms and the limited technology interface. With the general purpose classrooms on campus basically at capacity, there is little opportunity to add new courses or additional sections to accommodate increased growth. The dilemma is that the campus does have the opportunity for, and does expect, considerable growth to occur in general education courses and the Associate in Arts degree during the next five to seven years. An additional pressing need is science classrooms and labs. With the expectation that the college will expand its course offerings in the Science, Technology, Engineering and Math areas, additional classroom and lab space is a high priority.

*High-quality Learning Programs and Services:* This project will provide increased library spaces, classrooms, and laboratories and will provide an environment that expands student opportunities. Greater technology will be available by utilizing the library and Internet resources. General Lab facilities will increase student learning by providing additional space for projects such as the new Nanoscience Technology program. The facility will also enhance expanded lab experiences. Faculty and students will experience improved teaching and learning environments. The project will provide facilities that expand program offerings, curriculum and services to students and the region.

*State and Regional Economic Needs* – The AA program options available on the campus will provide increased educational opportunities to the citizens of the region. The educational opportunities provided by this project will improve the education and skills of the local and regional workforce. The AA degree has been offered on the Moorhead campus for only two years and currently has a headcount enrollment of over 900 students (691 FTE). Continued growth in the AA degree is estimated to double within the next five to 10 years. One of the key factors in the current and anticipated growth is the commitment to offering the degree program in the late afternoon, evening and other non-traditional times. The current facilities are inadequate to accommodate this growth.

The refrigeration program addition will enable valuable clustering and expansion of with other existing construction trades programs. This program is supported by the Home Builders Association of Fargo Moorhead as well as other regional mechanical trade contractors and materials suppliers. The programs will be supported by these partners with training equipment, materials, internship and co-op opportunities. Based on conversations with local HVAC contractors, the MSCTC-Moorhead campus has established a realistic goal of receiving equipment donations for the HVAC and RAC programs with a value of at least $100,000.

The Refrigeration and Air Conditioning (RAC) program typically enrolls 25-35 students per year and has had a total related employment rate of 100 percent during the past two years, with local starting salaries between $25,000 – 32,000 per year. It is anticipated that the new facility would allow the addition of a Heating, Ventilation and Air Conditioning (HVAC) program. While the RAC program primarily serves the commercial industry, the HVAC program would provide services to the residential market. The MSCTC-Moorhead Refrigeration and Air Conditioning program advisory committee, the group of approximately 15 business and industry representatives from the Moorhead-Fargo region voiced a strong need for a residential HVAC program. Such a program would likely enroll about 20 new students per year with local wages being between $23,000 - $30,000 upon completion. It is expected to have 100 percent placement based on other construction trades programs on the campus. U.S. Department of Labor statistics for the year 2004 (the latest statistics available) indicated that job prospects for HVAC and RAC technicians are excellent and due to anticipated retirements in the workforce, the need for skilled workers in these areas will increase faster than average through the year 2014. Locally, this need has been voiced strongly by the Home Builders Association of Fargo-Moorhead and numerous HVAC contractors and suppliers.

Consequently, the college administration has been collaborating with the leaders of the refrigeration, plumbing, and heating industries along with the Home Builders Association of Fargo Moorhead to create new programs as well as expand existing programs. The facility needs necessary to expand the current refrigeration program are included within this project. Due to the high regional demand in the construction and facility service industries, additional programming in the Heating, Ventilation and Air Conditioning industry are planned to support the growing regional demand for a highly trained labor force.

Increased educational opportunities provided by this project will improve the education and skills of the local and regional workforce. The following construction trades corporate partnerships will be in place at the time this request is considered:

- A metro-wide collaboration of plumbing contractors which currently supports the campus Plumbing program
- A metro-wide collaboration of HVAC contractors who are keenly interested in new programming to prepare HVAC technicians

Additionally, the new Nanoscience Technology program is a partnership between Minnesota State Community and Technical College and the North Dakota State College of Science. With a strong foundation of science and mathematics courses in the first year of the curriculum, this program will require access to classrooms with high quality instructional technology as well as well-equipped science labs.

*Innovate to Meet Educational Needs Efficiently* – The Mechanical Construction Trades lab will provide the RAC program significant opportunities for learning enhancements. The program is developing much closer relationships with business and industry, which in turn is leading to more equipment donations. The current facility does not allow for adequate use of these donations. Consequently, the new lab would allow the college to accept more donations, as well as better utilize them. More importantly, a new lab would provide an opportunity to build HVAC options within the existing program without other major expenditures. The campus does have experience in shared lab facilities – its Construction Electricity and Plumbing programs currently are co-located in a newly constructed Trades lab and this provides a good template for future construction trades programming. The proposed Mechanical Construction Trades lab would be constructed next to the new Construction Electricity and Plumbing lab so that the programs could share resources.

The campus is taking a leading role in the Moorhead-Fargo community in evening programming. The Associate in Arts degree is designed for late afternoon and evening delivery. Current facility constraints in room availability are a problem these additional classrooms will solve.

Moorhead-Fargo metropolitan area has a significant population that cannot access general education courses during the day due to such issues as work schedules, child care, etc. Consequently, MSCTC is committed to finding creative ways to provide courses and programs in non-traditional times. The campus has had great success in developing its AA degree in an alternative time format with its existing facilities, but the lack of general education classrooms is a major barrier to current and future growth. AA degree courses supported by this facility expansion and renovation will transfer to Minnesota State University Moorhead and other higher education partners. Custom Training Services, Moorhead Community Ed and local union educational partners will utilize the library, classroom and lab facilities.

Institution Master Plans and Regional Collaborations:

Minnesota State Community and Technical College represents a regional collaboration of the MSCTC campuses in Detroit Lakes, Moorhead, Wadena and Fergus Falls, along with the Gateway program. The Gateway program is a partnership with Minnesota State University Moorhead to provide those learners who do not meet the university's academic admission requirements with the skills necessary so that they might eventually be able to enroll in University level programs. The primary strategic goal for these collaborations is to train a skilled workforce for the regional area. The Moorhead Master Plan created in 2000 has been updated to recognize these collaborations. This project is the direct result of that collaboration, the academic strategic plan and the 2004 Master Facilities Plan / Predesign as updated.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 1,467 | 1,902 | 2,000 | 2,100 |

The campus currently schedules classes from 7 AM to 10 PM, five days a week with some Saturday classes. Scheduled classes starting with the 7 AM time slot thru the 8 PM time slot utilize 85 percent of the available campus classrooms.

**Project Rationale**

MSCTC - Moorhead's AA degree offers an option to students in the area that wasn't previously available until two years ago. Classes are scheduled on weekday afternoons, evenings and some weekends, so that students can create a flexible class schedule that fits lifestyle and work schedules. MSCTC-Moorhead, working with Minnesota State University Moorhead (MSUM) developed a list of courses to meet the needs of those students considering a major field of study in business, criminal justice, education and human services. These are some of the most popular majors at MSUM.

The AA degree was first offered Fall Semester 2004. There are currently 942 students declaring the AA degree as their program major. MSCTC-Moorhead is becoming “the community and technical college” of the Fargo-Moorhead metropolitan area. However, as the community continues to grow, other two-year colleges (particularly from North Dakota) are anxious to develop a presence in the metro area. Should MSCTC-Moorhead not be able to accommodate increased student enrollment, it is quite likely that these other colleges would use this situation as a rationale for bringing courses and programs to the community. And if other two-year colleges do bring courses and program to the metro area, the results will likely be a reduction in enrollment potential for MSCTC-Moorhead. Therefore, adequate facilities are essential if MSCTC-Moorhead is to be able to continue on its path to serve increased numbers of students and to continue to be “the community and technical college” of Moorhead-Fargo.

Predesign:
The predesign update has been completed and delivered to the Office of the Chancellor.

Capacity of Current Utility Infrastructure**:**
All the infrastructure upgrades necessary to support this expansion were included as part of the 2005 funded construction project which will be completed by December 2006.

This foresight in planning means that the dollars per square foot are less due to previously installed electrical distribution center, new mechanical room, new hot water boilers, new central chiller that were all sized to allow this future expansion. Fire sprinkler protection for the entire contiguous building was provided as well as an upgraded addressable fire alarm and notification system throughout the campus.

Use of this current infrastructure will allow for an aggressive schedule to have the project competed by fall of 2010.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses (heating, cooling, electrical, refuse, one percent renewal account, etc): It is anticipated that the new construction space will add about $100,000 to the operating budget of this campus.

Energy Efficiency/Sustainability:
The proposed buildings additions will be designed in accordance with state and local codes, including the Minnesota Energy Code, and exceed the Minnesota Energy Code as required by MnSCU standards. Building systems (structural, mechanical, electrical) will be designed with maximum flexibility in mind to facilitate future remodeling and reconfiguration of spaces. Existing exterior walls enclosed by the new additions will benefit from higher energy efficiency of walls, roofs, and openings. Natural daylight will be utilized to supplement artificial lighting where available. Exterior glazing will be located with consideration of sun orientation, and appropriate sun control measures taken to avoid unwanted heat gain. All new lighting will be energy efficient. Occupancy sensors will be provided to activate lighting and ventilation in spaces as appropriate. Recycled content or renewable products will be favored in material selection. Low VOC finishes will be specified to minimize off-gassings, both immediate and long-term.

Debt Service:
The proposed facility project will provide improvements to major areas of the campus that will allow for enrollment growth. The campus Associate in Arts degree has had an enrollment growth of approximately six percent this year. The college anticipates that these programs will continue to grow their enrollment on the Moorhead campus by approximately five to 10 percent annually. The construction of a modern library will enhance the draw for the AA program.

The other major portion of the project is to de-construct metal buildings that house the air conditioning/refrigeration programs and replace them with more modern facilities, efficient buildings that will replace the metal structures. Additional classrooms and science laboratories will support the new Nanoscience Technology program and other new programs which will provide for enrollment growth.

The debt service on this specific project will be approximately 0.40 percent of college operating budget. With the existing debt service on previous projects, it will not be over 1.3 percent of the operating budget – which is well under the suggested guideline of three percent from the Department of Finance.

**Other Considerations**

Asset Preservation, Life Safety and Code Compliance – There is about $141,000 of deferred maintenance backlog for the metal Air Conditioning and Refrigeration (ACR) building with another $195,000 projected in 2008. This project will eliminate these costs. The FCI of the ACR building will be reduced from .60 to 0.

The current ACR building is in code violation, does not have direct access from the main building and contains no accessible toilet facilities. The proposed project would move the program to a permanent accessible space. When all of the infrastructure upgrades are included in the next Facilities Renewal Reinvestment Model update the FCI will be greatly improved. Over $2.5 million of the 2005 project was for campus wide infrastructure, fire and life safety upgrades in anticipation of this project; many in anticipation of this proposed addition. MSCTC-Moorhead currently has an FCI of 0.16. Adding in the additional area of new construction and the reduction of deferred maintenance indicated on the FRRM report will lower the FCI to 0.08.

Consequences of Delayed Funding:

- MSCTC-Moorhead will not be in a position to serve the students of the region in a manner directed by the goals of the MNSCU Board of Trustees, Chancellors goals and MSCTC goals.
- MSCTC-Moorhead will lose students to other colleges due to inability to get required courses at the needed times to due lack of classrooms and labs.
- New programs and courses delivered in Moorhead-Fargo metro will be done by North Dakota colleges if MSCTC-Moorhead is not able to add new classroom space, library and trades areas to respond to community needs.
- The college will be unable to grow the Associate in Arts degree, which has been the proven catalyst of the recent student growth at MSCTC-Moorhead.
- There will be concerns over safety of existing 1971 tin structure and major delay in developing the HVAC program on the Moorhead campus
- Clustering program development in the entire construction trades area, which benefits overall workforce and economy in the region, will be lost.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 635 | 175 | 0 | 810 |
| 4. Project Management | 0 | 122 | 142 | 0 | 264 |
| 5. Construction Costs | 0 | 1,580 | 3,540 | 0 | 5,120 |
| 6. One Percent for Art | 0 | 12 | 33 | 0 | 45 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 199 | 355 | 0 | 554 |
| 9. Inflation | 0 | 252 | 955 | 0 | 1,207 |
| **TOTAL** | **0** | **2,800** | **5,200** | **0** | **8,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,800 | 5,200 | 0 | 8,000 |
| **State Funds Subtotal** | 0 | 2,800 | 5,200 | 0 | 8,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,800** | **5,200** | **0** | **8,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,876 | 67.0% |
| User Financing | 924 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Anoka Ramsey Comm College - Classroom Building Addition Design & Construction

**2008 STATE APPROPRIATION REQUEST:** $3,800,000

**AGENCY PROJECT PRIORITY:** 22 of 37

**PROJECT LOCATION:** Anoka Ramsey Comm College, Coon Rapids campus

**Project At A Glance**

- Phase 1: Design and construction of an 14,000 GSF academic addition for classrooms and offices and 2,500 GSF for advancement offices.
- Phase 2: Design for a renovation of a 16,400 GSF industrial arts and music facility (related to request in 2010).
- Academic impact of both phases: additional needed classrooms, offices, improved floor plan for the delivery and expansion of AFA-Art, AFA-Music, isolates industrial arts programming safeguarding hazardous waste and improving indoor air quality.
- Phase 2: Renovation request of $5.0 million is anticipated in 2010. This Phase will renovate remaining portions of 1969 building to bring lighting, accessibility, air quality, technology, and academic spaces into compliance with 21st century pedagogical, spatial, and use standards.
- This project, along with the 2010 request, will reduce the building's FCI from 0.29 to 0.03.

## Project Description

This project is in two phases. Phase 1 constructs a modest addition in 2008 for needed classrooms and offices. Phase 2, planned for construction in 2010, renovates the original 1969 outdated and code deficient Fine Arts Classroom Building.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Modernization and expansion of the Fine Arts/Music Building will provide greater access for the growing number of liberal arts and PSEO students interested in music and/or art as an area of study. As the result of significant growth in program enrollments, only 20 percent of Coon Rapids students are able to participate in art and music courses. Anoka Ramsey Community College (ARCC) has over 200 declared majors for its Associate of Fine Arts in Music (AFA-Music) and the Associate of Fine Arts in Art (AFA-Art) degree programs. The growth in these programs requires that degree courses are offered in a timely fashion to allow majors to meet program requirements. This in turn reduces space availability for course offerings directed toward liberal arts students interested in music and/or art as a transfer course option. These courses are also not available to the over 550 PSEO students on campus.

In 2006 over 1,400 students participated in the 52 music and arts course offerings. This project will dramatically increase access and opportunity for the remaining 5,700 students on campus. There is also an increased interest in music and arts courses by community members in pursuit of lifelong learning.

Glass Blowing, as the only program of its kind in MnSCU, has had to cap the number of students allowed to participate due to the limitations of the current Music and Fine Arts facility. The existing sections of Glass Blowing fill within 48 hours of posting. With adequate space, additional sections could be added. Photography II also fills within 48 hours of posting, so with sufficient space additional sections could be offered.

*Unique High-quality Learning Programs and Services* - ARCC's AFA in Music degree is one of two programs offered in the Metro Alliance. ARCC and Normandale Community College are the only Metro Alliance colleges to offer both an AFA in Music and an AFA in Art. Normandale Community College and Inver Hills Community College both received funding to update their aging Fine Arts facilities in past bonding cycles.

Glass Blowing:
Anoka-Ramsey is one of two community colleges in the country hosting a glassblowing studio. ARCC's glassblowing program is one of the oldest in the country, earning it a national reputation. While glassblowing is a popular class among traditional undergraduate populations, the college's studio and instruction have attracted guest artists from across the world to study at ARCC.

Bronze Casting/Pottery Firing/Raku:
In addition to the glass blowing furnaces, other activities supported by the building include Bronze casting, Pottery Firing, Raku creation and use of an industrial tool shop – saws, compressors, drills and other power equipment. These activities create noise, vibration, fumes, smoke, airborne particulates and heat. Additionally these activities can become a hazard to those not familiar with their use. This project seeks to properly group, isolate and/or separate more traditional areas such as classrooms, offices and common areas from the sounds and air quality hazards generated from music and industrial arts activities. Additionally, band and choir education and practice areas have unique requirements for sound isolation and attenuation that will be addressed by this project.

Visual Arts:
The renovated facility will support a computer lab that provides students with access to essential software, including Adobe Photoshop, Adobe Illustrator, and additional graphic design programs. The lab will also be available to the Music Department to provide students access to teaching and composing software, as well as piano keyboarding software.

All instructional areas will be supported by smart classroom technology.

*State and Regional Economic Needs* – This project strengthens ARCC's contribution to the cultural health and economy of the community. A U.S. Labor Department report (SCANS) cites the arts as a factor in achievement of core competencies for gainful employment, i.e., foundational skills such as creativity, problem-solving, and individual responsibility. The project also addresses related program needs outlined by the Metropolitan Council of Arts for the northern metro area. The AFA in Music supports the goal of the MnSCU system to strengthen community development and expand economic vitality. Data compiled by Bruce Sternagel, including projected openings and wages for music occupations, suggest that a need for additional fine arts teachers exists in the next six years. The National Center for Education Statistics (2000) also reports a shortage in prepared music teachers in the Midwest including Minnesota.

The AFA in Art also supports the goal of the MnSCU system to strengthen community development and expand economic vitality. The arts improve quality of life for individuals and communities. Various studies confirm the role of the arts in contributing to individual enjoyment and healthy communities. Two studies by the Performing Arts Research Coalition (PARC) surveyed residents of greater metropolitan areas including Minneapolis/St. Paul. Over 80 percent of respondents strongly agreed or agreed that the performing arts improve the quality of life in their community, helping to attract workforce talent and new businesses. Minneapolis-St. Paul is identified as a premier center for the arts. (Markusen, Schrock, and Cameron, 2004). Considering all of the available evidence, the training of art and music majors is important.

*Innovate to Meet Educational Needs Efficiently* **-** ARCC has a healthy reputation for serving as a good steward of its capital assets. The renovation and expansion of the existing facility is fiscally responsible because it minimizes added overhead, dramatically reduces the deferred maintenance backlog and mitigates several health/safety concerns, while not requiring tuition increases above typical inflation adjustments. Flexibility in scheduling combined with more classroom and lab space will reduce the average cost per student.

More importantly, the project provides for an improved learning environment and maximizes shared spaces. The project creates appropriate adjacencies and separations for similar and dissimilar environments respectively. The planning maximizes the view of the Mississippi River allowing for a modest amount of future growth on the riverside.

Institution Master Plans and Regional Collaborations:
The renovation and expansion project is the result of continued planning through ARCC's Academic Master Plan, Strategic Plan, *Designs for Distinction*, and the Facilities Master Plan (approved in September 2004). This project is the top priority identified for the college in the Facilities Master Plan and it is pertinent to the Academic Master Plan's goal for "10 new and/or enhanced academic programs."

After completing an AFA in Music, students may transfer to four-year programs and complete their Bachelor of Art in Music, Bachelor of Science in Music Education, or Bachelor of Science in Music Industry. ARCC currently has articulation agreements with the University of Minnesota, Minnesota State University, Mankato and Augsburg College. ARCC is currently in the

process of completing articulation agreements with Bemidji State and the University of Wisconsin, River Falls.

The Associates in Fine Arts in Art was added fall 2005. The AFA in Art currently collaborates with Winona State University, Minnesota State University - Moorhead, the University of Minnesota Duluth, Concordia University and McNally-Smith. Both programs have furthered relationships with Anoka-Hennepin, ISD #11. Program faculty are reaching out to the Fred Moore Middle School, a magnet school for the arts. ARCC faculty offer grades 6-8 opportunities to learn about careers in music and art.

Other community collaborations include Anoka Children's Theatre, Anoka County Arts Alliance; Anoka County Retired Senor Volunteer Program, Minneapolis Children's Theatre, Minnesota Historical Society, Lake Wobegon Brass Band and Kid U. These groups utilize the Fine Arts Building for classes, rehearsals, exhibits, and ensembles.

Through pointed donations for the arts, the Anoka-Ramsey Community College Foundation has pledged $120,000 toward equipment for this project.

Enrollment and Space Utilization:

Campus FYE

| FY2000 | FY2004 | FY2006 | FY2008 (est.) |
|---|---|---|---|
| 2,837.2 | 3,533.5 | 3,589.0 | 3,888.0 |

Art and Music FYE

| FY2000 | FY2004 | FY2006 | FY2008 (est.) |
|---|---|---|---|
| 125.3 | 195.9 | 193.9 | * |

*Current facility is at capacity.

Program space in Fine Arts and Music is insufficient. MnSCU space utilization reports do not reflect the actual use of spaces in the Fine Arts Building. The spaces double in function, including all art classrooms doubling as studios and lab space, plus all music classrooms doubling for practice and lesson space. Glassblowing and Bronze casting currently share the same program space. On days when bronze is cast, the glassblowing lab is shut down. All glassblowing students are required to forfeit lab time on those days. This adds to an already deficient amount of student lab time. Additionally, there is essentially no space for students to store their instruments or art supplies. Extra instruments are stored in the hallway of the Fine Arts building, causing congestion and safety concerns. All Art and Music students are required to access the facility on weekends to complete lab and practice requirements. There are currently no general classrooms in the Fine Arts Building. The addition of even a few flexible, shared classrooms helps alleviate competition for classroom space across the campus. Additionally, a new floor plan provides the flexibility to schedule classes on Saturdays. Currently, Saturdays are reserved for student access to open labs.

Another concern regarding the existing Fine Arts Building is inadequate space for materials, supplies and machinery. Enrollment in art courses average over 95 percent capacity for the past two years. Maximum enrollment numbers in art courses are set at a fiscally responsible level (30:1) and would be increased if space allowed. However, when courses are at or near maximum available seating, the space in the classrooms/studios becomes very crowded, resulting in a challenging environment in which to teach and learn. Overcrowding has produced significant social distancing problems, including standing room only during lectures, and group work being held in the hallway.

**Project Rationale**

Phase I of the project will accommodate academic growth resulting from a new Associate in Fine Arts Degree(s) and overall college enrollments and reduce the multi-year waiting lists for certain studio arts classes. The second phase of the project will create an improved floor plan isolating music from industrial arts programs and correct multiple deferred maintenance, accessibility and health/safety issues. The project separates the sound and vibration sensitive Music Arts from the often loud, smoky and smelly Industrial Arts. This project will also provide:

- opportunities to realign and grow programs in support of strategic and academic master planning goals
- a reduction in the current building FCI of .29 to .03

- for the correction of multiple deficiencies including safety and ventilation concerns in the existing Fine Arts Building
- improved function and efficiency of existing spaces in the Fine Arts Building
- improved service and loading access to and within the Fine Arts Building
- the ability to centralize other industrial art programs to the Fine Arts Building
- technology enhancements
- multipurpose space in support of the college's academic mission
- improved learning environment for students pursuing an AA or AFA degree
- the physical isolation of the glassblowing lab to allow for 24/7 access
- more flexibility in scheduling
- right-sizing and balancing program space, allowing for future growth

Building Concerns:
The ARCC Fine Arts Building continues to use its original infrastructure supporting a 16,400 SF area. Construction of the building began in 1969 with an occupancy date of 1971. This facility serves primarily as an industrial arts building and suffers from health and safety concerns related to antiquated building systems. A deficient floor plan contributes to safety concerns and does not support current academic programming needs. The art program necessitates use of toxic chemicals, potentially dangerous machinery, and excessive exposure to particles of clay and glaze dust. The ventilation system in the building is outdated, resulting in poor indoor air quality throughout the building. The heating/cooling systems are also antiquated and do not safely control the excessive heat generated by the kilns and furnaces.

Planning for the Fine Arts renovation provides ARCC the ability to align renewal efforts with deferred maintenance priorities. Project also completes current key elements of the college's Facilities Master Plan.

Program Functional Concerns:
In line with its core values, ARCC supports several industrial and fine arts programs including glassblowing, ceramics, pottery, drawing, painting, photography, and vocal and instrumental music. The combination of these programs and their physical proximities to one another requires the college to constantly monitor potential safety issues, thus incurring higher operating costs. The acoustic proximity of these classrooms to one another is not resolved by merely renovating Fine Arts. An expansion and relocation will allow for modernized infrastructure that addresses the needs specific to Arts and Music programs and courses. Fine Arts infrastructure must accommodate the storage of heavy supplies and deal with particles of clay and glaze dust, vapor and chemicals. Additionally, correcting the HVAC systems and realigning program space will correct concerns associated with the use of hazardous materials and machinery. Even with improvements to the current system, vapors generated by the creation of studio arts is not compatible with the type of air movement important for musicians whose most important instrument is their own breath.

From an instructional standpoint, the current floor plan leads to frustration on the part of faculty, students and administrators. The glass blowing room is only adequate for hands-on instruction, forcing the instructor and students into the hallway for lecture. Ongoing, often costly, accommodations are made in support of classroom activities. Current deficiencies of the building can be found in every existing discipline.

The first step in correcting the physical and academic deficiencies of the Fine Arts Building is to expand the facility to allow more industrial uses to be combined and segregated from other traditional uses. This corrective step will keep much of Music where it is now and will move most of the noxious arts activities into a new area to better align like programs functionally, provide correct classroom and rehearsal space, and to provide necessary academic support space. Correcting the Fine Arts Building concerns through this renewal, renovation and expansion project will provide room for safer storage areas for raw materials; and it will isolate dust particles, handle fumes from the kilns, and adjust the functional floor plan to centralize industrial arts-type programs such as ceramics, glassblowing, painting and photography. Music education will be separated from these activities to reduce the negative impact that the current proximity creates.

Predesign:
Predesign was completed December 2004 and updated December 2006. The project cost and scope have not increased over inflation from the 2004 submittal. The overall project scope in 2008 has been reduced by $3,700,000 from the original 2004 submittal.

Capacity of Current Utility Infrastructure:
Heating: The three dual fuel (gas/oil) boiler/burner units are in good working order and have sufficient capacity to heat the new building areas.
Cooling: The two water-cooled centrifugal chillers installed in 1997 have sufficient capacity to cool the new building areas.
Electrical: The existing 15 KV loop system, which distributes power throughout the campus with 15 KV loop switches located within each of the buildings, is in good order and of sufficient capacity to expand the system.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

- The project will have a $51,000 annual impact on the operating budget.
- The 14,650 SF addition will not require additional staff.

Energy Efficiency/Sustainability:
The new construction and renovations will emphasize energy efficiency and minimize operational costs. Sustainability design strategies are proposed for the project. They relate to energy usage, interior environmental quality and material selections as follows:

- Expanding and renovating the existing facility will retain embodied energy, reuse existing space and allow for possible excess heat capture and reuse.
- The project will allow for better exterior storm water management and possible introduction of rainwater gardens.
- Renovation will allow the Fine Arts Building to be updated for HVAC and electrical codes including energy efficient green design requirements.
- All the single pane glass in the building will be replaced with energy efficient glass.
- The outdated, inefficient AHU's (Air Handling Units) will be replaced with new, energy efficient AHU's.

Debt Service:
Projected debt service between 2010 and 2013 will be less than one percent of campus annual operating expenses.

**Other Considerations**

Consequences of Delayed Funding:
*Increased health and safety concerns*: Until the project is completed the college and its students, faculty and staff may be at risk with the potential for excessive exposure to air pollutants from dust particles and chemicals including Volatile Organic Compounds (VOCs). This project addresses concerns regarding compliance with OSHA Standards 1910.19, Special Provisions for Air Contaminants, 1910.94, Occupational Health and Environmental, (Ventilation) and applicable portions of the USEPA requirements under the 1990 Clean Air Act. Lastly, the gas kilns and elevator are not compliant with today's safety standards.

*Inability to provide excellent pedagogy*: The Music Department program space has been outdated and inadequate since the late 1990s when it was deleted from a previous capital request. Teaching and learning will continue to be hindered, especially by unacceptable technology-enhanced space. Current alignment impacts student learning in Music and Art courses alike. Lastly, lack of appropriate program space limits Music and Art course scheduling options for students completing their AA or Minnesota Transfer Curriculum, which is ARCC's largest program.

*Potential loss of students seeking music major*: ARCC cannot remain competitive for music students given the current program space, configuration, and equipment, plus the program's negative proximity to industrial arts functions of fine arts described herein. AFA-Arts cannot be fully developed until the learning environment is improved.

*Potential loss of other students*: ARCC routinely must turn away students seeking education and training in glass blowing and photography due to lack of sufficient space. Access to labs severely impacts the number of students that are able to participate in music and art education at ARCC.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 39 | 0 | 0 | 0 | 39 |
| 3. Design Fees | 250 | 170 | 134 | 0 | 554 |
| 4. Project Management | 80 | 161 | 395 | 0 | 636 |
| 5. Construction Costs | 550 | 2,899 | 2,973 | 0 | 6,422 |
| 6. One Percent for Art | 0 | 26 | 23 | 0 | 49 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 50 | 202 | 469 | 0 | 721 |
| 9. Inflation | 0 | 342 | 1,126 | 0 | 1,468 |
| **TOTAL** | **969** | **3,800** | **5,120** | **0** | **9,889** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,800 | 5,000 | 0 | 8,800 |
| **State Funds Subtotal** | 0 | 3,800 | 5,000 | 0 | 8,800 |
| Agency Operating Budget Funds | 969 | 0 | 0 | 0 | 969 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 120 | 0 | 120 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **969** | **3,800** | **5,120** | **0** | **9,889** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 25 | 100 | 125 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 25 | 100 | 125 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 25 | 100 | 125 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,546 | 67.0% |
| User Financing | 1254 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Hennepin Tech College - Design & Renovate Science Addition; Design for LRC/SSC

**2008 STATE APPROPRIATION REQUEST:** $2,400,000

**AGENCY PROJECT PRIORITY:** 23 of 37

**PROJECT LOCATION:** Hennepin Tech. - Eden Prairie & Brooklyn Park

**Project At A Glance**

- Design and construct science labs at Eden Prairie and design library and student services at both campuses in 2008.
- Construction of the library and student services at both campuses in 2010.
- Project will eliminate $800,000 in deferred maintenance backlog in 2008.
- Request for $10.6 million is anticipated in 2010 for renovation.

**Project Description**

Design and renovate underutilized space at Eden Prairie campus to create suite of science labs and shared classrooms. The project will also design for renovation of existing space at both campuses to relocate and enclose the library and related instructional support services. The project also includes the design for renovation of existing space at both campuses to consolidate services to students in one central location and support the integrated model of service delivery. This will also create a small 2000 sq ft addition to create a new entry for students.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - In 2006, 40 percent of students taking Nursing courses at the Eden Prairie campus and 24 percent of students in the college's manufacturing programs were students of color. This is higher than the overall college diversity of students. For many, health programs are the means, and choice, for them to be gainfully employed. Hennepin Technical College (HTC) draws students primarily from a six-county area including the counties of Hennepin, Anoka, Carver, Scott, Sherburne, and Wright. The state demographer's office is projecting continued growth in population for this area and is projecting significant growth in non-white populations. The addition of science, especially biology, chemistry and physics, to the HTC curriculum will provide students with more options for career choices, transfer success, and further education after graduation. New program options currently under consideration that need a science component include expansion of health sciences, engineering technology, environmental science, alternative energy, and biotechnology and biomedical technician.

HTC's hands-on training appeals to the diverse, and often marginalized, populations and is attractive and relevant for the incumbent workforce. Underserved populations often need multiple support services to promote their retention and successful completion. Both the library and instructional services and the integrated student services components of this project will help to better meet those needs through easier access to services such as assessment, make-up testing, and tutoring. Students will also benefit from the creation of reading and writing centers, increased availability to technology resources and the creation of quiet spaces for individual or group study.

*High-quality Learning Programs and Services* - HTC currently has no science labs. The addition of science will

- Increase enrollment in the science, technology, engineering and mathematics fields (STEM)
- Increase student opportunities to continue their education at another two or four-year institution
- Increase the courses that are part of the Mn Transfer Curriculum
- Expand the possibilities for new programs and partnerships with business and other education institutions
- Enhance the Center of Engineering and Manufacturing Excellence with Minnesota State University Mankato

The library spaces at both campuses have not changed since 1972. This renovation will create spaces that promote effective learning and enhance instructional support.

*State and Regional Economic Needs* - The Department of Employment and Economic Development reports that 62 percent of all jobs in Minnesota are in

manufacturing, healthcare/ social assistance, and retail trade. The manufacturing sector accounts for 13.4 percent of all jobs and 16.2 percent of payroll wages. Healthcare and social assistance account for 12.5 percent of jobs and 10.6 percent of all payroll. Minnesota's healthcare industry is projected to have an increase in retirees, fewer workers, and a growing demand for health care services. The Health Resources and Services Administration is projecting that vacancy levels in nursing in Minnesota will be over 4,400 by 2010 and 9,200 by 2015. Similar forecasts are anticipated in almost all healthcare programs. Three of the eight occupational fields projected to have acute shortages of workers in the Twin Cities region are health related: nursing, psychiatric and home health aides; occupational and physical therapy assistants and aides; and health technologists and technicians. With the addition of science curriculum, HTC can expand its programming and provide a trained workforce, both new and incumbent workers, with a set of solid foundational skills and advanced STEM skills.

HTC is a partner in the Minnesota Center for Engineering and Manufacturing Excellence (MnCEME) which is led by Minnesota State University-Mankato. The goal of MNCEME is to be the nationally renowned model for stimulating economic growth and development through industry/education alliances. The focus is to prepare engineering and engineering technology students and manufacturing technicians to support economic development for Minnesota companies through applied research and collaboration with industry. To realize these goals, HTC needs to serve as a strategic metropolitan access point to four-year programs in engineering, engineering technology, and healthcare. To make this access viable, HTC needs to reshape its curriculum to include a science core of biology, chemistry and physics, and a strong foundation of mathematics.

*Innovate to Meet Educational Needs Efficiently* **-** HTC currently has sixty-five articulation agreements with six other higher-education institutions. Also, there are 225 secondary articulation agreements with 34 high schools, 3 intermediate districts, 2 educational cooperatives, and 1 early college program. This is an effective and efficient approach for students to realize their educational goals in less time and for less money. It is also an effective tool to pique and expand the interest of high school students in high-growth, high-wage occupations. The science suite will be designed to maximize the flexibility of the labs and classrooms to meet the academic demands. The concept includes shared use of classroom space by multiple science disciplines with adaptable labs.

Institution Master Plans and Regional Collaborations:
HTC updated its Master Academic Plan in 2005. The six goal areas resulting from this planning are:

- Commit to continuous quality improvement of academic and student programs.
- Develop an action plan to attract and retain a diverse student population and faculty.
- Promote academic/technical programs and make changes in response to stakeholder needs and opportunities.
- Promote entrepreneurial opportunities and partnerships to ensure high quality teaching and learning.
- Develop a process to support and enhance development and delivery of new programs.
- Enhance teaching and learning through the use of technology.

This project will help move HTC forward to achieving all six of these goals. The science labs will enable the college to expand offerings not only in general education but also to improve and develop new options for existing programs - particularly in Allied Health and Manufacturing and Engineering Technology - and develop new programs to support the workforce needs of the region. New program considerations include science technician, biotechnology, engineering technology, medical assistant, and other health careers. The labs will enable the college to fulfill the potential of the MnCEME partnership and expand opportunities for students who want to continue their education at a four-year institution. The labs will increase options for students to complete their general education requirements within the Mn Transfer Curriculum. The library and student services renovations will create an environment that is more welcoming for all students and will promote retention through increased access to instructional support services. The study spaces, small group spaces, and increased technology will aid in the success of students' learning.

This project will also align with the goals of the Master Facility Plan in which a capacity for science was the highest priority need. Another key objective of the Master Facility Plan is to maximize the flexibility and utilization of HTC's physical assets and the potential for shared use. The science and library

components of this project will include the use of vacant and underutilized spaces that resulted from a right-sizing of academic programs and some consolidation of programs to one campus. Another key objective is to create a more pleasant and serviceable environment for students and employees. This will be accomplished by the emphasis on more use of natural light, more flexible, comfortable spaces for individual and group study, and the enclosure of the library.

The Technology Plan goals will be addressed through the infrastructure design to enable more integration of technology in the learning and service environments. The creation of a space for easy access to e-services and e-learning will promote effective and efficient services through the application of technology.

HTC is part of the Metro Alliance and has been engaged in discussions with sister institutions about this project, the addition of science to their curriculum, and new program options. There was consideration given to using labs in neighboring institutions. The demand for science, though, at those institutions is high and this wasn't a viable option. HTC is open to sharing their labs with Normandale and North Hennepin to ease their space demands if schedules permit.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 3,631 | 3,649 | 3,633 | 3,636 |

Space Utilization

| | Brooklyn Park | Eden Prairie |
|---|---|---|
| Seat Usage | 50% | 32% |
| Hours Usage | 77% | 76% |

There is more vacant and underutilized space at the Eden Prairie campus primarily due to three factors. First, HTC has consolidated four programs that were offered at both campuses to only being offered at Brooklyn Park. This was done to increase efficiency and vitality of programs. The second factor was a decision last spring to discontinue the on-campus preschool lab experience for the Child Development program. This was due to decreased registrations of children for the preschool and the increased availability of off-site externship options for students in the program. The third factor was a decrease in the number of programs offered through Intermediate District 287 that were housed at the campus through a Joint Powers Agreement.

**Project Rationale**

HTC currently has no science labs. This is an impediment to increasing student skills in the STEM fields. It also impedes graduates who want to continue their education at another two or four-year institution. New program development is a critical strategy for HTC to remain vital and a significant contributor to the regional and state economy through the development of a trained, highly-skilled workforce. Without a capacity for science, the options are limited.

The current library space is basically as originally designed in 1972. At that time, there were several material resource centers located throughout the building to support specific programs and the library functioned differently. Those resource centers are gone and the expectations for library resources have changed dramatically with the addition of AAS and AS degrees, general education courses, and the advanced curriculum in the technical programs. The physical space and learning environment of the library needs to better accommodate the needs of today.

HTC serves a growing population of diverse students. The populations of the six counties from where most students are drawn are projected to grow significantly in non-white population groups. Businesses' dependence on the underrepresented populations for workers will dramatically increase over the next decade. The hallmark of hands-on, technical training is attractive to these populations. Their future needs to be expanded with an enhanced skill set. There needs to be a myriad of services to support their academic success. All of this will be better facilitated through this project.

Predesign:
The predesign for this project was completed in November. Components of this project, library and student services, were submitted for capital funding in 2004 and 2006, and predesigns were also done then.

Capacity of Current Utility Infrastructure:
This project is almost exclusively renovation and renewal and current utilities will adequately accommodate needs. The most significant infrastructure changes will be needed in the new science suite. New plumbing and ventilation systems will be needed for this area to service the new labs and toilet renovations. The largest impact would be from the fume hood exhaust which will require additional localized HVAC capacity. The library relocation will involve moderate renovation of the existing mechanical and electrical systems and will likely require modifications to the existing distributions systems. Existing air handlers and electric supply systems will accommodate the work proposed in this area. The student services portion will be the least invasive area and existing infrastructure will be reworked in place to accommodate the renovation.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Energy increase from fume hoods and added exhaust is estimated at $40-$60,000 annually if use is maximized. Cost of increased electrical use should be offset by more energy efficient equipment. While the new square footage is minimal, the addition of science labs is expected to increase need for custodial staff by 0.50 FTE.

The current FCI for Brooklyn Park and Eden Prairie are 0.03 and 0.04 respectively. The estimated amount of this project that would impact the FCI is approximately $800,000 though maintenance and upgrades including lighting, heating and ventilation, door and window replacements,

Energy Efficiency/Sustainability:
This project will comply with established energy conservation standards as well as incorporate applicable Minnesota B3 guidelines where feasible. The new HVAC and plumbing systems will be selected considering the enhancement of the indoor environment, the conservation of energy and the use of renewable resources. Life cycle costs and payback cycle will be evaluated in the selection process. Incorporation of natural light will be maximized to contribute to environmental quality. Renovations will incorporate new exterior windows in the existing precast concrete walls. This will allow for significant delighting opportunities paired with occupancy and daylight sensors in the lighting control system. HVAC renovations will expand on the VAV system currently utilized by the college resulting in increased efficiency. The building control system for the new areas will consider digital controls, preparing the college for eventual conversion from the existing pneumatic control system. Material selection will involve determination of both recycled and reuse content, as well as low emitting VOC content to improve indoor air quality. The construction process will require selective deconstruction and disposal to minimize landfill waste and promote product recycling and reuse. Biodegradable and recycled, environmentally friendly materials, such as paints, carpet, vinyl flooring, will be incorporated.

Debt Service:
HTC currently has minimal debt service obligations of less than $30,000 per year. This project would increase the annual commitment to a projected high of $166,000 which is less than one percent of their total operating revenue.

**Other Considerations**

Consequences of Delayed Funding:
Without this project, HTC's

- academic offerings will not include science and environmental science
- capacity for increasing enrollment in STEM fields is diminished
- options for new programs will be limited in the healthcare, engineering technology and manufacturing areas
- availability of a trained workforce for the businesses of the region and state will be impacted
- ability to be an effective partner in accomplishing MnCEME goals is reduced
- students will have no access to the physical and life sciences and will have increased time and cost to pursue additional education.
- utilization of space will be less than optimal
- will be unable to offer the ten goal areas of the Minnesota Transfer Curriculum in their entirety

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 37 | 0 | 0 | 0 | 37 |
| 3. Design Fees | 145 | 542 | 305 | 0 | 992 |
| 4. Project Management | 0 | 160 | 245 | 0 | 405 |
| 5. Construction Costs | 0 | 1,051 | 7,575 | 0 | 8,626 |
| 6. One Percent for Art | 0 | 9 | 71 | 0 | 80 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 422 | 457 | 0 | 879 |
| 9. Inflation | 0 | 216 | 1,947 | 0 | 2,163 |
| **TOTAL** | **182** | **2,400** | **10,600** | **0** | **13,182** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,400 | 10,600 | 0 | 13,000 |
| **State Funds Subtotal** | 0 | 2,400 | 10,600 | 0 | 13,000 |
| Agency Operating Budget Funds | 182 | 0 | 0 | 0 | 182 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **182** | **2,400** | **10,600** | **0** | **13,182** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 2,749 | 3,091 | 3,289 | 9,129 |
| Other Program Related Expenses | 597 | 660 | 707 | 1,964 |
| Building Operating Expenses | 1,802 | 1,872 | 1,872 | 5,546 |
| Building Repair and Replacement Expenses | 2,788 | 2,788 | 2,931 | 8,507 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 7,936 | 8,411 | 8,799 | 25,146 |
| Revenue Offsets | 0 | <279> | <416> | <695> |
| **TOTAL** | 7,936 | 8,132 | 8,383 | 24,451 |
| Change in F.T.E. Personnel | 0.0 | 4.5 | 5.9 | 10.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,608 | 67.0% |
| User Financing | 792 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $700,000

**AGENCY PROJECT PRIORITY:** 24 of 37

**PROJECT LOCATION:** Mpls Comm & Tech College, Minneapolis

**Project At A Glance**

- Design to remodel 80,000 GSF
- Infrastructure upgrades to T-building
- Fixes to code violations
- Movement of programs away from leased spaces
- Request of $12.75 million is anticipated in 2010 and $4 million in 2012 for renovation

## Project Description

This project consists of design for the extensive remodeling of instructional space, support space and infrastructure for the vital workforce programs at Minneapolis Community and Technical College (MCTC). Renovation funds for $12.75 million will be sought in 2010 and $4 million in 2012.

Design for the remodeling of approximately 80,000 square feet on five floors (LL, 2nd, 3rd, 4th and 5th floors) of the T-Building (approximately 403,000 total GSF) to accommodate improved instructional environments for the following technical programs: Architecture Technology, Photography and Digital Imaging, Jewelry, Gemology, Air Traffic Control, Welding and Metal Fabrication, Computer Support and Network Administration, Computer Forensics, Computer Software Development, Phlebotomy, Polysomnographic Technology, Electroneurodiagnostic Technology, Sterile Instrument Processing, Community Health Worker, Dental Assistant and Practical and Registered Nursing. Portions of the remodeling will include a Student Services Testing Center and common areas.

Infrastructure upgrades to the T-building will include: the installation of elevators and escalators to increase access to all levels; the increased ventilation and the installation of air-conditioning to the trades programs located in the lower level (this benefits the Heating, Ventilation, Air Conditioning and Refrigeration, Welding and Cabinetry programs); and, the waterproofing repair of the campus main plaza area to repair leaks and replace aging infrastructure (benefits all trades on the lower level and campus receiving). Significant and long-standing code violations involving the separation between the atrium and instructional areas will also be redressed by this project. In addition, increased ventilation and the installation of cooling for Bowman Hall will be provided as part of this project (this benefits Physical Education programs, athletics, continuing education and adjacent instructional environments).

Reduced operating and leasing costs based upon the relocation of the Air Traffic Control program from leased facilities to the main campus. This project reduces approximately $7.6 million in deferred maintenance. The project will reduce the buildings FCI from 0.17 to 0.13 and campus FCI from 0.11 to 0.09. FCI reductions may appear to be low; since the total replacement cost of the buildings is $163 million (denominator in FCI calculation). Changes in FCI to such a large building look small in terms of FCI reduction. Project also includes a BACNET compatible building control system to enable MCTC to respond quickly and efficiently to fluctuations in temperature to assure comfortable learning and work environments while reducing energy costs.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - The unique student demographics of MCTC offer a unique opportunity to provide educational opportunities for many historically underserved individuals. This project supports the education of a diverse workforce to fill worker shortages in various technical and professional vocations with more ethnic minorities and persons of color. For example, over half of the current students in Allied Health programs are individuals of African descent.

The Power of You program supported by this project is specifically designed to help retain students who typically have difficulty staying enrolled and to eliminate real and perceived financial barriers to higher education that

prevent many high school students, particularly students at-risk, from considering post-secondary education.

The "Bridge to Success" program is a retention program providing a variety of intensive, individualized support services to help underserved students successfully complete their certificate, diploma or degree program. The "Bridge" program serves students of color, low income students, students who are first in their family to attend college, and English Language Learners (ELL).

*High-quality Learning Programs and Services* - This project will provide instructional space that reflects current workplace environments and matches current pedagogical methodology. Examples are:

- Remodeling the old photography space into a contemporary studio based upon digital imaging rather than chemical based processes. This will be closely aligned with a digital computer lab for seamless integration of editing and digital manipulation.
- Combining dedicated lecture and lab instruction within a single space for the Jewelry Program to provide seamless transition between instruction, lecture and hands on demonstrations for each program. Similar space will be provided for the Gemology Program.
- Updating the Architectural Technology instructional space to reflect a typical open studio of the professional architect's and engineer's offices while providing improved sightlines for instruction, improved work station ergonomics and easier access to drawing layout space.
- Provide a separate wood finishing and storage area for students in the Cabinetmaking program for professional level product preparation and application of finishes as well as improved air quality.

*State and Regional Economic Needs* - Completion of this project will support significant economic benefits for the state and surrounding region. Beyond the current growing market needs, the proposed expansion of the Mall of America along with the potential for three major sport venues and the related spin-off construction will create significant demand for graduates from the HVAC, Welding, Machining and Carpentry programs. The Architectural Technology program continues to provide the architecture and engineering businesses in the region with highly qualified CAD technicians, as well as continuing education opportunities for professionals needing to update and expand their architectural technology skills. Photography and Digital Imaging graduates from MCTC serve the nation's third largest advertising market. Consolidating Allied Health programs on the fifth level of the T-Building with updated instructional labs and classrooms will facilitate the increased demand for medical and dental health care industry workers at the state, regional and national levels. The Federal Aviation Administration predicts job openings of over 11,000 in the next five to eight years. An updated educational and training facility on the downtown campus will help students interested in aviation Air Traffic Control (ATC) careers find employment.

*Innovate to Meet Educational Needs Efficiently* - Completion of this project will enable Minneapolis Community and Technical College to relocate the aviation ATC program from its Eden Prairie facility to the main campus which will provide ATC students the co-curricular benefits of being located on the main campus with other programs and services. This relocation will also enable the college to make more efficient use of facilities and operational funding gained through the closing of the approximately 67,400 GSF facility located in Eden Prairie.

<u>Institution Master Plans and Regional Collaborations:</u>
This project is in close alignment with the master plan completed in 2002 and updated in 2004. This project satisfies top priorities of the master plan and provides for expanding programs; consolidating programs with diminishing enrollment; improving the instructional facilities for programs specifically geared to enhance quality of the region workforce; and reducing deferred maintenance backlog.

<u>Regional collaborations include:</u>

- The co-location with Metropolitan State University which encourages seamless transitions for students with associate degrees to baccalaureate degree programs, and
- Collaboration with Metro-Alliance institutions in the development of baccalaureate degrees for registered nurses - specifically with Anoka-Ramsey Community college and North Hennepin Community college.
- The "Power of You" is a collaborative program between Minneapolis Community and Technical College (MCTC), Saint Paul College, and Metropolitan State University.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 5,220 | 5,329 | 5,600 | 5,650 |

Space utilization will be improved with this project for the following reasons:

- Multi-story educational buildings pose a distinct challenge for space utilization since the large number of students that must be moved over short periods of time is far greater than office building demand. The current arrangement of elevators and stairs move less than half of the potential occupancy of the upper levels thereby reducing space utilization. The installation of additional elevators, stairs and escalators will enable the upper floors of the T-Building to be accessed more easily by a larger number of students.
- Over 12 existing classrooms will be right sized to make more efficient use of space and to update and improve instructional environments.
- Underutilized instructional space totaling 15,790 SF has been right-sized to approximately 9,900 SF for Gemology, Jewelry, Welding, and Barbering programs. This has created additional space for expanding and new programs such as polysomnography and cardiac catheter technician programs and much needed campus receiving space.
- Former circulation space has been claimed for instructional space for the Architectural Technology and Photography/Digital Imaging programs on the 3rd level of the T-Building.
- The ATC program has been relocated from off-campus to an underutilized space on the third floor of the T- Building.
- The Aviation Center in Eden Prairie will be closed, thus eliminating underutilized classroom and instructional lab space from the inventory.

**Project Rationale**

Several long-term goals and objectives will be achieved with this project.

- The need for increased assessment testing is expanding at an alarming rate due to the large immigrant and underserved population that makes up a large majority of the new students at MCTC. This project will provide a vastly improved testing center (located on the 2nd floor of T Building near counseling and advising offices) with multiple testing stations and increased privacy for post-testing counseling that the college is committed to maintain as a matter of policy. This will improve service to students by eliminating long lines and significant time it takes to receive testing services.

- This project will enable programs such as the Architectural Technology and Photography/Digital Imaging programs to create instructional space that more closely resemble industry standards and models. In addition, the Photography/Digital Imaging program space is currently designed for a technology and instructional methodology that is no longer current.

- The Photography/Digital Imaging space currently has accessibility problems and several life-safety issues that will be resolved with the completion of this project. The Welding program needs to improve the safety of the storage of acetylene and oxygen- both highly explosive and flammable fuels necessary for the teaching of welding.

- The lower level of the T-Building has not received any remodeling since the building was completed in the late 1970's.

- In FY06 over 1,900 students indicated on their application that instruction in a health care profession was their intended educational emphasis. This is an increase of over 200 from the previous year, and the expected on-going increase in demand overloads the existing undersized, inadequate, and over utilized Health Science laboratory's and classrooms.

- Due to increased demand for skilled health care workers, MCTC is rapidly expanding Allied Health programs. Examples of new programs include Electroneurodiagnostic Technology, Sterile Instrument Processing, Polysomnographic Technology, and Community Health Worker. Consolidation of skill labs and classrooms on the fifth floor of T Building will promote a rapid and efficient response to the health care industry's demand for workers. The existing primary nursing skills labs are deficient. Improvement of these labs was approved in 2006 but funding was insufficient to complete the "skills" labs. Advances in nursing education have created a distinct need for "high tech" lab space to provide students with more realistic training that simulates a high tech hospital room, to include simulation of medical gasses and electronic patient monitoring.

- The Cabinetmaking program needs to provide for more efficient layout of space to accommodate larger equipment and project finishing space. Modifications to the dust collection system will improve indoor air quality.

- The Air Traffic Control program will benefit from being located on the main campus where students will have access to a wide range of services and activities not currently available "off campus."

- This project provides an opportunity and rationale to right-size programs with lower enrollment to make way for new programs and programs with expanding enrollment.

- Current health profession instructional labs and classrooms are inadequately sized, equipped and organized to accommodate the large increase in projected student population.

- Many of the current allied health instructional labs and classrooms are not designed to accommodate the current pedagogy nor proposed new programs e.g., they do not contain equipment and technology that is consistent with contemporary health care professional environments.

- MCTC currently does not have adequate space in size and quality for the Power of You and the Bridge to Success programs. These programs are the result of recently awarded grants specifically charged with helping retain typically underserved or financially challenged students enrolled in college. In addition, classroom space utilization is at one of the highest levels among MnSCU institutions (in excess of 100 percent). By "right sizing" existing classrooms and instructional spaces, MCTC will add additional classrooms within existing building spaces to address the demand for use of classrooms created by growing enrollment and co-location with Metropolitan State University.

- Repair of the terraced deck waterproofing will benefit the workforce programs on the lower level of the T-Building that are consistently interrupted with water leaks and periodic damage to technical equipment.

- The lower level of the T-Building, which houses most of the college's technical programs, has never been air-conditioned. Extending the air-conditioning to the space will provide the workforce programs located on the lower level with the same environmental quality and comfort that the rest of the campus has enjoyed for years.

- This project will eliminate approximately $7,584,000 from the current and projected backlog for the MCTC campus through the remodeling of outdated instructional and common spaces; waterproofing of landscaped roof terraces and the modernization of the elevators. This project represents a very good investment in helping to address a significant amount of this backlog of deferred maintenance.

- This project will support unique publicly funded programs for gemology, jewelry and barbering, and therefore offering access to students who may lack the necessary funding sources to access typical privately supported programs around the country.

- The multi-story T-Building is inefficiently utilized because the upper levels are not readily accessed by the inadequate vertical transportation between levels. This project creatively addresses this problem by installing strategically located hydraulic elevators, escalators and open stairways between the lower level, plaza level skyway level and third level, thereby reducing long wait times at the elevators and facilitating quick movement of people between the most heavily populated levels.

- This project will address significant life-safety code violations that have plagued the T-Building from its inception. Fire separation between the atrium and instructional areas with draft curtains, fire/smoke dampers and fire rated partition walls will be provided at newly remodeled areas.

Predesign:
90 percent complete 2006 by LHB Inc.

Capacity of Current Utility Infrastructure:
The existing utility infrastructure (service and distribution) is adequately sized to accommodate the work associated with this project. The recently completed expansion to the capacity of the campus cooling and heating plant will accommodate the increased cooling loads associated with the scheduled extension of air-conditioning to the lower levels of T-Building and Bowman Hall.

**Impact on Agency Operating Budgets (Facilities Notes)**

This remodeling project will impact MCTC's operating budget in the following ways:

- Completion of this project will reduce the asset preservation backlog by approximately $7.6 million including deferred maintenance for building shell and interior finishes, life safety and ADA code compliance, HVAC, plumbing and energy efficient lighting.
- Since this is entirely a renovation project there will be no increase in operating expenses except for additional electrical costs associated with the air-conditioning added to the lower levels of Bowman Hall and the T-Building- approximately $28,000 per year.
- No additional staff will be required
- Leasing costs will be reduced by approximately $60,000 per year once the Eden Prairie campus at Flying Cloud Airport is closed and the current programs relocated. This will also reduce operating cost by about $140,000 per year.
- The proposed BACNET compatible building control system will enable MCTC to provide continuous monitoring of the HVAC system to ensure very efficient operation with corresponding energy savings.

Energy Efficiency/Sustainability:
Energy efficient terminal fans, motors and lighting will be installed that are compatible with the existing mechanical and electrical systems in order to comply with the B3 Guidelines (MN Statute 16B.325) developed by the state and the most current best practice for designing energy efficient systems for existing facilities. Finishes and materials will be selected with the following criteria: to provide durable and long lasting environments; to provide materials with high post-consumer recycled material content; and, to provide materials with low-VOC content to maintain a healthy indoor environmental quality. Waste management and selective salvaging of quality materials and systems will be required during demolition and construction to minimize landfill impact and to encourage the wise use of natural resources.

Debt Service:
MCTC can accommodate the average debt load for this project of approximately $190,000 annually, which when added to the total debt load for MCTC is less than 3 percent of MCTC's general operating revenues.

**Other Considerations**

Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for MCTC:

- Compromise quality of instruction for an underserved student population
- Further delay considerable asset preservation work that has direct impact on quality of instruction
- Limit MCTC's efforts at improving space utilization through right-sizing programs that are expanding or currently in decline
- Impede the college's efforts to facilitate co-location with Metropolitan State University;
- Restrict laddering opportunities for associate degree and certificate recipients
- Impede implementation of retention programs for students such as Power of You and Bridge to Success
- Limit MCTC's efforts to control operating costs by reducing the amount of expensive off-campus space
- Restrict the implementation of new programs - at least nine new programs in the Health Sciences alone
- Decrease the colleges ability to accommodate the increased demand for assessment testing
- Without improved elevator/ escalator to upper levels of T-Building, MCTC will be unable to utilize the full potential of this large multi-story facility.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 41 | 0 | 0 | 0 | 41 |
| 3. Design Fees | 0 | 523 | 343 | 280 | 1,146 |
| 4. Project Management | 0 | 83 | 306 | 114 | 503 |
| 5. Construction Costs | 0 | 25 | 8,808 | 2,265 | 11,098 |
| 6. One Percent for Art | 0 | 0 | 80 | 20 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 787 | 228 | 1,015 |
| 9. Inflation | 0 | 69 | 2,426 | 1,093 | 3,588 |
| **TOTAL** | **41** | **700** | **12,750** | **4,000** | **17,491** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 700 | 12,750 | 4,000 | 17,450 |
| **State Funds Subtotal** | 0 | 700 | 12,750 | 4,000 | 17,450 |
| Agency Operating Budget Funds | 41 | 0 | 0 | 0 | 41 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **41** | **700** | **12,750** | **4,000** | **17,491** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 469 | 67.0% |
| User Financing | 231 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,500,000

**AGENCY PROJECT PRIORITY:** 25 of 37

**PROJECT LOCATION:** Ridgewater College, Willmar campus

**Project At A Glance**

- Phase I will design and construct approximately 10,000 gross square feet (GSF) of new instructional space, demolish an 8,250 GSF 1950's era facility, and remodel approximately 5,500 GSF of outdated and inefficient space.
- Phase I will eliminate $1.2 million in deferred maintenance backlog.
- Phase II will request $14.5 million in 2010 to construct, demolish and renovate facilities to maximize space utilization.
- Phase II will eliminate $3.55 million in deferred maintenance.

**Project Description**

This project at Willmar campus is the first major renovation since the merger to assist in appropriately rightsizing class space for optimum efficiency and utilization. Demolishing outdated structures is critical to the vitality of this community based college and will significantly improve the overall Facilities Condition Index (FCI) of the campus. This two-phase project will demolish approximately 33,500 square feet, remodel approximately 75,500 square feet and construct 19,500 new square feet, resulting in a net reduction of 14,000 square feet of facilities at Ridgewater College's Willmar campus.

*Phase I will:*

- Demolish an 8,250 GSF 1950's era facility housing the Cosmetology and Massage Therapy programs.
- Remodel approximately 5,500 GSF of outdated and inefficient instructional space for the Cosmetology and Massage Therapy programs.
- Construct approximately 10,000 GSF of new instructional space for the Insurance Claim Rep program and Customized Training as well as general use "smart" classrooms.

*Phase II will:*

- Demolish the 8,500 GSF Administrative Building. This poorly constructed building has an FCI value of .22.
- Demolish approximately 16,750 GSF of outdated 1940's era and poorly constructed facilities.
- Remodel approximately 20,000 GSF for the Agriculture, Veterinary Technology, Carpentry, and Sales/Marketing programs.
- Remodel approximately 50,000 GSF of outdated and inefficient space to improve delivery of Student and Administrative services, food service functions, and create a community outreach area.
- Construct approximately 9,500 GSF for a redesigned Student Services area and updated campus entry.
- Result in a total reduction of campus size between Phase I and II of approximately 14,000 GSF.

The Technical Instruction and Student Services Project will reduce the deferred maintenance backlog by a significant factor.

*In Phase I:*
Deferred maintenance backlog ($15.1 million) will be reduced by approximately $1.2 million. This includes approximately $500,000 in backlog from the building proposed to be demolished.

*In Phase II:*
Deferred maintenance backlog will be further reduced by approximately $3.55 million. This includes approximately $500,000 in backlog from the buildings proposed to be demolished.

The FCI for all Willmar campus buildings currently averages 0.14. The buildings proposed for demolition alone have an average FCI of 0.23. After the completion of the second phase, this project reduces the campus FCI to slightly more than 0.11, which significantly reduces the campus average FCI to below the MnSCU system average FCI of 0.13.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - This project will improve physical access to education by eliminating four distinct outbuildings used by the Farm and Small Business Management (FBM and SBM), Customized Training, Electrician, and Emergency Medical Services programs. The demolition of these structures provides the opportunity to correct violations of the Americans with Disabilities Act, such as instructional space located on a non-accessible mezzanine in the EMS/Electrician building. The technical programs that are directly affected by this project (Agriculture, Veterinary Technology, Electrician, Cosmetology, Massage Therapy, Carpentry, Insurance Claim Rep, Marketing and Sales Mgmt, SBM, FBM and Electronics) account for 684 FYE or 56 percent of all technical program students. The Carpentry, Cosmetology, Massage Therapy, Electrician, Insurance Claim Rep and Veterinary Technology programs routinely have waiting lists, some as high as 20-40 students by the start of fall semester.

*High-quality Learning Programs and Services* **-** The remodeled instructional spaces will create efficient and right-sized labs and classrooms with enhanced functionality and the technological infrastructure needed to prepare students for the workforce of the 21st century while significantly improving the space utilization across the campus. New facilities, such as the creation of an Agriculture Lab, will enable advanced instruction in agronomy and ag-related biotechnology while larger facilities for the Electrician program will allow for the expansion into emerging technologies and trends, such as fiber optics, power limited low voltage and wind energy.

In addition, remodeling will create a higher quality delivery of services by creating a "one-stop shop" that locates key student services including counseling, admissions and registration, financial aid, and business office in the same area, resulting in a coherent service delivery point for students.

*State and Regional Economic Needs* - Professions and industries affected by the Technical Instruction and Student Services Project are among the strongest in the state. The average placement rate of graduates from the programs benefiting from this project was 98 percent over the last three years, with placement rates at 100 percent for many of these programs every year.

According to DEED, the employment outlook in Central Minnesota between the years 2002-2012 continues to be excellent in these career fields:

- DEED states that agriculture is a distinguishing industry of our region, reporting that Region 6E has 16.5 percent of the state's animal production jobs, 10.8 percent of the agriculture jobs, 7.7 percent of the food manufacturing jobs and 5.3 percent of crop production employment. Ridgewater's Ag program is the largest in the MnSCU system with 130 FYE, educating over 22 percent of MnSCU's two-year agriculture college students. These students are essential to Minnesota's agricultural production and processing infrastructure, which accounts for 17 percent of the gross state product.
- Projected increase of 20.7 percent in jobs in the carpenter and construction laborer categories.
- Projected increase of 30.5 percent in the electrician field. Most Ridgewater graduates obtain positions within a 60-75 mile radius of Willmar.
- Projected increase of 50.0 percent in the field of veterinary technicians.
- Projected increase of 37.5 percent in the claims adjuster field.
- Projected increase of 28.6 percent in the emergency medical technician field.
- Projected increase of 14.6 percent in the fields of massage therapists, cosmetologists and skin care specialists.

*Innovate to Meet Educational Needs Efficiently* - This strategic direction stresses efficiency and capacity to meet future needs. The project accomplishes this goal primarily by reducing the number of program dedicated classrooms and increasing the technological and instructional quality of general classrooms. Also, programs will be located next to related trades or professions to benefit from potential shared facilities. For instance, the Marketing Management program moving near the Administrative Support program is a logical efficiency allowing for the shared use of computer labs. Another example is locating the Electrician program adjacent to the Carpentry program, as these trades work closely in the field and share instructional projects such as electricians wiring the first-year Carpentry house and mock-ups. Additionally, as noted above, the project reduces the deferred maintenance backlog by approximately $5.19 million.

Institution Master Plans and Regional Collaborations:
The College's Master Facility Plan was updated and presented to the Office of the Chancellor in the fall of 2005. This master plan identified this project as the College's number one facility priority. This project will support several objectives identified in the Master Facility Plan. It will improve space utilization and life safety conditions, and it will improve instructional space for technical programs and the delivery of student services.

The technical programs impacted by this project are active partners in several regional collaborations. All technical programs at Ridgewater College maintain a close relationship with business and industry through their advisory committees. It is impossible to list all of the collaborations here, but what follows attempts to highlight some key collaborations.

- The Customized Training Center has a heavy equipment training partnership with several private businesses to provide training in heavy equipment operation using high cost heavy equipment owned by the business partners.
- The Ag Agronomy program collaborates with agriculture businesses to train students as custom chemical applicators. Again, the private businesses provide the use of high cost, state-of-the-art applicator equipment and also agree to hire the trained students after graduation.
- The Vet Tech program collaborates with local humane societies to provide medical treatment to pets waiting for adoption. The program also collaborates with the University of Minnesota through the use of large animal facilities on the U of M-Morris campus.
- The Electrician program collaborates with local electrical parts suppliers for donations of equipment and supplies for training purposes, and the program provides a regular flow of trained electricians to the industry.
- As the only program of its type in MnSCU, the Insurance Claim Rep program collaborates with several regional businesses for off-site learning experiences and donations of crash manuals, computer software and even a "cut-away" 2004 model automobile training aid valued at $17,000.

Enrollment and Space Utilization:
After Ridgewater College enjoyed a 15 percent growth in enrollment in FY2002-FY2004, the College experienced two years of enrollment decline, but is again realizing moderate growth and is projected to continue growing.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 3,384 | 3,145 | 3,161 | 3,200 |

This project will create high quality and right-sized classroom and lab space and relocate related programs to allow for sharing of facilities, thus improving space utilization:

- The overall gross square footage on the Willmar campus will be reduced by 14,000 square feet through the demolition of outdated and inadequate facilities. This enables programs to be relocated into previously underutilized space in the main buildings.
- The Electronics program is scheduled to be consolidated at the Hutchinson Campus. This will allow programs currently located in buildings proposed to be demolished to be re-located into the main buildings on the Willmar campus.
- The total number of classrooms will be reduced by two, with a corresponding reduction in allocated area by 500 SF. This will improve space utilization through right-sizing of classrooms and improved scheduling efficiency.
- The total number of classrooms previously identified as dedicated classrooms will be reduced by four, with a corresponding reduction in allocated area by 600 SF. This will improve space utilization by allowing more general classrooms with open scheduling to be available to the college and right-sizing to improve efficiency; e.g., a classroom previously dedicated for Insurance Claim Rep and a classroom previously dedicated for Cosmetology will now be available for other classes when not in use.
- Many programs will be right-sized to reflect enrollment and actual space needs. For example, the Carpentry and Electrician programs will be increased in size to accommodate storage needs, and Insurance Claim Rep and Dairy Management will be downsized to reflect actual scheduling of dedicated space or enrollment figures.

**Project Rationale**

This two-phase project demolishes 33,500 square feet of outdated facilities, remodels another 75,500 square feet, and constructs 19,500 square feet of new, high quality instructional and student support space for the students at

Ridgewater College. The project supports student achievement and improved resource use in the following ways:

- Expands instructional opportunities and improves the quality of the Electrician program by creating facilities that allow for the teaching of complete equipment or systems, such as complete furnaces or air conditioning systems, rather than just smaller components.
- Provides adequate space in the Carpentry lab so more than one class can utilize the lab environment at once.
- Creates a thoughtful layout of clinic/salon facilities for Cosmetology and Massage Therapy that closely simulates the professional environment.
- Expands the space of the Agriculture department and moves the Dairy Management program, resulting in an efficiently run department.
- Relocates Farm and Small Business Management from outdated facilities to an area near the Agriculture area to provide an opportunity for a logical sharing of space, resources, and expertise between Agriculture, Veterinary Technology, and the Management Programs.
- Locates "smart" classrooms near the Veterinary Technology program, leading to efficiencies for that program while keeping those classrooms open for use by others.
- Relocating the Insurance Claim Rep program allows for the right-sizing of facilities for that department and eliminates one dedicated classroom.

Pre-design:
The predesign by LHB Architects is complete.

Capacity of Current Utility Infrastructure:
The capacity of the current utility infrastructure is adequate for the project given the net reduction in square footage, existing electrical and mechanical equipment will be replaced due to age and mechanical condition and to reduce the deferred maintenance backlog. Project components related to remodeled space should reduce energy consumption by 5-10 percent over current energy usage due to improved controls and re-commissioning activities. New construction areas are intended to use 30 percent less energy than Code, resulting in an estimated 25 percent reduction in current energy consumption rates.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
This project results in a net reduction of 14,000 square feet of building space. The demolition of 33,500 of mostly energy inefficient and obsolete space, much of which was built in the early 1950's, along with the construction of a newer energy efficient building, will save approximately $15,000 in electrical, natural gas and water/sewer costs annually. There is no anticipated decrease or increase in facility staff labor costs.

All buildings on the Willmar campus are compliant with regard to fire safety requirements, except for three of the buildings proposed for demolition, which are not sprinkled. Elimination of these buildings will further improve life/fire safety for students and staff.

Energy Efficiency/Sustainability:
Reduction in campus size and replacement of selected facilities creates a great opportunity for energy conservation and sustainable design. The demolition of approximately 33,500 square feet of predominately 1950's era buildings will eliminate a number of issues, from outdated windows and HVAC systems, to poorly designed storm water management strategies and ventilation systems.

The project has an opportunity to improve storm water management and introduce native and adaptive plantings. Also, the installation of high efficiency heating, cooling, ventilation and lighting systems will reduce energy consumption and long term costs. Indoor air quality will be improved by using low VOC sealants, carpets and paints.

Debt Service:
Together with the debt service payments from past capital projects, this two-phase project will increase Ridgewater College's debt service obligation to about 1.6 percent of its annual operating budget. College Administration considers this a serious obligation, but has the ability to reallocate resources as this project is critical to present and future student success and the vitality of the entire Willmar campus.

**Other Considerations**

Consequences of Delayed Funding:
From a student/learner perspective, the most significant impacts of delaying this project would be:

- The negative impact on students of continuing to house programs in inadequate and outmoded facilities. Ultimately, remodeling, right sizing, and modernizing instructional space will result in a significantly improved learning experience for students and improved program quality.
- With a growing demand for veterinary technicians, emergency medical technicians, carpenters, and electricians, the need for quality instructional facilities to train the future workforce is critical.
- Efforts to improve access and opportunity, to provide high quality programs, and to improve retention and success for students would be significantly hampered, along with efforts to meet regional and state economic goals; it would prevent efforts to innovate for increased efficiency—all identified as key goals of the Board of Trustees and Ridgewater College.
- From a fiscal and facility perspective, $5.19 million in deferred maintenance backlog would continue to exist and grow, as a number of the buildings proposed for demolition in this project would require significant investment in the coming years (est. $1.04 million as noted above).
- Outmoded and decentralized HVAC systems would continue to incur high operation and maintenance costs and eliminate the opportunity for significant savings and efficiencies.
- The continued lack of a coherent and unified approach to student services, poor space utilization and the absence of a clear “front door” for students.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45 | 0 | 0 | 0 | 45 |
| 3. Design Fees | 200 | 166 | 628 | 0 | 994 |
| 4. Project Management | 0 | 132 | 532 | 0 | 664 |
| 5. Construction Costs | 0 | 2,536 | 9,407 | 0 | 11,943 |
| 6. One Percent for Art | 0 | 22 | 83 | 0 | 105 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 201 | 749 | 0 | 950 |
| 9. Inflation | 0 | 443 | 3,101 | 0 | 3,544 |
| **TOTAL** | **245** | **3,500** | **14,500** | **0** | **18,245** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,500 | 14,500 | 0 | 18,000 |
| **State Funds Subtotal** | 0 | 3,500 | 14,500 | 0 | 18,000 |
| Agency Operating Budget Funds | 245 | 0 | 0 | 0 | 245 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **245** | **3,500** | **14,500** | **0** | **18,245** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,345 | 67.0% |
| User Financing | 1155 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 26 of 37

**PROJECT LOCATION:** Mn West Comm & Tech College, Worthington

**Project At A Glance**

- Design and construct the renovation of and addition to a 1968 Fieldhouse
- Renovation will resolve ADA compliance issues
- Project will eliminate $2 million in deferred maintenance backlog

**Project Description**

Design and construct the renovation of and addition to a 1968 Fieldhouse:

- Minnesota West Community and Technical College (MnWest) and MnSCU have a tremendous opportunity to create value added synergy with local private investment on the campus that supports the overall master plan and strategic goals of the College. The Worthington YMCA has signed a letter of intent with contingencies to relocate, from its downtown location, to a site on the Worthington campus directly north of the existing field house facility, known as the Center for Sports and Fitness.

- The 19,650 square foot field house has been identified in the previous and current College Facilities Master Plan as the number one priority for renovation and additions. This project was submitted through the MnSCU 2006 bonding process. The current project is a reduced version of the 2006 submission. The pre-design has been completed by Hay-Dobbs.

- The capital project seeks to resolve ADA compliance issues, deferred maintenance issues and right size and relocate men's and women's locker rooms and training room facilities to become compliant with Federal Title IX requirements. The project seeks to complete the physical education portion of the 1968 facility by adding a performance lab and classroom to support the existing and proposed academic programs at the campus where currently none exist. The project seeks to complete the gym performance floor as intended under the scope of the 1968 original construction. As part of the remodel and expansion a relocation of the entry way will occur to facilitate a separation of the general public from student areas.

- When completed, the field house backlog and all future renewal needs through 2008 will be eliminated. The 2008 Facilities Condition Index (FCI) of the field house will drop from .30 to 0. The 2008 campus FCI will be reduced from .09 to .04. In addition to the backlog, the project will address crucial ADA and Title IX compliance issues. The dollar value of backlog and compliance issues is $2 million. This represents approximately 60 percent of the construction costs. The total square footage of new construction including the completion of the gym performance floor is 10,000 square feet.

**Relationship to Strategic Plan**

*Increase Access and Opportunity* - The community of Worthington has been classified by the state demographer as one of the top five ethnically and racially diverse communities in the state of Minnesota. The renovation and additions to this facility in conjunction with the Worthington YMCA relocation on campus will provide the College with an unprecedented opportunity to provide programs that will assist young people of diverse backgrounds to see the value in education and create opportunities for learning that do not currently exist with in the current facility.

An example of an academic program that uses this facility is the Law Enforcement. The program makes significant use of the space for its coursework and this program has 30 percent of its students in a protected class.

*High Quality Learning Programs and Services* - Minnesota West Community and Technical College prescribes to the teaching and learning approach described by ancient Greek philosophers. Plato in *The Republic* prescribed the physical actions of the human along side of the mental challenges of Philosophy. Plato's goal was the development of self-directed, life long activity for both men and women.

The College believes in the development of the total individual - an understanding of the mind and body prescribed by the ancient Greeks. All of the College's associate of art students are required to complete one activity course within the physical education curriculum and one health and wellness course. Within associate of science programs students are required to take either a physical education activity course or a health and wellness course.

For forty years they have had this belief yet suffered through the use of a facility that weakens the ability of the College to full fill one of its' core institutional requirements. The existing structure has no classroom/lab components, the gym performance floor was built to minimum size for athletic events and adequate meeting areas for consultation with students by faculty are non-existent.

Additionally, the College has a Physical Education track within the AA degree which has inferior facilities relative to all other programs, a Health program that is moved from place to place as other renovations take place on campus and a Law Enforcement program that within a normal physical education facility would have a place to teach various physically active courses in an ecologically sound environment.

The College was forced to discontinue a Physical Therapy Technician program over a decade ago due to facilities issues. With the addition of the YMCA on campus and the Worthington Regional Hospital and Sioux Valley Regional Health Services providing physical therapy (PT) and occupational therapy (OT) at the new YMCA, they believe the requested restart of the program by the two health care providers is crucial to the well being of the region. The multi-use classroom and physical education lab will be the location for the physical therapy technician and occupational therapy program with actual clinical opportunities down the hall in the YMCA with physicians and therapist. The College believes this to be a unique and innovative learning environment in MnSCU.

The College believes that the physical aspect of humanity is a key link to student learning. In a society plagued by obesity or severely overweight individuals the College strongly maintains that its curriculum track is the correct one. In an aging society they believe that the decision to reinstate the therapy programs is the correct one. This project request recognizes and supports the need for the therapy programs at the Worthington campus of Minnesota West Community and Technical College to be appropriately housed in a modern facility.

*State and Regional Economic Needs* - The development of a comprehensive community college is a vital part of economic development of a region. The inclusion of the YMCA on the same College campus multiplies the impact. In a rural setting the hardest thing to do is attract citizens to your community and to keep young people in your community. The most pressing problem to economic development in the region is a glaring labor shortage. The completion of the YMCA and the College's capital project creates a synergy that promotes mental and physical learning along with human activity that promotes economic growth in the community, whether it is the ability to retain a physician in the community or encourage a research scientist to come work for one of the bioscience research companies.

Additionally, there is a shortage of health care professionals in all fields. This project will enable the College to restart two programs closed over a decade ago due to facility issues. The restart is at the request of the two primary health care providers in southwest Minnesota. The ability to make Worthington a regional health care hub instead of going to Sioux Falls betters the lives of all citizens in the region and provides part of the required economic engine for the community.

*Innovate to Meet Educational Needs Efficiently* **-** The capital request is one which demonstrates the use of collaboration as a method of reaching educational needs efficiently. The College invited the YMCA to be a part of the campus environment. While each is a separate entity the partnerships that have been and will be forged between the YMCA, health care providers and the College save state dollars, community dollars and health care providers dollars which all in turn reduce the costs to citizens.

The integration of the College capital project with the YMCA project specifically will create education efficiencies in the providing of physical education programming and in the two new therapy technician programs. A specific example is the PT and OT programs will have a unique setting for students to move back and forth between theory classroom/lab settings and clinical settings with a physician or therapist.

*Institution Master Plans and Regional Collaborations* - The facility master plan completed in 2006 identified the gymnasium building as a resource to accommodate continued increases in student population, new programs and demands for updated student and public amenities. The Minnesota West Worthington campus continues to be the growth campus of its five campuses. Facilities Master Plan Goals:

- Provide facilities and a campus that support recruiting and retention of students.
- Transform the image and ambiance of the campus from a "high school" look to a collegiate stature.
- Encourage students to remain on campus to participate in academic and co-curricular activities.

The College's Academic and Strategic Plan identify as a set of goals the need to work with various partners to welcome the changing population into the community culture. These partnerships include the need to have facilities that are inviting and useful.

The College is a partner with Nobles County, the City of Worthington, and School District 518 in creating this environment. The addition of the YMCA to the Worthington campus is another example of broadening partnerships. The current facility is not user friendly nor environmentally friendly. This project will provide amenities such as restrooms that are 2006 code compliant instead of 1968 code compliant.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 819 | 873 | 878 | 883 |

**Project Rationale**

The Worthington campus of Minnesota West has a strong history dating back to 1936 of providing a total liberal arts education to its students. The College has worked around a facility that does not meet its academic master plan and student service goals since construction in 1968. The facility was built to meet the needs of the 1968 white male athlete. The campus population today is comprised of over fifty percent female and a growing Hispanic, Asian, African American and Somalian population. The local school district currently is 30 percent Hispanic with another ten percent of ethnic and racial backgrounds other than Caucasian. The current facility limits the College's ability to offer the diverse range of health and wellness courses and programs associated with a modern facility. The College will integrate their programs with the new $5 million YMCA where feasible, but the need for a base of operation independent of the YMCA is imperative.

Predesign:
Pre-design, completed by Hay-Dobbs, was submitted to MnSCU in December 2006.

Capacity of Current Utility Infrastructure:
Electric utility is near capacity. The city electric utility has agreed to upgrade the electric transformer to a size appropriate to meet the future needs. The cost of the upgrade will be shared between the campus and the utility with the campus share offset by a utility rebate. The natural gas utility was upgraded in 2004 as a result of the installation of a new high (97 percent) efficiency boiler plant in the gym. The campus has applied for an energy efficiency rebate from the gas utility of up to $24,000. Sanitary sewer, storm sewer and water supply utilities were upgraded in 2004.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1 percent Renewal account, etc): There is an anticipated annual increase of $36,300 for campus operating expenses in FY 08. With limited additional square footage, there will no additional general maintenance staffing needs.

Energy Efficiency/Sustainability:
HVAC system will be energy efficient. Design shall include all appropriate measures to ensure energy efficiency and building sustainability. The boiler system installed in 2004 is rated at 97 percent efficient.

Debt Service:
Debt service has been evaluated by the College CFO and Administration and determined to be within the College's ability.

**Other Considerations**

Consequences of Delayed Funding:

- The level of age of the existing facility with water usage, large volumes of air movement and constant student usage is reaching a critical failure.
- Due to inflation the college is now reaching a critical point of replacing parts of the deferred maintenance list in a less than cost effective fashion such as:
  - smaller boilers
  - washers
  - clogged and broken drains
  - gym vapor lights
  - and inferior technology.
- As time grows, the pressure to become ADA compliant and Title IX compliant will only increase until at some point the College will be faced with an actual complaint to either the state or the Federal government.
- The current facility will limit the ability to provide adequate programming space for two new health care programs in southwest Minnesota requested by their primary providers.
- While the amount requested for this capital project is small, the statement it makes to the multicultural community and to the southwest region is huge.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 19 | 0 | 0 | 0 | 19 |
| 3. Design Fees | 65 | 271 | 0 | 0 | 336 |
| 4. Project Management | 0 | 160 | 0 | 0 | 160 |
| 5. Construction Costs | 0 | 2,737 | 0 | 0 | 2,737 |
| 6. One Percent for Art | 0 | 24 | 0 | 0 | 24 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 271 | 0 | 0 | 271 |
| 9. Inflation | 0 | 537 | 0 | 0 | 537 |
| **TOTAL** | **84** | **4,000** | **0** | **0** | **4,084** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 84 | 0 | 0 | 0 | 84 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **84** | **4,000** | **0** | **0** | **4,084** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 20 | 20 | 40 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 20 | 20 | 40 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 20 | 20 | 40 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,680 | 67.0% |
| User Financing | 1320 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# South Central College - Classroom Renovation and Addition Design

**2008 STATE APPROPRIATION REQUEST:** $700,000

**AGENCY PROJECT PRIORITY:** 27 of 37

**PROJECT LOCATION:** South Central College, Faribault campus

**Project At A Glance**

- Design funding for demolition of obsolete space, a small addition and the renovation of the 44-year old structure to create a vibrant, sustainable higher education presence.
- Faribault campus has had no significant renovation and there are numerous code issues, obsolete areas creating inefficiency, programmatic outdates and other improvements that are required to maintain the higher education vitality in this active community
.

**Project Description**

Design funding for renovation of approximately 30,000 square feet, an addition of 16,600 square feet (not including an unfinished basement), and the demolition of 13,000 square feet. This project will address site constraints with improved vehicle circulation, modernized classrooms, additional science labs and revitalized technical instructional spaces. This project will update an outdated campus which has a growing FYE and strong community support, and accommodate both new technical programs and the expanded transfer mission of the college. Construction funding of $11,961,000 will be requested in 2010.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
Since late 2005, the communities of Faribault, Owatonna, Northfield and Waseca have been in discussion regarding how to serve the growing population along the I-35 Corridor. A study of the higher education needs of the corridor was commissioned in May 2006 by the Office of the Chancellor, cities of Owatonna and Faribault, and Riverland Community College, South Central College and Minnesota State University Mankato. MGT of America, Inc interviewed and surveyed over 100 students, business and community leaders and examined the higher education profile of the area. MGT's second recommendation said "*MnSCU officials first consider the option to renovate a substantial portion of the existing South Central College (SCC), Faribault campus space in order to enhance the infrastructure, improve distance education options on site, and generally create a modern, collegiate environment.*" Specifically mentioned was modernizing this 1964 campus to current collegiate standards to address the newly expanded community and technical college mission.

The design to correctly right-size and modernize this 1964 structure will address each of the four strategic plan objectives:

*Increase Access and Opportunity* - This project will significantly address the ease of access to the campus and overall development to embrace new and returning learners. Currently, there are insufficient spaces for study or on-site collegiate discourse. Via simple renovation of common spaces, the intent is to enliven the campus for all students at various times of the day.

*High-quality Learning Programs and Services* - The renovation will directly address the outdated classroom spaces, student service area and overall lack of collegiate environment;

- Increase the size of classrooms to allow for lecture and small group discussions that will increase the variety and types of programs that can be offered
- Develop of a computer lab and learning resource center to serve as a hub for advanced learning
- Increase the size of the Health Science spaces to allow for simulation labs
- Recreate classrooms and labs to accommodate the new Center for Construction Technology

*State and Regional Economic Needs* - 62 percent of all jobs in Minnesota are in manufacturing, healthcare/ social assistance, and retail trade according to Department of Employment and Economic Development. The manufacturing sector accounts for 13.4 percent of all jobs and 16.2 percent of payroll wages. In Faribault, the campus is committed to increasing the STEM course work, advancing the commitment to employers and students through the

computer integrated machining program and pre-engineering options. The Faribault campus is also expanding its response to the construction industry by expanding the work of the carpentry program into a Center of Construction Technology including civil technology, field supervision along with customize training certificates for more short term construction training needs. Healthcare and social assistance types of positions account for 12.5 percent of jobs and 10.6 percent of all payrolls in this region. Faribault will continue to provide medical laboratory technician and nursing education through its new Nursing Pathways options. Minnesota's healthcare industry is projected to increase due to turnover, retirements and demand for health care to increase. Faribault will also continue to grow its business programming in the areas of accounting, medical office technology and office technology.

*Innovate to Meet Educational Needs Efficiently* - Faribault has a Medical Laboratory Technologist Lab which is currently the only science lab on the campus and has 100 percent utilization. This lab has minimal ability to deliver transfer science lab programs for the Liberal Arts and Sciences AA degree. The addition of science labs will

- Increase enrollment in the science, technology, engineering and mathematics fields (STEM) to assist in the manufacturing areas and health care workforce in the area
- Increase student opportunities to continue their education at a four-year institution
- Increase college's capacity to provide science courses that are part of the Mn Transfer Curriculum
- Expand the possibilities for new programs and partnerships with business and other education institutions (i.e. hospitals, clinics, engineering firms, construction firms and manufacturing facilities)

Institution Master Plans and Regional Collaborations:
The college and campus Master plan was completed in February 2002, prior to the expansion of the college's mission. The Faribault community involvement in the college's 2015 profile planning process has created a renewed interest in the college and the future higher education opportunities provided to the citizens in the region. South Central is actively engaged in a number of partnerships with MSU, Mankato to offer more courses for 2 + 2 learners in the community. Seventeen major Faribault businesses were interviewed concerning their engagement with the college in the MGT study of the I35 corridor. The results of the study indicated significant involvement. Many of the Faribault businesses that were interviewed are either owned by or employ many of the SCC-Faribault graduates and serve on a variety of committees and advisory teams for the college, including the Foundation. Many of these businesses have financially assisted programs at the college by donating materials or supplies and offering student internships or classroom consultation.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 508 | 507 | 527 | 544 |

From 394 FYE in 2001 to the current 507 FYE in 2006 the campus has grown by 113 FYE or 23 percent. During the same time the Liberal Arts and Sciences grew by 74 percent, or by over 60 FYEs, with the technical programs remaining stable. Faribault's enrollment projections are conservative at only three percent, because without renovation and expansion enrollment growth will be limited. Many students and businesses are also interested in the laddering programs, four-year transfer, and other innovative approaches to delivering higher education.

Campus space utilization is at 87 percent for its 11 classrooms and labs. The growth of the institution is hampered by the inability to offer classrooms at the right size and location. Classroom utilization will be dramatically improved by the right-sizing of classrooms; creating a better mix of large and small classrooms that flexibly respond to the specific program delivery needs. Reusing the existing structure to reconfigure for correct program issues is the ultimate sustainability.

**Project Rationale**

This renovation and addition will position Faribault to maintain its base of services to students. One of the focuses of the renovation will be right-sizing existing classrooms that have less than a 20 percent room usage or less than 15 percent seat usage. Right-sizing of large, underutilized spaces will be transformed to provide a mix of 40, 24 and 18 class sizes that will benefit a variety of teaching types and programs.

This campus has not had a significant capital project since the system was formed in 1995, and it was last expanded in the 1988-89 academic year. There was a small $100,000 project that augmented the science lab in 2003, but that was inadequate for the campus needs. Additional funds have been spent from HEAPR of $600,000 for fire suppression and tuck pointing. Despite very little funding, this campus, built in 1964, maintains an FCI of less than half of one percent. This is substantially under the system average of 0.13. However, if there is not an investment in the next ten years the FCI will climb to 0.32. This project will remove a backlog of $1.1 million in elevator, HVAC and interior finishes, and significantly advance the usefulness of this structure.

Predesign:
Predesign is complete.

Capacity of Current Utility Infrastructure:
Currently there is $600,000 for HVAC upgrades on the five year renewal forecast. South Central College has six classrooms that have the Herman Nelson Univent system for both cooling and heating. Changing the current system to a duct system that connects to the existing hot/cold water system will require approximately $50,000 per classroom. Six labs with 1965 air handing units need updating, at an estimated cost of $50,000 per lab. These funds are included in this overall proposed construction cost to be requested in 2010.

To clearly delineate this campus as a destination and not a subset of the adjacent high school property will require expanded site parking and better circulation planning.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The overall energy efficiency of remodeled areas will be improved by 5-10 percent over current usage with the replacement of lighting, fans, motors and other energy savings devises. New construction areas are intended to use 30 percent less energy than code requirements. Additional design of the public spaces will allow controlled access so that the parts of the campus can be secured and temperature control zoned to maximize energy efficiency.

Energy Efficiency/Sustainability:
The ultimate sustainability issue is to renovate existing square footage. The community had a strong desire to move the campus away from its adjoining high school neighbor and create a more collegiate environment. The community is anticipating future growth since Rice County has grown by over 6.9 percent and Faribault has grown by over 6.7 percent from 2000-2004. The Faribault campus is adjacent to the local high school. The Faribault community has stated that the high school would be interested in the building if the college was to relocate. However the current MGT study recommended that the college should invest in the existing infrastructure.

Debt Service:
This project, in conjunction with other debt at South Central College, will be below MnSCU's three percent operational budget guideline.

**Other Considerations**

The rationale for the demolition of a portion of the existing building includes:

- The facility is currently inefficient and this proposed demolition section is not suitable for remodeling.
- Eliminating this piece, simplified by its independent structure, will allow for a continuous general education facility on multiple levels without impacting future site solutions.

Consequences of Delayed Funding:

- Built in 1964, the campus has basic infrastructure in place, but suffers from obsolete teaching and learning spaces, inappropriate size of rooms to reflect technology and overall modernization.
- With continued increases in the Liberal Arts and Science offerings it will be difficult to sustain growth given the current space configuration. More efficient classroom spaces will be created from this project.
- The Faribault campus has only one lab space, and that space is inadequate for the development of STEM programs.
- Faribault campus growth in four years was 23 percent; over 113 FYE. The campus at 87 percent room occupancy needs right-sizing to allow for appropriate programming and for additional growth and retention of students.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45 | 0 | 0 | 0 | 45 |
| 3. Design Fees | 0 | 543 | 225 | 0 | 768 |
| 4. Project Management | 0 | 51 | 446 | 0 | 497 |
| 5. Construction Costs | 0 | 46 | 8,281 | 0 | 8,327 |
| 6. One Percent for Art | 0 | 0 | 79 | 0 | 79 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 600 | 0 | 600 |
| 9. Inflation | 0 | 60 | 2,369 | 0 | 2,429 |
| **TOTAL** | **45** | **700** | **12,000** | **0** | **12,745** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 700 | 12,000 | 0 | 12,700 |
| **State Funds Subtotal** | 0 | 700 | 12,000 | 0 | 12,700 |
| Agency Operating Budget Funds | 45 | 0 | 0 | 0 | 45 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **45** | **700** | **12,000** | **0** | **12,745** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 5 | 5 | 5 | 15 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 5 | 5 | 5 | 15 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 5 | 5 | 5 | 15 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 469 | 67.0% |
| User Financing | 231 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Property Acquisition

**2008 STATE APPROPRIATION REQUEST:** $13,100,000

**AGENCY PROJECT PRIORITY:** 28 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Bemidji State University – Property acquisition of former Bemidji High School
- Dakota County Technical College – Property acquisition of 105 Acres at UMORE park
- Fond du Lac Tribal Community College – Property acquisition of seven residential properties
- Mn State University Moorhead – Property acquisition of Edison school
- Mn State Community Technical College Moorhead – Property acquisition of fire station
- NHED Vermilion Community College – Property acquisition of Northern Terrace Trailer Park
- Mn State College Southeast Technical, Red Wing – Property acquisition of Bergwall Arena
- Metropolitan State University – Property acquisitions on Bates Ave

**Project Description**

Purchase real property for eight MnSCU institutions that is adjacent to land-locked campuses and/or to solve other site issues:

*Bemidji State University* – Bemidji will use $2 million to demolish Bemidji's old high school building and maintenance facility, which offers a strategically contiguous land holding along a major city thoroughfare. The University is landlocked and the acquisition of this property would offer future expansion possibilities for a corporate outreach facility. The acquisition also offers a short term solution to surface parking.

*Dakota County Technical College* – Dakota will use $3.5 million to acquire 105 acres of University of Minnesota land that the College has leased since 1989. This project would improve access by allowing the college to grow the existing programs on the site and make long-range investment decisions based on the ownership of the property. This site will allow the expansion of the railroad conductor and truck driver training programs to meet the needs of growing industry demands from the transportation sector. The extra property would allow for additional parking and serve as a buffer between the college and the surrounding residential neighborhood.

*Fond du Lac Tribal Community College* – Fond du Lac will use $1.81 million to acquire as many as seven residential properties from neighboring sellers, as they become available. Two property owners adjacent to the college's Cultural Center addition along the college's southerly border have expressed a strong desire to sell. The college would demolish the residences after acquisition.

*Minnesota State University Moorhead* – Moorhead will use $1.12 million to purchase the Edison School that has been leased and utilized by the university and college since July 2004. This will provide appropriate spaces for the Speech Language Hearing Science Department and Clinic, and Dental Hygiene and Assisting program and clinic as well as the collaborative efforts between MSUM and MSCTC Nursing Programs.

*Minnesota State Community Technical College Moorhead* – MSCTC Moorhead will use $1.25 million to acquire the City of Moorhead fire station that is currently located on the Minnesota State Technical and Community college campus. The city constructed and maintained the building and has leased the land from the College since the late 1960s. The opportunity to acquire this will offer the College a way to enhance its Fire Science and Criminal Justice programs.

*Vermilion Community College* – Vermilion will use $500,000 to acquire the Northern Terrace Mobile Home park property, adjacent to Vermilion Community College. The college will be purchasing a clean and cleared site. The transaction assumes the seller will close the mobile home park, remove the mobile homes, concrete pads and remediate the site prior to closing. Even if no new academic programs are approved, the raw land can facilitate master planning initiatives for recreational activities for our present students,

and the forested land can be used to enhance academic learning labs for present programs in natural resources technology.

*Minnesota State College Southeast Technical, Red Wing* – Southeast Technical will use $1.72 million to acquire and demolish the Bergwall Ice Arena located within the Red Wing campus. The arena was retained by the school district in 1995, and was not conveyed to the state during merger. The arena is connected to the existing building and share a common wall and infrastructure. The school district intends to sell this property and there is concern from the campus on who would acquire and how it would be maintained. The arena creates a logical acquisition and completes what should have been transferred to the college during the merger in 1995. This acquisition would create space to expand offerings in allied health areas, which is anticipated to have sustained long-term growth.

*Metropolitan State University* – The University will use $1.2 million to acquire and demolish three residential properties surrounded by Metropolitan State University's main parking lot. This will allow the University to expand the parking lot by an additional 200 parking stalls. It will help to consolidate control of nearly the entire block adjacent to Metropolitan State University's St. Paul facilities.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Access and Opportunity* - Improve access by assuring that students in a region will be served by acquiring sufficient land to provide institution programs into the future, either through new building opportunities, parking, or land for training purposes.

*Integrated System* - This is a Chancellor's initiative to assist campuses in meeting academic program needs by assuring safe access and integration of buildings to overall regional strategic planning.

Enrollment and Space Utilization:
Property acquisitions will not change space utilization in existing buildings. Rather, the acquisitions strategically target property that will be needed for future enrollment growth.

Institution Master Plans and Regional Collaborations:
All of the projects are noted within the individual campus master plans for acquisition.

Enrollment:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 22,066 | 22,201 | 22,005 | 21,996 |

**Project Rationale**

Acquisition of land is linked to the overall Strategic Plan and the individual campus Master Facilities Plans prior to negotiations or request for approval. A pooled appropriation provides MnSCU with flexibility in responding quickly to real estate offerings that do not coincide with legislative sessions. In the past, some unique opportunities have been bypassed because the timing of the property offering and the ability to obtain funding from the legislature for the purchase did not coincide.

MnSCU is at a disadvantage during negotiations until funds have been appropriated. Sellers are reluctant to consider MnSCU a viable purchaser until they are assured that we have the financial resources to proceed.

Predesign:
All properties undergo appraisal and stringent due diligence on environmental and real estate issues.

Capacity of Current Utility Infrastructure:
Any impact of the acquisition has been analyzed by the campuses.

**Impact on Agency Operating Budgets (Facilities Notes)**

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each affected campus.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $3.4 million for property acquisition.
Laws 2005, chapter 20, article 1, section 3 appropriated $300,000 for property acquisition.

**Other Considerations**

Consequences of Delayed Funding:
Opportunities to purchase land adjacent to land-locked campuses from willing sellers will be lost. If higher-use development occurs on the land, any future opportunity to purchase the property will be at a premium cost.

Some campuses, such as Vermilion in Ely, have been on the Board-approved list for six years and it is likely the seller will pursue other options that may adversely impact the campus.

Alternatives Analysis:
Other sources for acquisition are in operating funds and thru donors. Campuses have aggressively sought additional funds; but those funds are garnered for academic programs and student reduction of tuition. Legislative funding is urged to provide the base of needed acreage for academic programs.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 13,000 | 0 | 0 | 13,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 100 | 0 | 0 | 100 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,100** | **0** | **0** | **13,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 13,100 | 0 | 0 | 13,100 |
| **State Funds Subtotal** | 0 | 13,100 | 0 | 0 | 13,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,100** | **0** | **0** | **13,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,777 | 67.0% |
| User Financing | 4323 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Demolition

**2008 STATE APPROPRIATION REQUEST:** $2,830,000

**AGENCY PROJECT PRIORITY:** 29 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Demolish outdated and obsolete structures of academic, support and revenue buildings on three campuses
- Systemwide initiative to demolish obsolete space
- Campus-initiated demolition requests
- Demolition of a total of 96,635 gross square feet (GSF) of buildings
- Project will eliminate $2.63 in deferred maintenance backlog

**Project Description**

*Bemidji State University* – Bemidji will use $2.275 million to demolish the Maple residence hall to reduce the overall capacity of on-campus residence halls by 94,635 gross square feet. The current deferred maintenance is $2.21 million. The University would then be able to dedicate more funds toward maintaining the remaining residence halls by reducing the overall capacity. Quality of residences will benefit the students.

*Hennepin Technical College* – Hennepin TC will use $400,000 to demolish the greenhouse structure and restore the exterior wall connection to the existing building. The structure was originally built for a landscape program that has since been discontinued. Removal of the greenhouse will better enable temperature control in the remaining spaces, creating a more comfortable space for students. It will eliminate $13,000 in deferred maintenance and reduce the campus gross square feet by 1,000.

*NHED Vermilion Community College* – Vermilion plans to use $159,000 to demolish 1300 square feet of an aging modular building and then remodel 1700 square feet of existing spaces to accommodate displaced programs. The building is of low quality construction and has suffered from water penetration through the roof and walls. The demolition will lower the deferred maintenance by $29,000.

MnSCU's Strategic Plan:
*Access and Opportunity* - The academic buildings must be minimally maintained and heated, costing their respective campuses financial resources that could be reallocated to improving teaching and learning. The housing is to be demolished to improve access to safe, high-quality on-campus college-experience housing for all interested students by removal of housing that is outdated and inadequate. At present, on-campus housing is limited to freshmen and sophomores at most campuses.

*High-Quality Learning Options and Services* - Improve instructional technology by allowing maintenance funds to be used on practical and appropriate program spaces. These spaces are inefficient and do not work as program spaces.

*Innovate to Meet Educational Needs Efficiently* **-** This is an Office of the Chancellor initiative to assist campuses in their stewardship of physical assets and to right-size spaces, while simultaneously reducing the deferred maintenance. This project directly supports the long-time Board focus on renewal and preservation, maximizing functionality, and utilizing future-oriented technology.

*State and Regional Economic Needs* – The state benefits from the proper disposal of obsolete space, allowing maintenance and operational dollars to be spent on viable and useable space.

Institution Master Plans and Regional Collaborations:
All of the projects are noted in the individual campus master plans.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 6,622 | 6,475 | 6,427 | 6,461 |

Predesign:
No predesigns were completed, but environmental assessments were conducted, and local contractors provided cost estimates on demolitions.

Capacity of Current Utility Infrastructure:
Utility infrastructure will be improved by not providing utilities to these unused spaces.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Building operations will improve to not maintain or operate these obsolete spaces. Demolition of obsolete and inefficient buildings will remove over $2.25 million from the Revenue Fund deferred maintenance backlog:

Energy Efficiency/Sustainability:
General campus energy efficiency will improve by the reduction of this obsolete square footage. Additional efforts will be made to recycle or otherwise salvage or appropriately dispose of these structures to prevent unnecessary landfill.

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each affected campus. In all three of these campuses the debt service is less than the upkeep and maintenance of these outdated structures.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $1.660 million for demolition.

Laws 2005, chapter 20, article 1, section 3 appropriated $1.625 million for demolition.

**Other Considerations**

Alternatives Analysis:
For the state university housing demolition, the revenue fund was thoroughly examined by outside bond consultants. The revenue funds was rejected as a source of funding for this demolition because it will cause room rental rates to be set too far above local market rates and students' ability to pay. There are no economically feasible alternatives other than to use state funding for this purpose. State funding was successfully used in 2005 and 2006.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 50 | 0 | 0 | 50 |
| 4. Project Management | 0 | 73 | 0 | 0 | 73 |
| 5. Construction Costs | 0 | 2,464 | 0 | 0 | 2,464 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 243 | 0 | 0 | 243 |
| **TOTAL** | **0** | **2,830** | **0** | **0** | **2,830** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,830 | 0 | 0 | 2,830 |
| **State Funds Subtotal** | 0 | 2,830 | 0 | 0 | 2,830 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,830** | **0** | **0** | **2,830** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,896 | 67.0% |
| User Financing | 934 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Owatonna College and University Center - Property Acquisition

**2008 STATE APPROPRIATION REQUEST:** $3,500,000

**AGENCY PROJECT PRIORITY:** 30 of 37

**PROJECT LOCATION:** Owatonna

**Project At A Glance**

- Acquisition of 25,000 GSF building and associated land
- Project will provide 13 classrooms, seven offices, a reception area, two conference rooms, a gathering area, support areas, opportunity for growth and 159 parking spaces.

**Project Description**

This project is for acquisition of the 25,000 gross square foot (GSF) Owatonna College and University Center building in Steele County, including 9 acres and an adjacent 18 acres of vacant land.

This acquisition will provide: 13 classrooms, seven offices, a reception area, two conference rooms, a gathering area with vending, a copy room, and other support areas, as well as opportunity for growth and 159 associated parking spaces.

The Owatonna College and University Center currently houses programs from Riverland Community College, MSU Mankato and two private colleges. The intended use is as a collaborative Center offering a combination of two-year and four-year offerings by MSU Mankato, Riverland Community College and South Central College. Specifically, acquisition will support expansion of 2+2 arrangements, lower division and an associate of arts degree, additional offerings in liberal arts and sciences, potential growth in technical offerings. It will also allow for a greater presence of targeted upper division and graduate level courses in such areas as social work, engineering, and business and other areas of demand.

Riverland Community College has leased the facility from the Economic Development Authority of the City of Owatonna (EDA) since November 1, 2000. The EDA financed the construction of the Owatonna College and University Center building using Lease Revenue Bonds with the expectation that public and private colleges and universities would offer courses at the site. During the course of the lease since 2002, Riverland Community College has coordinated scheduling of the facility, absorbed the facility operating and renewal costs, and reorganized the enrollment in the allocation process.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
This project reaffirms the strategic goals and directions of MnSCU's strategic plans. It is the mission and statutory responsibility of the system to provide access for all Minnesota citizens and enhance local economies by providing a highly qualified workforce. Absent a MnSCU system presence in Owatonna, the community invested significant resources to make the Owatonna College and University Center a reality. The community and Riverland Community College are asking MnSCU to acquire the facility. The current system action plan goal to provide innovative programming and delivery models to meet the changing higher education needs of rural communities and the five-year history of demand supports a continuing commitment of the system in the region. The following factors also support this request:

- A longstanding and fiscally challenging lease between Riverland and the city of Owatonna.
- The increasingly evident need for a more regionally coordinated approach to higher education in a community that has been historically underserved by public higher education.

A recently completed market study performed by MGT of America resulted in four recommendations:

1. Continue the current level of effort to deliver regional lower division programming through Riverland Community College and South Central College;

2. Consider the option to renovate a substantial portion of the existing South Central College, Faribault campus space;
3. Establish a more permanent presence in Steele County; and
4. Assign Minnesota State University, Mankato the lead responsibility for baccalaureate and graduate degree programming in the four-county region.

The key findings from the MGT analysis that contributed to this request are highlighted in each of the relevant MnSCU System strategic directions.

*Increase Access and Opportunity* - Acquisition of the Center represents a comparatively low-cost way of assuring continuing access in this community and a region experiencing the need for skilled workers. The analysis of current and projected demand for higher education by MGT of America contributed to the following findings:

- A small but significant proportion of current MnSCU students that left the region would consider staying in the region if more educational options were available.
- Employers surveyed during the study indicated that the most significant barriers to pursuing higher education in the region were limited offerings and inconvenient location.
- Employers' delivery preferences were traditional classroom instruction at a local educational campus or center and instruction via the internet.
- A non-traditional learner segment that typically cannot or is not willing to travel long distances for access to higher education.
- Acquisition of the Center would give MnSCU institutions control of an established regional higher education facility to provide expanded access to learners.

*High-quality Learning Programs and Services* - The Owatonna College and University Center has provided higher education under an innovative and collaborative approach building on the distinctive strengths of the public and private higher education partners. Programming has in part been guided by a local advisory council under a demand-driven approach to a limited set of offerings. Acquisition of the space by the system would contribute to better coordination of offerings by MnSCU institutions. The MGT analysis revealed the predominant need is for technical skills, 2-year programming, and job-specific training. There is also some demand for upper division and graduate programs, which is expected to increase as the lower division programs continue to grow.

The existing facility would accommodate most of the types of programming identified during the MGT study. There may be a need for space reconfiguration after acquisition to accommodate expanded programming. Currently there are 13 classroom spaces including four classrooms with 36 seats, two computer rooms that seat 24, two other spaces that seat 24, one small computer lab that seats 16 and a nursing lab that holds 16. The building, which was built in 2001-02, is of relatively modern design and upkeep. Since there has not been a Facilities Condition Assessment completed, the overall Facilities Condition Index (FCI) is unknown at this time. Given the relatively recent construction, there is not expected to be a need for significant renovation of major building systems, such as HVAC or roofing.

*State and Regional Economic Needs* - The study by MGT affirmed strategies revealed across the state. Namely, that higher education provides a significant and critical means for economic and workforce development in local communities. The primary communities involved in the study, Owatonna and Faribault, contended that a local MnSCU presence in their respective communities is needed for the future growth and strategic goals of their locale. The presence of Riverland Community College and South Central College and the growing interest of MSU Mankato would provide for a full-spectrum of course offerings at the Owatonna College and University Center. The collaboration between the three proposed institutions will broaden the center's reach and meet the needs identified by the community and the region as expressed in the MGT analysis of the I-35 corridor.

This is a region predominantly driven by manufacturing and finance and insurance, with growth in education and health professions similar to other regions. The expanded system presence in the Owatonna community will increase strategies to deliver graduate, upper, and lower division programming based on academic strengths of the three partner institutions and their ability to respond to industry needs.

*Innovate to Meet Educational Needs Efficiently* - Nationwide, centers such as the Ardmore Higher Education Center (OK), the Southwest Virginia Higher Education Center (VA), and the Great Falls Higher Education Center (MT) have proven successful in delivering courses to rural areas and regional hubs via a combination of delivery methods and collaboration among multiple higher education providers. Riverland Community College has successfully

delivered programs with other higher education providers since the center's opening and would like to create a higher education collaboration that combines the strengths and diversity of the Minnesota State Colleges and Universities offerings to the Owatonna community.

Innovative technological delivery methods will be utilized to deliver programming at this facility. Drawing from multiple institutions located in the region will require coordinated classroom instruction, distance delivery, and blended programming at the center. The current space provides the flexibility and basis for possible reconfiguration and shared use.

A collaborative center represents a significant opportunity to promote innovation and collaboration. A shared facility that draws upon the programming of multiple providers will challenge current system academic, funding, and management models. The ability of the MnSCU system to leverage the breadth of knowledge at institutions and bring it to bear on a local community is essential to the ability of state and local communities to compete in the 21st Century.

Institution Master Plans and Regional Collaborations:
The acquisition of the Owatonna site was included in Riverland Community College's master plan presentation in 2005. The MGT study completed in 2006 at the request of the local communities and MnSCU supports acquisition of this facility. The multiple provider approach at this facility represents a high level of collaboration and joint planning and programming for the system. This synergistic higher education center model represents an opportunity to pursue greater efficiencies and new levels of regional collaboration.

Enrollment and Space Utilization:

| | FY2004 | FY2006* | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 473 | 483 | 468 | 474 |

* Numbers are the overall general college from Riverland Community College and may contain some FYE that is part of the on-line components. Space utilization in this building, with two classrooms for the private colleges, is not fully captured. However, the space data that has been captured indicated:

- Fall 2005 – eight classrooms used 75 percent of the time with seat usage 52 percent
- Fall 2006 – nine classrooms used 57 percent of the time with seat usage 41 percent

Note: Utilization is based on a 32-hour week; so there is room for growth of classroom space above 32 hours and if the two classrooms for the private colleges are added to the system. The primary usage is in the evenings with significantly less usage during the day, between the hours of 10 am – 3 pm. In fall 2005, Crown College and Concordia operated in rooms 102 and 133, and had about 50 FYE in the classes being taught at the Center. As of 2005, Riverland was generating approximately $37,000 from sublease/usage agreements at the Center. Assuming a student paid a Riverland full-time tuition rate of $4,427 (as of 2006-07), adding an extra 50 FYE students to the Center could result in gross tuition receipts of $221,350 annually.

**Project Rationale**

The addition of these classroom spaces under system-wide management will allow for greater collaborative opportunities. The current lease is structured so that the rent covers the debt service on the existing municipal lease revenue bonds. The current rent is $260,000 per year with Riverland Community College responsible for all operating costs of the facility. The recent operating costs have amounted to approximately $206,000 per year. The property is currently exempt from property taxes.

The lease term expires in 2016 with a final lease payment of $516,069. The EDA has approached Riverland about purchasing the property for $2.25 million (or approximately the outstanding payoff of the bond). An assumption is made that the EDA would sell the adjacent 18 acres for $25,000 an acre for a total land cost of $450,000. Combined purchase price would total $2.7 million with $800,000 attributable to due diligence, design and reconfiguration required to optimize the space, and contingency.

Predesign:
Pre-design has not started. A Facilities Condition Assessment and other due diligence are required prior to purchase.

Capacity of Current Utility Infrastructure:
The utility infrastructure should be adequate as it was constructed in 2001.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
All operating costs are paid by Riverland Community College, although it does recoup some of its expenses. The operating expenses are not expected to change significantly after Minnesota State Colleges and Universities takes ownership of the facility.

Operating costs have averaged about $206,000 for utilities, janitorial, repairs and maintenance, insurance and staffing costs. The property is exempt from real estate taxes.

Energy Efficiency/Sustainability:
The facility was not built to MnSCU design standards, so there may be additional energy-saving components to be retrofitted in the future to conserve energy.

Debt Service:
Assuming a $3.5 million appropriation and five percent interest rate, MnSCU's total share of debt service would be $96,616, and the institution's share of debt service would be about $46,800 annually. This compares to the annual lease obligation of $260,000. That $46,800 would be split proportionally to the institutional users of the facility.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $3.4 million for other property acquisitions by MnSCU campuses.

Laws 2005, chapter 20, article 1, section 3 appropriated $300,000 for other property acquisitions by MnSCU campuses.

**Other Considerations**

Current Users of Facility:
Crown and Concordia College currently sublease the facility from Riverland Community College and have approximately 50 FYE students attending classes at the Owatonna College and University Center site. It would be expected that with these private colleges not at the center, there will be additional classroom space available for MnSCU use.

Consequences of Delayed Funding:
If the acquisition is not authorized, then Riverland will continue to lease and pay the full costs of the debt. Neither Riverland nor MnSCU will own the property when the lease expires, and the agreement does not include a bargain purchase option.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 3,500 | 0 | 0 | 3,500 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,500** | **0** | **0** | **3,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,500 | 0 | 0 | 3,500 |
| **State Funds Subtotal** | 0 | 3,500 | 0 | 0 | 3,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,500** | **0** | **0** | **3,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,345 | 67.0% |
| User Financing | 1155 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health

**2008 STATE APPROPRIATION REQUEST:** $1,900,000

**AGENCY PROJECT PRIORITY:** 31 of 37

**PROJECT LOCATION:** Location not yet determined

**Project at a Glance**

- Project will design space at both campuses to serve Minnesota and the northwest metro area's demand for STEM (Science, Technology, Engineering, Math) and health careers education and will add classroom and lab capacity for enrollment growth, new program development and 4-year university programs.
- Develop analyses to allow for renovation and new construction at both campuses to fulfill upper division programs and academic course offerings to advance existing bioscience and medical industries and business.
- The two colleges will work together to identify workforce and related academic programming and create an efficient and effective plan for collaboratively meeting identified needs.

**Project Description**

Predesign and schematic design for Anoka Ramsey Community College (ARCC) and North Hennepin Community College (NHCC), for facilities to collaboratively expand bioscience and health careers education, including increased access to 4-year university programs.

**Relationship to Strategic Plan**

MnSCU's Strategic plan:
*Increase Access and Opportunity* - The projects at both campuses will increase access and opportunity for preparation in health or STEM related careers.

- Respond to high demand existing health career programs such as nursing. Expand the curriculum and increase sections of high demand STEM classes such as biology and chemistry.
- Provide more students the opportunity to complete a four year degree in STEM and health careers.
- Create flexible lab and lecture space to allow for rapid response to the changing needs of students and employers in the region for both credit and non credit instruction.
- Both colleges serve a large number of students of color and first generation, low income students as well as place bound working adults whose options for education are often limited to the metropolitan area. ARCC has 1,079 and NHCC has 2,550 students of color.

*High Quality Learning Programs and Services* - Due to capacity constraints, both campuses are unable to meet the growing demand for programs in STEM and health related fields. This addition will allow for expanded course offerings of direct importance to current and future employers in the region.

The combination of high quality programs and niche courses offer options to serve both the traditional degree-seeking student wishing to work in the bioscience, biomedical engineering, or environmental science industry as well as the experienced degree-holder who needs retooling. Upper division programs allow increased opportunities to obtain a bachelor's degree.

- Both ARCC and NHCC have large nursing programs. Each college receives over 400 applications for nursing each year and has space to admit less than half. Nursing enrollments are approximately 250 students a year at each college. Nearly one fourth of NHCC's nursing students are multicultural. Both colleges currently collaborate with Metropolitan State University to offer the BSN (Baccalaureate of Science in Nursing) at their campuses.
- ARCC has been a three year partner in a national Department of Education grant where colleges from around the country design curriculum for the medical device industry. Recently ARCC received an NSF ATE (Advanced Technology Education) grant in partnership with three other colleges to develop three new certificate programs to serve the medical device industry. ARCC's share is $201,000 over three years.
- ARCC and partner companies in the medical device and health care industries have been awarded over $6.3 million dollars in Minnesota Job Skills Partnership grants to provide training to company employees and to expand college capacity. Companies include: Possis Medical, Inc.;

Mercy and Unity Hospitals; East Central Allied Health Consortium; Transoma/Data Sciences, International; Boston Scientific SCIMED; American Medical Systems; MedSource Technologies; OakRiver Technology; E & O Tool & Plastics, Inc; CIMA LABS, Inc.; Synovis Interventional Solutions; Cambridge Medical Center and Grandview Christian Ministries; Incisive Surgical; Minco Products, Inc.; Acorn Cardiovascular; rms; ev3; and NeoMetrics, Inc.

- ARCC's grant partnerships have resulted in the development of unique biomedical device industry education programs, including Biomedical Technology A.S. Degree and Certificate, Clinical Research Professional Certificate credit programs, and a Medical Device Assembly and Manufacturing non-credit certificate program.
- ARCC is developing a new Associate in Science degree in Medical Device Engineering Technology that will require highly specialized lab and lecture space. Lab space is needed for manufacturing equipment, a test bed (donated by Boston Scientific), simulation equipment, measurement tools, and space for an R & D lab.
- NHCC is partnering with Minnesota State University Moorhead (MSUM) to make available a B.A. in Biology with emphases available in Biochemistry and Bioscience and Health and Medical Sciences. The B.A. in Biology from MSUM incorporates research throughout the curriculum as well as opportunities to become involved in mentored research projects outside of the classroom.
- NHCC, in partnership with St. Cloud State University, Allina Hospitals and Clinics, Centracare and Viromed received a $347,000 Minnesota Job Skills Partnership grant to expand medical laboratory technician and technologist programs and training. The two schools are building a single system of courses to provide ongoing training, increase the pool of new clinical laboratory professionals, and develop an easier career ladder.
- NHCC hosts a Masters Degree program in Regulatory Affairs from St. Cloud State University on its campus.
- NHCC offers a non credit certificate in Regulatory Affairs to serve the bioscience industry.

*State and Regional Economic Needs* - Minnesota is home to some of the world's largest biomedical device manufacturing companies and is also home to research and development operations for other industry leaders, as well as multiple small to mid-sized bioscience and biotechnology companies that range from genetic engineering processes to the nanotechnology industry. According to the Minnesota Department of Employment and Economic Development (DEED) (2004) there are more than 520 FDA approved medical device establishments in Minnesota. Between 1992 and 2002 employment in the medical technology industry increased 31% to over 21,300 people.

The northwest nine-county service area is growing rapidly. A shortage of employees with traditional health care skills and employees with converged skills in both health care and biosciences exists today and will no doubt increase as the population ages. A significant and growing segment of our economy requires employees with STEM degrees.

Students in the metro area have limited options to earn a four year STEM degree. The largest public STEM degree-granting institution in the Twin Cities, the University of Minnesota, is increasingly selective, limiting opportunities for undergraduate enrollment. Cost of attending the University of Minnesota or metro area private colleges is higher than at MnSCU institutions and these schools do not usually offer STEM programs and courses at times and in formats tailored to meet the needs of working adults. As a result, a large potential market for students in the STEM fields is not being served. This has negative consequences for the workforce, industry and the state's economy.

Minnesota has a shortage of nurses, particularly nurses with BSN degrees. DEED estimates that by 2020 Minnesota could face a shortage as high as 28% of demand. The overall nursing shortage is compounded by growing employer preference for baccalaureate prepared nurses. New facilities will enable ARCC and NHCC, in partnership with Metropolitan State University, to expand BSN programs. A critical component is addition of quality simulations labs to reduce reliance on limited clinical sites.

The allied health workforce represents the largest group of healthcare professionals at more than twice the size of the nursing profession. In Minnesota, the shortage of clinical laboratory professionals has become a matter of critical concern. Biotechnology companies also need the skills that clinical laboratory scientists obtain during their education.

The growth in science and nursing facilities at ARCC and NHCC will:

- Enable more metro students to receive research-based baccalaureate degrees in the biosciences as well as four year degrees in the health sciences while continuing to live and work in the metro area,
- Serve the needs of area bioscience industries, such as PDL BioPharma, Medtronic and Boston Scientific,
- Serve the needs of the new hospital being built in Maple Grove and numerous new clinics in addition to existing ones,
- Serve the growing population in the northwest quadrant of the Twin Cities, and
- Provide additional education and degrees to people currently employed in the biosciences and health industries.

*Innovate to Meet Educational Needs Efficiently* - This collaboration between ARCC and NHCC in partnership with MnSCU universities represents a significant commitment to meet the needs of students and industry in a manner which minimizes unnecessary duplication and focuses on the unique strengths and abilities of each institution. By working together to identify and design specific facilities to meet the programming needs of each school's programs, students will gain access to a wide array of excellent programs as the specialized needs of business and industry are being met.

New technology and the melding of STEM/Bioscience disciplines require constant training and retraining for those currently employed in the bioscience industry. This project at both campuses will better serve the needs of students and industries and accommodate the rapid pace of technological change.

Institution Master Plans & Regional Collaborations:
Both campuses have recognized the need for expansion in these areas.

- Create new and/or enhanced bioscience and health programs, of which two or more will be interdisciplinary in Allied Health.
- Establish institutional distinction for biomedical technology with new programs and national initiatives that serve the breadth of needs within the industry.
- Expand current allied health programs.
- Strengthen community, business, and economic development involvement and relationships.
- Partnering opportunities with universities in the biosciences and health careers.

Enrollment and Space Utilization:
At both campuses there is a critical need for new space for these programs and enrollment justifies the additional space. Additional evaluation of renovation to correctly 'right size' existing spaces will also be done. Area population growth, industry interest and needs, space constraints, and collaborative arrangements (discussed above) all support the need and viability of this proposal.

Enrollment as measured by full year equivalent students (FYE) has grown substantially in recent years.

| | FY2000 | FY2006 | FY2007 | FY2008* |
|---|---|---|---|---|
| ARCC (Coon Rapids) | 2837 | 3589 | 3775 | 3888 |
| NHCC | 3135 | 4165 | 4150 | 4235 |

*projected

ARCC has had no new space constructed on the Coon Rapids campus since 1997. As identified on MnSCU space use reports, allied health and science lab space is reflected at over 100% room usage. The ability to accommodate growth is contingent on new space. Space for new programs and flexible space is virtually non existent. Coon Rapids campus is nearing capacity which limits access to rooms that provide opportunities to apply student centered pedagogical approaches.

NHCC has identified space needs since the 2003 Facilities Master plan and additional space for science instruction was identified in the September 2004 Facilities Master Plan as a long term building project. As reflected in the MnSCU space use reports room usage in science labs frequently exceeds 150%. Room usage campus wide of 125% in fall 2006 and 122% in fall 2005 reflects the decisions made by NHCC to provide access to students who are unable to attend college during week-day hours. Classes are offered beginning at 7 a.m. and end at 10:00 p.m. during the week, and are offered on Saturdays and Sundays.

**Project Rationale**

Designing and building new space for Bioscience and Health Careers at both ARCC and NHCC will accomplish the following objectives:

- Provide additional capacity for existing science programs
- Expand Nursing program capacity
- Expand other Health Career program capacity
- Enable increased grant participation
- Increase opportunity for Bioscience Baccalaureate degrees in metro area
- Serve the needs of industry and an expanding metropolitan area
- Offer continuing education and training to those currently employed in the biosciences and health careers, many of whom are place bound by jobs and family responsibilities
- Expand educational opportunities for underrepresented students
- Free up classrooms and space in existing buildings to address current capacity problems

Predesign:
A Predesign was done for both campuses by separate architects for these issues. The decision to evaluate academic programs and workforce needs for enhanced planning in this quadrant will be executed in the summer and fall of 2007, with firmer building plan analysis done prior to the 2008 legislative session.

Capacity of Current Utility Infrastructure:
*At ARCC:*
Heating: The three dual fuel (gas/oil) boiler/burner units are in good working order and have sufficient capacity to heat the new building areas.
Cooling: The two water-cooled centrifugal Chillers installed in 1997 have sufficient capacity to cool the new building areas.
Electrical: The existing 15 KV loop system, which distributes power throughout the campus with 15 KV loop switches located within each of the buildings, is in good order and of sufficient capacity for the new building areas.

*At NHCC:* The current systems will be close to maximized once the new addition is built to the Center for Business and Technology, projected for early 2010. Any new structure will have its own self contained energy efficient new system.

**Impact on Agency Operating Budgets (Facilities Notes)**

Energy Efficiency/Sustainability:
The new construction and renovations will emphasize energy efficiency and minimize operations costs. Sustainability design strategies are proposed for the project related to energy usage, recycled content, low embodied energy material use, heightened indoor air quality and sustainable material selections. In addition to energy standards, the building should also take sustainability into consideration, including but not limited to site design, indoor environmental quality, energy and water conservation, utilization of resource-efficient materials, minimization of construction waste, and optimization of maintenance and operations through the use of new technologies and materials.

Debt Service:
Both campuses have the ability to pay debt service. Projected debt service between 2010 and 2013 will be less than 1% of campus annual operating expenses.

**Other Considerations**

Consequences of Delayed Funding:
The most profound impact of delayed funding is the loss of opportunity for Minnesota State Colleges and University students seeking degrees and training in the biosciences and health careers:

- Continued turning away of applicants to multiple programs
- Space needs on both campuses will severely backlog capital project requests
- Lack of capacity to respond to industry development and degree needs unique to northwest metro region
- Lack of capacity to respond to workforce retooling and preparation needs in high demand areas

- Loss of competitive advantage to educate students seeking bioscience, math, technology or allied health careers
- Likelihood that the colleges will need to relocate programs or start new programs in leased space

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 72 | 436 | 0 | 0 | 508 |
| 3. Design Fees | 0 | 1,032 | 1,296 | 0 | 2,328 |
| 4. Project Management | 0 | 199 | 866 | 0 | 1,065 |
| 5. Construction Costs | 0 | 0 | 28,489 | 0 | 28,489 |
| 6. One Percent for Art | 0 | 0 | 200 | 0 | 200 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 2,202 | 0 | 2,202 |
| 9. Inflation | 0 | 233 | 8,627 | 0 | 8,860 |
| **TOTAL** | **72** | **1,900** | **41,680** | **0** | **43,652** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,900 | 41,680 | 0 | 43,580 |
| **State Funds Subtotal** | 0 | 1,900 | 41,680 | 0 | 43,580 |
| Agency Operating Budget Funds | 72 | 0 | 0 | 0 | 72 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **72** | **1,900** | **41,680** | **0** | **43,652** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 90 | 90 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 90 | 90 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 90 | 90 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 1.0 | 1.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,273 | 67.0% |
| User Financing | 627 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn State Univ Moorhead - Livingston Lord Library Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $700,000

**AGENCY PROJECT PRIORITY:** 32 of 37

**PROJECT LOCATION:** Minnesota State University, Moorhead

**Project At A Glance**

- Design to renovate over 120,000 gross square feet (GSF)
- Renovation will address deferred maintenance issues
- Code compliance issues will be addressed

**Project Description**

Develop design and construction documents for the renovation of Livingston Lord Library. The facility has 129,083 square feet, including the original construction in 1960 and the addition in 1987. This comprehensive renovation will completely replace the HVAC, electrical, plumbing, and fire detection systems. In addition, appropriate fire suppressions systems will be installed with due care for the Library's inventory of books, periodicals and campus artifacts. There are a number of code compliance issues and accessibility issues that will be resolved in the renovation.

Currently, this facility has over $10 million of deferred maintenance. The existing FCI is .34, and with the remodeling it will be lowered to an FCI of .07. This renovation will remove a backlog of deferred maintenance and considerable renewal deferred maintenance. For example, the current list of deferred maintenance and FCI does not include approximately $1 million of electrical work that will be added to the facilities module in 2007. This project will significantly reduce the deferred maintenance on campus and improve the campus FCI by reducing it from .24 to .22.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Initiative 1.3 states: "...prepare young people to graduate from high school..." A redesigned Library will allow staff to conduct workshops and better integrate college research experience into high school. The college will continue to partner with area high-schools and provide information literacy and library research instruction and introduce them to college-level research. The college will expand their services to area high schools and include study spaces and services to meet their needs.

*High-quality Learning Programs and Services* - Initiative 2.3 states: "multiple delivery options": The library needs updated spaces for collaborative learning, social networking, and more digital media-based curriculum in order to meet the needs of today's technology-savvy yet socially-motivated learners. The library needs to adapt to become more of a technology help-center, study skills, writing and reading tutoring, and digitally-information rich space. The library will become a "learning commons" and essential space for academic services that are flexible, innovative, and open to students when they need them (not the 8:00 a.m. - 4:30 p.m. model). There is a need for less print collections and more space for interactive learning and research. This will also provide an opportunity to finally make the library building a learning space that truly accommodates students with disabilities and special needs.

The Library's Reading Aloud program is growing by leaps and bounds. This service learning project needs a defined space for reading aloud to children, which could also double as a community outreach space for underserved middle and high school students.

*State and Regional Economic Needs* - Initiative 3.2 states: "regional vitality… cultural, artistic assets." The library needs to offer more space that is open to the community for learning, research, and cultural/artistic events. More space for student and community created artistic and other projects. Initiative 3.3 requests that the Library must become a center for information sources for the campus and region.

*Innovate to Meet Educational Needs Efficiently* - The current Minnesota State University Moorhead (MSUM) Strategic Plan quotes the following core values of "environment focused on the student," "effecting teaching and learning," and the "communities we serve." The library must become more student-focused, adaptive, and flexible to change with students learning styles and needs. Updates would include modular furniture that can be moved into

collaborative configurations, a variety of study spaces, and more digital technology and collections.

Long-Term Institutional Goals for MSUM include:
1.4: "Provide resources that support a teaching and learning environment in and outside the classroom." and 2.1: "Provide supportive programs and services that are accessible… respond proactively to student needs." The current facilities are not disabilities-accessible in many areas. The Circulation desk does not accommodate wheelchairs. Collection shelving on 2nd-4th floor is not wide enough to accommodate wheelchairs. Study spaces do not accommodate a variety of disabilities.

Institution Master Plans & Regional Collaborations:
MSUM's facilities have been characterized with terms such as extensive deferred maintenance, tired, out-of-date, worn out, etc. The University has worked with MnSCU personnel and legislators to secure funding to renovate and update its facilities.

Most of the facilities now have adequate envelope protection, and with the renovation of Owens Hall, Frick Hall, Hagen Hall, MacLean Hall and proposed renovations of Lommen Hall, considerable progress has been made in decreasing the level of deferred maintenance on campus.

However, there has been a glaring oversight for several years, and that is addressing the deferred maintenance of the Livingston Lord Library. When previous emphasis was placed on renovating libraries in the 80's, Livingston Lord Library was renovated to include 3rd and 4th floors, with some asbestos abatement on the 1st and 2nd floors. While the carpet was replaced, the original mechanical system was left in place. Consequently, the deferred maintenance now amounts to $10.07 million and FCI is .34. This facility is the most used facility on campus and includes three general computer labs that are open 24 hours a day, seven days a week.

MSUM's strategic plan to address the renovation of its facilities prioritized life and safety issues first, then renovation of classrooms and offices, and finally the level of deferred maintenance. Livingston Lord Library's level of deferred maintenance is unusually high, at approximately $80 per square foot.

It is also time to provide a facility that meets the current and future needs of a University Library. The Library director and staff agree that the facility, in its renovation, be converted to a student-centered learning commons. This concept is presented in the predesign for the renovation of the facility.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 7,008 | 6,818 | 6,695 | 6,681 |

**Project Rationale**

The renovation of Livingston Lord Library has been delayed as MSUM placed its emphasis on health and safety issues and then renovating the two oldest classroom buildings on campus. The facility not only has extensive levels of deferred maintenance, but also needs redesigning to provide a student-centered learning environment that is not possible with the current interior design.

Predesign:
Cost Planning & Management Inc. (CPMI) and the Library staff have completed predesign.

Capacity of Current Utility Infrastructure:
The current utility infrastructure will be replaced. There will be adequate HVAC and plumbing systems, plus a new electrical distribution system including fire detection and suppression systems. Updated student learning possibilities will require superb state-of-the-art technology systems.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
All exterior windows and doors will be replaced with energy efficient models. The most significant affect on energy efficiency will result from appropriate design of the mechanical and electrical systems. This facility has over 120,000 square feet, and they will employ a commissioning consultant in the initial design stages. They are not prepared to present an estimate regarding the energy savings that will occur when the renovation is completed. (Please

note that based on a similar analysis for Lommen Hall, there would be a minimal yearly savings of $42,000.)

Energy Efficiency/Sustainability:
See above.

Debt Service:
The university has the ability to cover the debt of this renovation.

**Other Considerations**

Consequences of Delayed Funding:
This is a very significant project to MSU Moorhead, and annual inflationary costs will most likely be between $700,000 and $1 million per year to address this renovation. Inadequate mechanical systems will continue to provide poor air quality.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 10 | 0 | 0 | 0 | 10 |
| 3. Design Fees | 0 | 521 | 375 | 0 | 896 |
| 4. Project Management | 0 | 119 | 630 | 0 | 749 |
| 5. Construction Costs | 0 | 0 | 8,050 | 0 | 8,050 |
| 6. One Percent for Art | 0 | 0 | 73 | 0 | 73 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 464 | 0 | 464 |
| 9. Inflation | 0 | 60 | 2,408 | 0 | 2,468 |
| **TOTAL** | **10** | **700** | **12,000** | **0** | **12,710** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 700 | 12,000 | 0 | 12,700 |
| **State Funds Subtotal** | 0 | 700 | 12,000 | 0 | 12,700 |
| Agency Operating Budget Funds | 10 | 0 | 0 | 0 | 10 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10** | **700** | **12,000** | **0** | **12,710** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 469 | 67.0% |
| User Financing | 231 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Southwest Mn State Univ - Science Lab Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 33 of 37

**PROJECT LOCATION:** Southwest Minn. State University, Marshall

**Project At A Glance**

- Design the renovation of 20,090 gross square feet (GSF) of science labs
- Design a 1,000 GSF addition to the Plant Science Learning Center
- Renovation request in 2010 of up to $5.5 million

**Project Description**

Design, through construction documents, the renovation of science labs in Science & Math, as well as an addition to the Plant Science Learning Center in Science & Math.

The Science & Math (SM) renovations will update agronomy, environmental science, physical science, astronomy, physics and plant science labs. The Plant Science Learning Center addition will provide adequate "headhouse" space for a teaching wet lab, experiment preparation, workroom and storage space for the Center.

*Academic programs impacted are:* Biology, Biology Education, Biology – Medical Technology / Cytotechnology, Chemistry, Chemistry Education, Chemistry – Environmental Emphasis, Environmental Science – Geology, Environmental Science – Natural Science, Environmental Science – Humanity & Environment, Geology, Agronomy, Physics and pre-professional programs. Ten percent of SMSU majors are enrolled in these programs and all students must take 8 credits of biology, chemistry, physics or environmental science as part of the core curriculum.

Construction will be requested in 2010.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Southwest Minnesota State University (SMSU) is the only baccalaureate institution within 20,000 square miles with a mission to provide higher education opportunity and access for all Minnesotans, regardless of financial circumstances. The remodeling and addition also reflects a tradition of distinctive, barrier-free architectural access for students with disabilities.

*High-quality Learning Programs and Services* - Science students need training on up-to-date, state-of-the-industry technology and scientific equipment to better serve regional industry, enhance science active learning and work force preparedness.

*State and Regional Economic Needs* - SMSU supports its mission by giving high priority to the highest quality teaching and learning programs that support regional and state work force skills and work force preparedness needs for graduates in the sciences and science teaching.

*Innovate to Meet Educational Needs Efficiently* - There have been many changes in science pedagogy over the last 34 years since these science labs were built. Science instruction is more open-ended, active inquiry, utilizing measurement and analysis tools that computers and the internet have made available at reduced cost. This renovation and addition will incorporate technology to match the new science pedagogy.

Institution Master Plans & Regional Collaborations:
Southwest MSU's master facilities plan update was presented to the Office of the Chancellor in November 2006. Science Lab remodeling Phase II ties directly to the following master plan principles and initiatives for future campus development:

*Acknowledge current density and compactness and take advantage of existing space* – This project is predominantly renovation of existing space in conformance to the master plan principle for acknowledging compactness and taking advantage of existing space, campus renewal and responsiveness to its constituencies.

*Strengthen and support the University mission* – Renovations respond to MnSCU benchmark and SMSU mission initiatives for increasing science and science teacher education graduates through curricular programs in physics, food science, agronomy, environmental science, physical science, with plant and astronomy lab support.

*Accommodate and support University growth* - Renovations acknowledge current density, compactness and taking advantage of existing space. Renovations and addition will provide space for SMSU's biennial targets and resource needs for science (STEM), science teacher and food science enrollment. SMSU is the fastest growing university in the MnSCU system with science enrollments alone increasing 14% over the past five years without critical renovation to its labs.

*Regional collaborations* – A SMSU partnership with Archer Daniels Midland and Lyon County on soil and water quality, and extensive farm cooperative partnerships, make it possible for SMSU to sustain its mission and strategic commitment to the region.

Enrollment and Space Utilization:
University enrollment has grown continuously since the University was founded in 1967.

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 3,513 | 3,754 | 3,501 | 3,500 |

Fall Semester 2005, SMSU's overall space utilization rate was 89% of available weekly classroom hours and 54% seat usage.

**Project Rationale**

SMSU's agronomy, environmental science, physical science, astronomy, physics and plant science labs in Science & Math (SM) have not been updated since original construction in 1972. The fume hoods are unsafe, and labs do not meet today's standards for fresh air intake and ventilation. Chemical storage is not vented directly to the outside as current building code requires. Plumbing at the lab benches is overdue for replacement. The linear lab benches do not work for combined lecture/labs, which SMSU faculty now employ, and the more modern pod benches would better support teaching and learning science by doing.

Four physics, three agronomy/environmental/ physical science labs, one astronomy lab and the Plant Science Learning Center will be renovated and updated. Labs will be designed to: accommodate lab activities as well as lecture with movable lab benches; meet current ADA recommendations; meet current safety standards for ventilation and fume hoods; provide adequate and new utilities to meet class needs; and incorporate wireless technology. The astronomy lab will also require Star Projector updates or replacement. The Plant Science Learning Center needs a new roof, heating and cooling control systems, vented storage for chemicals, and wall repairs. The addition will allow the Biology program to include a wet lab in the Plant Science Learning Center and provide adequate plant workroom and storage space.

Asset preservation, including plumbing, ventilation, code-compliant fume hoods and vented chemical storage, electrical, ADA compatible learning spaces, asbestos abatement, and life safety / code improvements, will affect building FCI figures and deferred maintenance (DM) as follows:

| | Current DM Backlog | DM to be Eliminated Ph 2 | Current FCI | FCI After Phase 1 And Phase 2 Projects |
|---|---|---|---|---|
| SM | $ 6,961 | $ 2,729 | .29 | .07 |

Predesign:
A preliminary Science Lab facilities study for the remodeling of all science space in the Science & Math and Science & Tech buildings was completed by Bentz Thompson Rietow in June 2005. Information from this study has been used to prepare this capital request. Design for Phase 1 Science & HRA remodel work was funded by the Legislature in 2006. Phase 1 construction is requested as a separate project for 2008 (Priority #13)..

The predesign for this Phase 2 Science Remodel will be completed September 2007. Construction of Phase 2 will be requested in 2010.

Capacity of Current Utility Infrastructure:
The renovation and small addition will have negligible impact and the existing utilities will be adequate to meet the needs of this remodeling and addition.

New energy management systems will monitor and adjust to peak mechanical system usages.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Since this is predominantly a remodeling project with a very small addition, there will be only a modest $5,000 increase in electricity with 1,000 square feet of additional space and more and newer fume hoods that introduce more code-mandated fresh air into the labs than existing, outdated fume hoods. (SMSU is an all electric campus.)

Energy Efficiency/Sustainability:
To improve energy efficiency and meet goals of the Minnesota sustainable Guidelines, this project will tie equipment into the University's energy management system to provide continuous monitoring of heating, ventilation, and air conditioning, will specify low energy light fixtures, utilize energy saving infrared toilet and sink controls, include the use of motion sensors, and will include the use of green materials in the project design.

Debt Service:
At its high point in 2013, SMSU's annual debt service obligation could be $439,800, which would be 1.37% of its general operating revenues. This is a prudent level of managed debt and will be structured into the SMSU's annual operating budgets.

**Previous Appropriations for this Project**

Design for Phase 1 Science & HRA remodel work was funded by the Legislature in the 2006 bonding bill (Laws 2006, chapter 258, section 3).

**Other Considerations**

Alternatives & Options:
This project is predominantly renovation, demonstrating excellent stewardship of state assets, and removing $2.7 million in deferred maintenance of the total campus backlog of $47 million. Remodeling of existing labs is the best approach because:

- The number and type of existing labs is optimal for SMSU's needs but need to be enlarged to accommodate larger class sizes.
- Adequate space can be better arranged to allow for enlarged labs.
- It would be less expensive than building a new building.
- The Plant Science Learning Center does not have space to expand internally since it is located independently of the SM building via a connecting link.

Consequences of Delayed Funding:
- SMSU science students will continue studying in outdated facilities that do not meet current building codes and air quality requirements, and do not adequately prepare them for the science jobs of tomorrow.
- The renovations / addition are integral to achieving MnSCU System and SMSU established Biennial Targets and Resource needs (2007-2011) for STEM and science teacher licensure enrollment.
- Donor confidence in funding for faculty positions, instructional supplies and professional development and travel may decrease.
- Student access, opportunity and enrollment interest will decrease.
- Deferred maintenance backlog will remain.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 44 | 0 | 0 | 0 | 44 |
| 3. Design Fees | 0 | 208 | 70 | 0 | 278 |
| 4. Project Management | 0 | 62 | 183 | 0 | 245 |
| 5. Construction Costs | 0 | 30 | 3,674 | 0 | 3,704 |
| 6. One Percent for Art | 0 | 0 | 29 | 0 | 29 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 534 | 0 | 534 |
| 9. Inflation | 0 | 0 | 1,010 | 0 | 1,010 |
| **TOTAL** | **44** | **300** | **5,500** | **0** | **5,844** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 300 | 5,500 | 0 | 5,800 |
| **State Funds Subtotal** | 0 | 300 | 5,500 | 0 | 5,800 |
| Agency Operating Budget Funds | 44 | 0 | 0 | 0 | 44 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **44** | **300** | **5,500** | **0** | **5,844** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 5 | 5 | 5 | 15 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 5 | 5 | 5 | 15 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 5 | 5 | 5 | 15 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# St. Cloud State Univ - Integrated Science & Engineering Laboratory Design

**2008 STATE APPROPRIATION REQUEST:** $1,900,000

**AGENCY PROJECT PRIORITY:** 34 of 37

**PROJECT LOCATION:** St. Cloud State University, St. Cloud

**Project At A Glance**

- Design for construction an integrated science and engineering laboratory
- Request of $42 million is anticipated in 2010

**Project Description**

This request is for design funds for an Integrated Science and Engineering Laboratory Facility. The proposed new construction is for teaching and research laboratories, and student academic support spaces based on the model of designing flexible laboratories that can be reconfigured to meet changes in science and engineering needs. The structure will facilitate health science degree programs, integrated work across engineering and the sciences and critical student project design and research programs.

The estimated construction funding request in 2010 would be approximately $42 million for 91,000 gross square feet.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
This project is a direct response to the strategic plan to develop Science, Technology, Engineering and Mathematics (STEM) and other employer high demand programs to meet the needs of Minnesota. The project will provide space for Project Lead the Way, a high priority for MnSCU, and extend pre-engineering programs to high school.

*Increase Access and Opportunity* - High-quality learning programs and services: The proposed structure provides appropriate laboratory and student support space for integrated instruction and research in optics, robotics, control systems, bio-sciences, and mechanical and manufacturing engineering.

Students and faculty are looking for work environments that promote a sense of community. Universities are discovering that to recruit and retain top quality teaching talent and best prepare students, buildings need to facilitate collaboration. This building will meet these needs for St. Cloud State University (SCSU). In discussions with external stakeholders, primarily medical device companies, the need to develop team and project management skills was repeatedly mentioned; integrated teaching/research facilities are essential to establish these qualities in their students.

*State and Regional Economic Needs* - The anticipated growth in integrated bio-science, engineering and industries shows strong demand for university graduates, as anticipated in the samples below of the growth projected by 2012 for various careers from DEED analysis:

| Occupation | % Change | Occupation | % Change |
|---|---|---|---|
| Engineering | 10 | Chemists | 18 |
| Comp. Eng. | 44 | Sys. Analyst | 37 |
| Life Scientists | 20 | Natural Scientists | 17 |
| Microbiologist | 28 | Biochem./Physics | 22 |

Instruction and research in this facility would prepare students for these careers. This demand in industry in conjunction with the student interest at SCSU is a formula for significant positive economic impact on Minnesota. Currently SCSU has near 100% placement in jobs in the field of study or graduate school for all science and engineering programs.

*Innovate to Meet Educational Needs Efficiently* - At no time in history has the emphasis on interdisciplinary research and collaboration been as great as it is today. Teaching and research as well as practice in the private sector increasingly use knowledge and methodology of multiple disciplines. To this end academic and science buildings need to bring together various departments and foster high levels of collaboration.

*Institution Master Plans & Regional Collaborations* - This development is consistent with the university's Master Plan that identified this site as a

location for expansion of academic facilities. The university has also completed a College of Science and Engineering Master Plan for facilities that anticipate this project.

The site is in the midst of the present science, engineering, technology and mathematics facilities on campus. While these facilities, with the renovation of Brown Hall and the addition to the Wick Science Center are adequate for lower division instruction and much upper division course work, they afford little space for student project work (an increasingly common capstone requirement for undergraduates) and woefully inadequate faculty and faculty/student research space. Recognizing this, the University completed a comprehensive science and engineering master plan that clearly sets out the specific functions to include in this facility and the continuing use of the existing facilities.

This project to primarily serve upper division students and graduate students, dovetails with the University's development of 30 articulation agreements with sister two- year institutions in the sciences and engineering. SCSU is also taking special steps with Anoka Ramsey Community College to enhance lower division basic science offerings and facilities at their Coon Rapids Campus that will encourage additional transfer students to SCSU's baccalaureate programs in sciences and engineering.

Enrollment and Space Utilization:
The University has seen recent increases in enrollment that is projected to continue into the future. The following table illustrates the trend:

| Historic and Projected FYE | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| | 14,029 | 13,932 | 14,200 | 14,250 |

This growth is most pronounced in the sciences where they saw admitted undergraduate majors in the College of Science and Engineering increased 23% to 873 and graduate students increase 86% to 123 between FY2000 and FY2005.

Utilization of teaching labs continues to be very strong. In FY04 the utilization in the Wick Science Building was calculated at just over 101% of the expected hours per week. This is the same standard applied to classrooms and is quite remarkable for teaching labs that require non-class time for set up.

This project will also allow the University to vacate a 2,500 Net Assignable Square Feet (NASF) of space four miles from campus at a local manufacturing facility. While this has proved a valuable resource for the University the company has decreased its capacity and is not a good long term location. The distance has made use difficult for students and faculty in addition, to the lack of adjacent controls, materials, metrology, CNC laboratory space or open manufacturing prototype space.

The University has a significant short fall in integrated research space. Considering the emphasis placed at SCSU on undergraduate research/capstone experience, the intensity of upper division and graduate use of research space, their ability to serve students, faculty and outside bioscience/engineering stakeholders is limited. A National Science Foundation survey of science and engineering research space in academic institutions in 2003 found that for 20 institutions around the country of similar size and mission to SCSU, the university ranked 15th in net assignable square feet for research space for all fields, at less than 50% of the average. Considering just biological science, engineering, mathematics and physical sciences, SCSU has 27,000 NASF for research compared to an average of 63,000 NASF and 117,000 NASF at MSU Mankato. This project will add about 9,000 NASF for these disciplines bringing the total research space to 36,000 NASF.

**Project Rationale**

There are three basic elements to the rationale for this project.

1. SCSU has seen strong growth in the demand for areas of study this building will accommodate.

Since 2002, there has been a 68% increase in intended undergraduate majors, a 23% increase in admitted undergraduates and an 86% increase in graduate students in sciences and engineering at SCSU. Insufficient capacity is available in upper division programs to meet the aspirations of these students. This facility will help meet those aspirations and allow

students to complete a bachelor's degree in areas identified as important to Minnesota's economic vitality, per DEED projection.

2. The University has insufficient research and project space for students and faculty or collaboration with outside stakeholders.

The University has encouraged faculty to seek more outside funding for sponsored research. While they have seen some success in these efforts they expect enhanced grant support from this flexible research space. The research space will also accommodate undergraduate capstone project work (particularly in engineering) and facilitate graduate student work.

3. Provision for flexible and interdisciplinary laboratories is needed for the facility to maximize usefulness over time.

Academic needs in upper division course work, projects and research change over time. Large, flexible spaces facilitate these transitions more easily than smaller dedicated spaces. Research and education are no longer about individual scientists working in silos to teach the "new" concept or to find the next great discovery; today's science is a very human and interactive endeavor and this is what employers expect graduates to emulate.

Predesign:
Complete by RRTL Architects of St. Paul in November, 2006.

Capacity of Current Utility Infrastructure:
Current electrical, steam, water and sewer utilities are in place in sufficient capacity to accommodate this structure. Piping is in place for service from the central chilled water plant and an anticipated chiller addition to the central plant, in this year's HEAPR request, will provide the cooling capacity needed.

**Impact on Agency Operating Budgets (Facilities Notes)**

The University is prepared to make the necessary increases in the operating budgets that completion of this facility requires. The expected addition of credit hours in the upper division sciences will off set direct instructional expenses.

Building Operations Expenses:
The anticipated utility and renewal expenses will be covered by the University.

Energy Efficiency/Sustainability:
The facility will connect to the University's energy management system to optimize operation. The envelope will be designed to be very energy efficient. The equipment and controls in the building will be selected and installed to assure efficiency.

The nature of the design is for flexible lab spaces and is a fundamental element of the long term utility and, in the end, maximizing sustainability. Current science facilities are designed in a more discipline specific way with limited ability to reconfigure in the future as science, engineering and technology fuse and demand changes.

Debt Service:
The University is prepared to assume the debt service as required by legislation and Board practice. The University manages its total debt load liability well below the 3% of budgeted expenditures Office of the Chancellor guideline. The debt service payment will increase as a result of the project. The sum of all current and proposed projects at the University, if funded on the schedule requested, result in a debt service of less than 1% of the operating expenses.

**Other Considerations**

This project is part of an ongoing renewal and enhancement of the science and engineering facilities at the university that is described in the science facility master plan. The enhancement of the engineering program is consistent with the charge that was given to the University by the legislature in 1985 to provided engineering programs in Central Minnesota to enhance the State's economic development.

This project is third in a series of projects to bring the science and engineering facilities into alignment with mission and professional standards. The first project is a 35,000 gross square feet addition to the existing Wick Science Building to house basic lab space. This project was funded for construction in 2006. The second is the renovation of Brown Hall, a 1958

science facility. Brown Hall is requested as a separate project for 2008 (Priority #3). The labs in Brown would be relocated to the Wick Addition and other non-science programs moved to other facilities on campus. The renovation will allow Brown to serve as a home for the nursing labs (currently in leased space off campus) and Communications Science and Disorders (currently housed in cramped and obsolete labs constructed in 1972 in the Education Building).

In totality these projects will bring science and engineering facilities more closely in alignment with the standards for the various disciplines and more consistent with similar institutions.

Consequences of Delayed Funding:
Delayed funding would translate to increased costs for construction as a result of inflation, but more importantly, continuing difficulty for the University to meet the demand for applied bachelor's and master's degrees in science, and engineering fields. This would manifest itself in limits on students accepted or successfully able to transfer. The lack of research space also compromises the recruitment and retention of students and faculty and limits participation in partnerships with bioscience/engineering businesses.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 85 | 0 | 0 | 0 | 85 |
| 3. Design Fees | 0 | 1,523 | 730 | 0 | 2,253 |
| 4. Project Management | 0 | 167 | 2,183 | 0 | 2,350 |
| 5. Construction Costs | 0 | 0 | 26,685 | 0 | 26,685 |
| 6. One Percent for Art | 0 | 0 | 100 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 3,875 | 0 | 3,875 |
| 9. Inflation | 0 | 210 | 8,427 | 0 | 8,637 |
| **TOTAL** | **85** | **1,900** | **42,000** | **0** | **43,985** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,900 | 42,000 | 0 | 43,900 |
| **State Funds Subtotal** | 0 | 1,900 | 42,000 | 0 | 43,900 |
| Agency Operating Budget Funds | 85 | 0 | 0 | 0 | 85 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **85** | **1,900** | **42,000** | **0** | **43,985** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 35 | 70 | 105 |
| Other Program Related Expenses | 0 | 25 | 50 | 75 |
| Building Operating Expenses | 0 | 20 | 45 | 65 |
| Building Repair and Replacement Expenses | 0 | 70 | 140 | 210 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 150 | 305 | 455 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 150 | 305 | 455 |
| Change in F.T.E. Personnel | 0.0 | 1.0 | 2.0 | 3.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,273 | 67.0% |
| User Financing | 627 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Dakota County Tech College - Transportation and Emerging Technologies Lab Design

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 35 of 37

**PROJECT LOCATION:** Dakota County Technical College, Rosemount

**Project At A Glance**

- Design for reorganization and renovation of 98,000 GSF to maximize efficiency of current facility.
- Requests of $6.5 million in 2010 and $6.5 million in 2012 are anticipated for renovation
- Renovation will address space utilization issues.
- Renovation will eliminate $3.5 million in deferred maintenance backlog when construction is funded.

**Project Description**

This project is requesting design funding in 2008. Subsequent requests for renovation in 2010 and 2012 are planned to reorganize and renovate Dakota County Technical College's Transportation and Technical Divisions, representing approximately 20 percent of the facility's overall square footage. The project will improve instructional program space in a number of high-wage, high-demand transportation-related program areas, including automotive technician, automotive body collision, heavy construction equipment mechanic, heavy duty truck technology, and railroad conductor training. The project also includes improvements to instructional space dedicated to the emerging technology fields of biomedical equipment technology and nanotechnology. The project will also accommodate future Science, Technology, Engineering, and Math (STEM) programs that Dakota County Technical College is considering such as civil engineering and environmental technology.

The project aims to maximize the efficient use of the facility, through creating common classroom and laboratory spaces to be shared by related academic programs. Sharing common instructional space among multiple programs will eliminate redundancies in specialized equipment needs, thus reducing program expenses and increasing space utilization, while leaving these instructional areas flexible enough to easily adapt to future change. Furthermore, the project will offer the additional benefit of allowing a common core of curriculum across similar programs, which in turn will permit additional entry points into programs by more students than are currently possible.

The project will have a positive impact on the college's deferred maintenance backlog. Approximately $8.2 million of the project's budget will address deferred maintenance. This will reduce the FCI from 0.29 to 0.22 in the Transportation and Technical Divisions (which have not been remodeled since their original construction in 1973) and will decrease the Facilities Renewal and Reinvestment Module by 20 percent.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Programs within the Transportation and Technical Divisions attract significant numbers of students from underrepresented populations. For example, 88 students of color were enrolled within the College's Transportation Division during the 2005-06 academic year, representing 17 percent of the division's total student headcount. Unfortunately, prospective students in many of these programs must wait for admission. For example, an average of 80 students is on waiting lists each fall for programs in the Transportation Division alone. This project will allow additional points of entry into several of these programs, reduce waiting lists, and increase student access to state-of-the-art laboratories and specialized equipment.

*High-Quality Learning Programs and Services* - The project will enhance the instructional quality of several long-standing transportation programs, as well as newer programs related to emerging technologies. This future-oriented project will support student learning in the high-wage, high-tech fields that support success in a competitive global economy.

*State and Regional Economic Needs* - During the 2005-06 academic year, a total of 356 students earned academic awards from the College's Transportation and Technical Divisions. On average, over 95 percent of these graduates are successful in securing employment in a field related to

their studies. The U.S. Department of Labor estimates that most major transportation-related job categories will experience job growth equivalent to all other occupations throughout 2014. The hourly wages for occupations typically sought by graduates of these programs range from $18.02 to $26.65. In Minnesota, the median monthly income is $3,900 for transportation and technical occupations.

Through this project, Dakota County Technical College will better meet the workforce development needs of its numerous industry partners in both transportation and the emerging fields of biotechnology and nanotechnology. These partners include:

- General Motors
- Raytheon
- Cummins
- Caterpillar
- 3M
- Hysitron
- Entegris
- Cima Nanotech

These and other companies have historically provided the College with specialized, laboratory equipment and materials for instructional purposes. Over the past year, equipment, material and in-kind donations to programs within the Transportation and Technical Divisions have totaled more than $1 million.

Reorganizing, modernizing, and right-sizing classroom and lab spaces within the Transportation and Technical Divisions will allow the College to prepare even more graduates for high-wage, high-tech industries in the Twin Cities area. It is estimated that up to 800 additional students in both traditional and short-term, corporate training programs could be served as a result of this project.

*Innovate to Meet Educational Needs Efficiently* - The completion of this project will provide the College with an innovative strategy that will enable it to efficiently using common classroom and laboratory space across transportation and technology-related program areas. Successful completion will also eliminate the College's dependency on the current transportation fleet maintenance facility it leases from the University of Minnesota. By creating more efficient spaces, the College will be able to decrease program wait lists, right-size both classroom and laboratory spaces, and promote consistent, innovative use of labs across multiple programs.

Institution Master Plans & Regional Collaborations:
This project fits well within the goals set by the College through its mission statement, Strategic Plan, Master Facility Plan, and Master Academic Plan. This project will support the consolidation of curriculum across several programs of study, to more efficiently use specialized equipment and existing shop and laboratory spaces. The new labs will also allow the College to better meet the needs of their current and future industry partners.

Enrollment and Space Utilization:
As reflected in the October 2006 (Term 20073) Space Utilization Analysis, the College has done an excellent job of utilizing its classrooms with the Seat Usage at 66 percent. The Space Utilization Analysis also shows that many rooms in the Transportation Division are being utilized almost twice as many hours per week as average. It also points out that the both Seat Usage Percentage and Hours Usage Percentage for many of the labs in the Transportation and Technical Divisions are well above system average. Remodeling the Transportation and Technical Divisions of the College will allow for more efficient use of the spaces. With this project, programs will be able to core similar courses, which allows for sharing facilities, equipment, and getting more use out of labs and classrooms. More classes can then be offered in the afternoon, a time when some of the labs are currently underutilized. For some programs, such as Welding, right-sizing the space will increase utilization. Budgetary projections tend to be conservative estimates and are historically exceeded by actual enrollments.

| | Actual FY2005 | Actual FY2006 | Projected FY2007 | Projected FY2008 |
|---|---|---|---|---|
| FYE | 2,245 | 2,255 | 2,240 | 2,250 |

**Project Rationale**

Completion of this project will provide Dakota County Technical College the means to accomplish significant components of the master plan: existing spaces will be updated to accommodate growth and need for improvements, specific lab spaces will be relocated to allow for adjacency to other programs

and to adjust program space requirements to specific needs. Repositioning programs will better utilize expensive equipment and allow programs to share facilities, update the college's infrastructure, create on site storage to reduce the need for leased spaces, and continue to provide students with quality technical education needed for employment in an ever changing work environment.

This bonding project will eliminate $8.2 million of deferred maintenance. It will reduce the FCI from 0.29 to 0.22, which brings it closer to the MnSCU average of 0.13. It will correct 20 percent of the deferred maintenance indicated in the FRRM. This project includes but is not limited to: roofs, HVAC, replacing the welding unit, and electrical upgrades.

Health and Safety and Mechanical Improvements**:**
This project will correct related building deficiencies, reducing the deferred maintenance backlog by $8.2 million and improving health and safety concerns, by:

- Replacing HVAC systems and improving indoor air quality
- Upgrading electrical systems
- Upgrading electrical components within the lab spaces
- Improving ventilation in the welding area and improving indoor air quality in adjacent spaces
- Updating 98,000 square feet of the College's 500,000 overall square footage that has not been remodeled since its original construction in 1973, including modern building code compliance
- Creating cost effective and necessary storage solutions for the automotive labs

Predesign:
The planning process for this project began with the need to re-examine several of the high demand programs that were related to each other to evaluate greater delivery options. The programs identified all shared a common connection to transportation and emerging technology careers. The need to provide current technology, efficiency, and suitable space for each program to remain relevant in their respective fields was the basis for the design. College administration developed a conceptual idea for building components and programs to be served, and hired Wold Architects and Engineers as the design consultant to assist in the planning process. An initial kick-off meeting was held to discuss goals, parameters and preliminary thoughts. Meetings were held with potential program faculty and staff to better determine programmatic and physical needs. Preliminary program and plan requirements were formed. College administrative staff met with MnSCU representatives on site to discuss preliminary design concepts and review progress to date.

Capacity of Current Utility Infrastructure:
The additional utility demands of the proposed capital bonding project are well within the capacity of the current utility infrastructure.

**Impact on Agency Operating Budgets (Facilities Notes)**

The college will save 14 percent in maintenance and repairs.

Building Operations Expenses:
Approximately 12.5 percent of the College's utility bills will be saved by replacing the air handling units.

Energy Efficiency/Sustainability:
The existing constant volume air handling systems are being replaced with new variable air volume air handling systems. The new systems, in conjunction with the Johnson Controls Energy Savings project, are expected to reduce energy consumption by twenty to thirty percent.

Debt Service:
The College is able to absorb debt service on both prior capital appropriations and this request. Debt service will peak at $266,200 per year, which is about 0.5 percent of general operating revenues, well within prudent debt management guidelines.

**Other Considerations**

Site Selection:
This project is a renovation, and while other site and space alternatives were examined, this option is the best solution.

Consequences of Delayed Funding:

- Growth of current and future industry partnerships and additional external funding will be hindered due to the conditions of facilities.
- The College will not be able to adequately meet the expectations of its partners in the transportation and emerging technology areas for industry skill standards.
- Program closures in high demand, high wage areas may occur due to facility conditions and health and safety concerns.
- Classrooms and laboratory spaces will be used inefficiently and programmatic coring will be slowed, delaying significant savings in shared equipment and facility cost and the program will continue to deny student entry due to wait lists.
- Deferred maintenance and construction inflation will continue to escalate 6-10 percent per year.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 37 | 0 | 0 | 0 | 37 |
| 3. Design Fees | 0 | 252 | 466 | 127 | 845 |
| 4. Project Management | 0 | 9 | 265 | 298 | 572 |
| 5. Construction Costs | 0 | 0 | 4,293 | 3,898 | 8,191 |
| 6. One Percent for Art | 0 | 0 | 41 | 35 | 76 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 285 | 504 | 789 |
| 9. Inflation | 0 | 39 | 1,150 | 1,638 | 2,827 |
| **TOTAL** | **37** | **300** | **6,500** | **6,500** | **13,337** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 300 | 6,500 | 6,500 | 13,300 |
| **State Funds Subtotal** | 0 | 300 | 6,500 | 6,500 | 13,300 |
| Agency Operating Budget Funds | 37 | 0 | 0 | 0 | 37 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **37** | **300** | **6,500** | **6,500** | **13,337** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | <21> | 0 | 0 | <21> |
| Building Repair and Replacement Expenses | 27 | 0 | 0 | 27 |
| State-Owned Lease Expenses | <42> | 0 | 0 | <42> |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | -36 | 0 | 0 | -36 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | -36 | 0 | 0 | -36 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# St. Cloud Tech College - Allied Health Building Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 36 of 37

**PROJECT LOCATION:** St. Cloud Technical College, St. Cloud

**Project At A Glance**

- Design for renovation of Allied Health Center building purchased in 2006 with Legislative funding.
- Renovation will provide the opportunity to expand enrollment in existing allied health programs and expand allied health program offerings.
- Request of $5 million is anticipated in 2010 for renovation

**Project Description**

Design in 2008 for $300,000 to renovate the recently purchased 53,000 gross square foot (GSF) Allied Health Center. The purpose of the project is to create a state of the art medical training facility which will accommodate the growing regional demand for skilled allied health care professionals. St. Cloud Technical College currently has no existing space to expand allied health care programs or to create labs necessary for career-laddering nursing and allied health associate degrees. Renovating the interior of this facility will provide the college with the opportunity to expand allied health programs in a facility that will emulate real-world working health care labs, create a dental clinic for low income citizens, and create virtual simulation labs that mirror situations students will encounter in the allied health fields.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - St. Cloud Technical College currently suffers from classroom and science lab space deficiencies in addition to space constraints and inadequacies in existing science labs. All college classrooms are being utilized and classroom space is not available for conversion to the science labs necessary for program expansion. This severely limits accessibility to a number of students wishing to pursue careers in the medical field. Waiting lists for the college's allied health programs average about 40 students for each program. For the last academic year, there were 622 prospective students that indicated interest in the Sonography program. There are approximately 400 students vying for 100 openings in the Nursing program. Students that are required to take Chemistry and Microbiology for their program requirements must register as special students for these courses at St. Cloud State University. St. Cloud Technical College does not have microbiology or chemistry science labs available to offer these courses. St. Cloud State's courses are sometimes closed before St. Cloud Technical College students can become registered. This delays the fulfillment of the students' course requirements and, in turn, delays their graduation date. Renovation of the Allied Health Center will provide the space and the means to improve and expand access and retention to science and health care opportunities and careers as well as increase access to other programs by alleviating general space deficiencies.

*High-quality Learning Programs and Services* - Up-to-date science laboratories and classrooms that meet current pedagogy needs will enhance the quality of teaching and learning. Critical science lab adjacencies will create synergy between all health care and STEM degree programs. Allied health students need functional labs equipped with current industry equipment and modeled after the real-world medical settings to be adequately trained to provide the standards of care expected by health care consumers.

*State and Regional Economic Needs* - The health care industry in St. Cloud serves a large and growing region with increasing demands for high quality medical care. This has created a workforce demand for highly trained health care specialists in the region. As an example, employment for Sonographers is expected to grow faster than average for all occupations through 2012 as the population grows and ages. Placement for Sonography graduates has been 100 percent over the past three years and starting wages have averaged $23.63 per hour. St. Cloud Technical College's overall placement rate for allied health programs has averaged 98 precent. According to Minnesota State Colleges and Universities Business and Industry services report, Minnesota will need more than 7,000 new nurses by 2008, again due to the aging population. There's a current need for a two-year associate degree program for vascular technology specialists accredited by the Commission of Allied Health Education Programs (CAAHEP). The college

could not accommodate an additional program at this time, but renovation of the Allied Health Center would provide the opportunity for program expansion to meet this and other workforce needs in the region.

St. Cloud Technical College has also developed several industry partnerships with local health care providers to help address the need for a highly skilled and trained workforce in the health care industry.

- The college is currently working with the local Chamber of Commerce, area businesses, and St. Cloud State University through the Science Initiative for Central Minnesota to attract bio-science industries to the St. Cloud area.
- A federal grant funded the Nursing Education Consortium with St. Cloud Technical College, St. Cloud State University, the College of St. Benedict, and CentraCare Clinic where funds were used to improve and expand nursing programs in a concerted effort to increase the number of skilled graduates entering the health care workforce.
- St. Cloud Technical College is working with local nursing homes in a program called the Long Term Connection where student cohorts work on an accelerated program to receive their nursing degree.
- The college was recently awarded a grant through the Minnesota Department of Health to establish a dental clinic where students provide dental cleaning services to low income citizens.
- Regional health care providers frequently donate equipment to ensure that the students are being trained in an environment that simulates "real-world" conditions. Unfortunately, the college does not always have physical lab space available to accommodate some of the equipment available.

Renovation of the Allied Health Center would provide the college with the opportunity to maximize federal grant funding, community support, and equipment donations. This would enhance the college's ability to provide training and education to future and incumbent allied health care employees which, in turn, will help to address the critical workforce shortage.

*Innovate to Meet Educational Needs Efficiently* - The Allied Health Center is currently a fully functional medical clinic. It is not designed or equipped as a training center for allied health programs. St. Cloud Technical College has the unique opportunity to utilize portions of the existing setting to maintain an actual clinical environment while efficiently enhancing the building layout to provide the needed educational focus and space.

Virtual simulation labs will simulate settings and situations in a real medical setting. This involves creating stations that promote hands-on "real life" applications of skills. Stations will be equipped with virtual reality simulation models, equipment, materials, and supplies to create scenarios of actual patient care, treatment, and management based on the discipline. Faculty will have the ability to view interactions from an observation area and to create various situations and "patient" reactions based on the students' interaction with the simulation models. Video cameras mounted on the ceiling of each station will allow students to watch "live broadcasts" from the virtual lab stations via LCD monitors and HD televisions. Live simulation broadcasts will be recorded for future use and be available to students through video-streaming on the college intranet. Students will have unlimited 24/7 access to SIM broadcasts and learn firsthand the inter-disciplinary approach to health care delivery.

Other areas that will be integrated into the current design of the existing facility include smart classrooms that will utilize up-to-date technology to provide classroom instruction. The existing reception area will be maintained to welcome and direct clients from the community to health care services provided by students. Existing offices will also be maintained and utilized as faculty offices to significantly reduce renovation costs.

Institution Master Plans & Regional Collaborations:

Acquisition and renovation of the Allied Health Center for use as a medical training facility is a key and critical component of St. Cloud Technical College's Master Plan. The Master Plan was presented in June of 2006. At that time, funding was secured and negotiations were taking place to acquire the building for use as an allied health care training facility as addressed in the Master Facility Plan.

St. Cloud Technical College has developed several partnerships to enhance and expand allied health programs and to increase access and opportunities for those pursuing a career in the allied health field. Regional collaborations include partnerships with long term care facilities, Adult Basic Education/ELL, Sauk Rapids/Rice K-12, St. Cloud School District #742, and rural community outreach programs such as ELL/Nursing Assistant Education. St. Cloud

Hospital serves as one of the college's major clinical sites and has provided in-kind donations for many of the allied health programs. Health care professionals from the community serve on several of the college's health program advisory committees. The college is also seeking community involvement in this project through a recently launched capital campaign. The intent of the campaign is to leverage legislative funding received through the capital bonding request. There has been considerable community interest and endorsements to support this campaign as evidenced by this quote from Terry Pladson, M.D., President, CentraCare Health System:

*"We employ well-educated, highly skilled professionals who work to improve the health of every patient, every day. St. Cloud Technical College is an exceptional partner in ensuring that we have competent, compassionate employees. I support the Invest in a Vision campaign and I urge you to do so, too."*

Enrollment and Space Utilization:
St. Cloud Technical College has one of the lowest Square Footage per Student FYE ratios in comparison to all technical colleges in the MnSCU system. The last space utilization report indicates that St. Cloud Technical College's Hours Usage Percent is 98 percent. The college has experienced rapid growth exceeding 43 percent over the past decade. Fiscal year 2006 was the first year that the college actually experienced a decline in enrollment growth. This is attributed to lack of physical space to accommodate growth and remodeling of existing space which limited "swing space" for transition from newly constructed areas to renovated areas within the existing facility.

With the completion of the new addition in January, 2007, St. Cloud Technical College will gain seven additional classrooms. However, the gross additional square footage is only 24,000 GSF. The remaining additional square footage will be absorbed by co-location with the Stearns Benton Workforce Center. The college has assigned general education and accounting classes to the new classrooms and there's no room for additional allied health program expansion.

Renovation of the Allied Health Center will provide the college with the physical space to expand and enhance allied health care programs while also providing growth opportunities for other academic programs by backfilling vacated space. Allied Health programs that would relocate and occupy the renovated facility include Dental Hygiene, Dental Assisting, Paramedicine, Nursing Assistants, Practical Nursing, Surgical Technology, Cardiovascular Technology, Sonography, and Echocardiology. These programs currently generate approximately 20 percent (545 FYEs) of the college's overall enrollment.

| | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **FYE** | 2,738 | 2,666 | 2,778 | 2,834 |

**Project Rationale**

Renovation of the Allied Health Center will enable St. Cloud Technical College to help address the priority needs of science and technology in the community. The 2006 legislature funded the acquisition of this medical office building located adjacent to the college's existing property, enabling the college to develop a state of the art medical training facility needed to meet regional demand for highly skilled and trained health care professionals. This includes creating an Allied Health Center with virtual simulation science labs, technologically "smart" classrooms, program adjacencies that create synergy between the allied health programs, and open reception and waiting areas that welcome low income citizens to utilize health care services provided by students, as well as providing a "home-grown" clinical experience to nursing students. An Allied Health Center incorporating these components will provide St. Cloud Technical College with the means to meet the demands for a workforce educated in allied health programs in the most up-to-date fashion on the standard of equipment and facilities currently used in industry.

St. Cloud Technical College has added several health care programs that require students to take general science courses thereby raising the bar on A.A. and A.A.S. degree preparation. These requirements are in place to meet the demand for highly skilled and trained health care professionals. The addition of these programs has caused science labs to be needed where previously no labs were necessary. Renovating of the Allied Health Center will provide St. Cloud Technical College with the science lab and classroom space necessary to maintain and grow the allied health care programs. Funds have currently been reallocated to hire additional faculty (3.75 FTE) for expansion of the Nursing, Nursing Assistant, and Paramedicine programs to meet the existing demand for enrollment into these programs. The college

needs increased facility space that includes science labs and classrooms to meet this demand.

Predesign:
St. Cloud Technical College commissioned Grooters, Leapaldt, Tidemann Architects to complete a predesign.

Capacity of Current Utility Infrastructure:
Renovation of this property will have no impact on the utility infrastructure of St. Cloud Technical College's main campus building. A Condition Assessment study was commissioned prior to acquiring the property. That report indicates that the overall utility infrastructure of the facility is in good overall condition and has been well maintained. There would be no significant upgrades to the building's utility infrastructure for use as an allied health training facility.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
There will be additional operational expenses of approximately $265,000 for this 53,000 GSF building. St. Cloud Technical College recognizes the commitment needed for these obligations and will budget accordingly.

Energy Efficiency/Sustainability:
The utility infrastructure of the Allied Health Center facility was designed for energy efficiency. The building was designed to incorporate natural sunlight and earthen berms into the structure of the building.

Debt Service:
This project, along with previously funded projects, will have an average impact of approximately 2.2 percent on the college's operating budget which is well within the three percent guideline. Based on past enrollment growth, demographics, the increasing need for health care services, and increased facility space to accommodate additional growth, St. Cloud Technical College anticipates that additional FYEs will be generated with the completion of this project. As a direct result, tuition revenues will also increase and should exceed the debt service incurred for this project.

**Previous Appropriations For This Project**

Laws 2006, chapter 258, section 3 appropriated $3.4 million for the acquisition of this property.

**Other Considerations**

Consequences of Delayed Funding:

- Without additional funding to renovate the existing building, the college cannot maximize the potential to utilize the building as a training center for nursing and allied health programs in the manner intended.
- St. Cloud Technical College will be critically short of laboratory spaces in which to teach basic requirements to students pursuing nursing, allied health and dental professions, as well as many other growing STEM careers requiring a foundation in the sciences.
- Program expansion will not be realized, students will continue to wait to enter allied health programs or leave for other options, enrollment and graduation rates will not increase in the medical programs, and the college will be unable to address industry needs for new program development.

**Project Contact Person**

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St. Cloud, Minnesota 56303
Phone (320) 308-5026
Fax: (320) 308-5027

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,570 | 0 | 0 | 0 | 3,570 |
| 2. Predesign Fees | 34 | 0 | 0 | 0 | 34 |
| 3. Design Fees | 0 | 210 | 0 | 0 | 210 |
| 4. Project Management | 0 | 58 | 207 | 0 | 265 |
| 5. Construction Costs | 0 | 0 | 3,400 | 0 | 3,400 |
| 6. One Percent for Art | 0 | 0 | 28 | 0 | 28 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 430 | 0 | 430 |
| 9. Inflation | 0 | 32 | 935 | 0 | 967 |
| **TOTAL** | **3,604** | **300** | **5,000** | **0** | **8,904** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,400 | 300 | 5,000 | 0 | 8,700 |
| **State Funds Subtotal** | 3,400 | 300 | 5,000 | 0 | 8,700 |
| Agency Operating Budget Funds | 204 | 0 | 0 | 0 | 204 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,604** | **300** | **5,000** | **0** | **8,904** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 265 | 265 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 265 | 265 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 265 | 265 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 1.5 | 1.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 37 of 37

**PROJECT LOCATION:** Rochester Comm & Tech College, Rochester

**Project At A Glance**

- Design for an addition for workforce center, classroom renovation and space for K-12 for a Career and Technical Education Center at the Heintz Center (CTECH)
- Space will also include the regional area learning center (ALC) for K-12
- Project will be joint partnership in development, ownership and maintenance
- Request for $3 million is anticipated in 2010 for construction
- Project will eliminate $1.6 million in deferred maintenance backlog

**Project Description**

Design an addition to the Heintz Center building at Rochester Community & Technical College (RCTC), on the University Center Rochester (UCR) campus, for Workforce Center Collocation and Secondary Technical Education Program The project will design an addition to the northeast corner of the Heintz Center building to house three unique partners to improve the workforce in southeastern Minnesota.

- The addition will house offices and shared resource/reception space for the Minnesota Workforce Center - Rochester. A separate visible entrance to the building will direct Workforce customers to the new reception area. The new space will link to the academic building via classrooms and conference spaces shared with the College.
- Addition will also house the local school districts activities for career and technical education - CTECH.
- The project also includes upgrades to the HVAC system for the entire Heintz center building. This will allow the building to use steam generated by the Olmsted County waste to energy facility (a renewable energy source).

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase access and opportunity* - Supports access and opportunity by bringing a diverse community to the college. Directly supports the Chancellor's work plan statement: "Support innovation – The system will be innovative in developing and implementing its programs and services to meet the current and emerging learning, citizenship and workforce development needs of students and communities." By bringing in secondary educational students into the higher education system there will be greater efficiencies in capital operations and advancement for academic technical programs. Bringing the K-12 Area Learning Center and secondary Technical Education Program to the college will expose a diverse group of high school students to a college campus and the opportunities a college education has to offer.

*Promote and measure high-quality learning programs and services* - The academic resources of the college would be used to serve the needs of the Workforce Center customers and for the secondary students. Customized training courses would be developed to serve the individual needs of the Centers customers. Upper division courses in social work or child development could use the Workforce Center as internship opportunities.

*Provide programs and services integral to state and regional economic needs* - The project addresses RCTC's goal of "engaging internal and external partners" by developing a partnership that focuses on local markets and fosters community building. Costs for the predesign and debt will be built into the financial structure, thus assuring fiscal partnership, as well as academic partnerships.

Although currently in close proximity to each other, bringing the Workforce Center to campus would bring programs together in one location and would allow for comprehensive, integrated, and individualized services for employers, job seekers, or those seeking economic independence.

Bringing the Center to the college campus would leverage the college's academic and facility resources to serve the Center's customers. All groups will share conference rooms and classrooms. In addition, students at the College would have access to job placement services from the Center.

*Innovate to meet current and future educational needs efficiently* - The Workforce Center engages an underserved portion of the population. Bringing the center to the campus will allow for innovative methods of integration of this population into the campus programs. A statement from one study of Workforce centers can best describe this. *"Workforce Centers are portals for service employer and job-seeking customers. They should be designed and operated to maximize the resources and opportunities available in a community and should complement and leverage other portals for service, not compete with them."*

Institution Master Plans & Regional Collaborations:
The Facilities Master Site Plan was submitted to the Chancellor's office in November 2004. The University Center Rochester (UCR) Master Facilities Plan Steering Task Force was made up of all three partner institutions (RCTC, Winona State University, and University of Minnesota Rochester), UCR's local advocacy group, the Greater Rochester Advocates for Universities and Colleges (GRAUC), and several representatives from the Rochester community. Collocation of the Workforce Center onto the campus was identified as one of the next projects to be requested for funding.

This project also addresses the College's strategic goal #1 and #3:
1. Position RCTC as the college of choice
3. Cultivate strategic partnerships

Enrollment and Space Utilization:

| | FY2003 | FY2004 | FY2005 | FY2006 |
|---|---|---|---|---|
| RCTC | 4,011 | 4,230 | 4,383 | 4,388 |
| WSU-RC | 627 | 567 | 575 | 584 |
| UMR | 176 | 184 | 200 | 250 |
| **Total FYE** | **4,814** | **4,981** | **5,158** | **5,222** |

With the above numbers UCR has no space that could be remodeled to accommodate the Workforce Center. Currently at the Heintz Center there is one conference room space available for open use. The cafeteria space and student commons areas are adequate to support the additional traffic from a Workforce Center and the additional students from the CTECH program. Currently the high school through collaboration with the college, shares use of technical labs in auto mechanics. Future shared labs include, electronics, horticulture, carpentry, and Project Lead the Way. (PLTW) There is no space to offer the general education courses needed by these technical high school students.

**Project Rationale**

*Accelerate the Entry of More Minnesotans with More Skills into the Workforce* - Governor Pawlenty has directed state agencies and programs to encourage, promote, and ultimately ensure that all Minnesotans have the opportunity to advance their skills sufficiently to ultimately ensure that all Minnesotans have the opportunity to advance their skills sufficiently to make meaningful contributions to the economic vitality of the state. This will include, but is not limited to, participants in the Minnesota Family Investment Program, in-school youth, out-of-school youth, people with disabilities, and new Americans. The collocated workforce portion of this project will bring together providers for all these various programs which serve tradition workforce centers. Locating the CTECH program at the site will allow high school age students access to these services also, as well as assisting development of the K-12 partners.

Currently the Workforce Center partners are in close proximity to each other, but by bringing programs together in one location it would allow for comprehensive, integrated, and individualized services for employers, job seekers, or those seeking economic independence. Bringing the Center to the college campus would leverage the College's academic and facility resources to serve the Center's customers. All groups will share conference rooms, classrooms, technical laboratories, and the cafeteria/commons space. In addition, students at the College would have access on-sight to career planning and job placement services offered at the Center.

The essence of this collocation would be to create a one-stop approach to service delivery creating a "magnet effect" where the sum of the whole is greater than its parts. The collocation would facilitate collaboration. The Center and the College would be able to conduct strategic planning to tackle mutual goals, find synergies and common purpose, and build a new more mutual relationship based on respect and appreciation of the contributions made by each player.

Both former and current Department of Employment and Economic Development commissioners have shown support for this project. At a recent school board meeting ISD 535 expressed their support also. It has been noted at the May 2007 Board meeting that the MnSCU Board of Trustees will not allow this project to be in the priority listing if both partners do not advance design funding and agree to cover the full one-third of the debt obligation of their corresponding spaces.

Predesign:
Original predesign for the Workforce only was submitted to Chancellor's office. However; since the addition of the secondary education system partnership, this predesign will be reevaluated. ISD 535 has committed funding for a portion of the expanded predesign document. Additional funding for the design will be secured from the partners based on the completed pre-design document.

Capacity of Current Utility Infrastructure:
Currently the Heintz Center building uses energy from the Olmsted County waste to energy facility. The permitting process is underway to expand to a third burner at the plant. This expansion would meet the needs of this addition. This project would increase use of this renewable resource to include cooling of the facility.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Facilities cost increases on the addition will be covered by lease revenue from the WorkForce Center Inc. No additional operations costs will be incurred in the remodeled areas.

Energy Efficiency/Sustainability:
UCR will continue to advance goes of sound facilities management. UCR and its consultant are defining sustainable buildings as buildings that enhance the well being and productivity of the inhabitants, cost less to own and operate, and use the earth's resources efficiently. To achieve this UCR will use the Minnesota Sustainable Design Guide in design and construction.

Debt Service:
Lease revenue will cover the debt proportional to the WorkForce Center Inc and to the school district square footage of the one-third debt requirement.

Deferred Maintenance:
This project will address approximately $1.6 million of deferred maintenance in the remodeled sections of the Heintz Center building and the adjacent roads, pathways and other exterior spaces. Campus FCI for Rochester Community & Technical College is 0.13 and will grow to 0.17 in 5 years. This project will lower the campus 5 year FCI to 0.16. The Heintz center building itself has an FCI of .42 currently which will grow to 0.48 in 5 years. This project will lower the current FCI to 0.34 and the 5 year

**Other Considerations**

Consequences of Delayed Funding:

- This project addresses the unique partnership and strategic plans of the Minnesota State Colleges and Universities system, the WorkForce Center Inc. and embraces the new partnership of educating the workforce with the secondary school district system.
- Project will allow for increased collaborations between these three dynamic systems to better serve, and create greater efficiencies, to the citizens of this region and the state.
- This project assumes that both local school district funding and State funding will be used to complete the project.

**Project Contact Person**
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Email: marilyn.hansmann@roch.edu

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 30 | 0 | 0 | 0 | 30 |
| 3. Design Fees | 0 | 200 | 228 | 0 | 428 |
| 4. Project Management | 0 | 67 | 54 | 0 | 121 |
| 5. Construction Costs | 0 | 0 | 2,160 | 0 | 2,160 |
| 6. One Percent for Art | 0 | 0 | 17 | 0 | 17 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 33 | 541 | 0 | 574 |
| **TOTAL** | **30** | **300** | **3,000** | **0** | **3,330** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 300 | 3,000 | 0 | 3,300 |
| **State Funds Subtotal** | 0 | 300 | 3,000 | 0 | 3,300 |
| Agency Operating Budget Funds | 30 | 0 | 0 | 0 | 30 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **30** | **300** | **3,000** | **0** | **3,330** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 60 | 60 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 222 | 222 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 282 | 282 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 282 | 282 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 2.0 | 2.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Minnesota State Colleges & Universities

Projects Summary

($ in Thousands)

| Project Title | 2008 Agency Priority Ranking | Agency Project Request for State Funds ($ by Session) | | | | Governor's Recommendations 2008 | Governor's Planning Estimate | |
|---|---|---|---|---|---|---|---|---|
| | | 2008 | 2010 | 2012 | Total | | 2010 | 2012 |
| Repair and Replacement | 1 | $110,000 | $110,000 | $110,000 | $330,000 | $40,000 | $40,000 | $40,000 |
| Mn State Univ, Mankato - Trafton Science Center Renovation | 2 | 25,500 | 0 | 0 | 25,500 | 25,500 | 0 | 0 |
| St. Cloud State Univ - Brown Hall Science Renovation | 3 | 14,800 | 0 | 0 | 14,800 | 14,800 | 0 | 0 |
| Saint Paul College - Transportation and Applied Technology Lab Renovation | 4 | 13,500 | 0 | 0 | 13,500 | 13,500 | 0 | 0 |
| Bemidji State Univ - Sattgast Science Building Addition and Renovation | 5 | 8,900 | 0 | 0 | 8,900 | 8,900 | 0 | 0 |
| Normandale Comm College - Classroom Addition and Renovation | 6 | 7,000 | 0 | 0 | 7,000 | 7,000 | 0 | 0 |
| Inver Hills Comm College - Classroom Addition and Renovation | 7 | 13,200 | 0 | 0 | 13,200 | 13,200 | 0 | 0 |
| North Hennepin Comm College - Business & Tech Addition & Renovation | 8 | 13,300 | 0 | 0 | 13,300 | 0 | 0 | 0 |
| Science Lab Renovations | 9 | 5,775 | 0 | 0 | 5,775 | 5,775 | 0 | 0 |
| Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation | 10 | 7,800 | 0 | 0 | 7,800 | 0 | 0 | 0 |
| Mn State Univ Moorhead - Lommen Hall Renovation | 11 | 13,100 | 0 | 0 | 13,100 | 0 | 0 | 0 |
| Century College, White Bear Lake - Classroom & Student Support Space Renovation | 12 | 7,900 | 0 | 0 | 7,900 | 0 | 0 | 0 |
| Southwest Mn State Univ - Science & Hotel & Restaurant Administration Labs Renov | 13 | 9,000 | 0 | 0 | 9,000 | 0 | 0 | 0 |
| Classroom Renovations | 14 | 3,625 | 0 | 0 | 3,625 | 0 | 0 | 0 |
| Lake Superior College - Health Science Center Addition | 15 | 11,000 | 4,000 | 0 | 15,000 | 0 | 0 | 0 |
| Metropolitan State Univ - Classroom Center Addition | 16 | 4,980 | 0 | 0 | 4,980 | 0 | 0 | 0 |
| Alexandria Tech College - Law Enforcement Center Addition | 17 | 10,500 | 4,200 | 0 | 14,700 | 0 | 0 | 0 |
| Metropolitan State Univ/Mpls. Comm & Tech College - Law Enforcement | 18 | 13,900 | 0 | 0 | 13,900 | 0 | 0 | 0 |
| Mesabi Range Comm & Tech College - Shop Space Addition & Renovation | 19 | 5,000 | 0 | 0 | 5,000 | 0 | 0 | 0 |
| Winona State Univ - Memorial Hall Addition and Renovation | 20 | 8,400 | 0 | 0 | 8,400 | 0 | 0 | 0 |
| Mn State Comm & Tech College, Moorhead - Trades Addition & LRC Design | 21 | 2,800 | 5,200 | 0 | 8,000 | 0 | 0 | 0 |
| Anoka Ramsey Comm College - Classroom Building Addition Design & Construction | 22 | 3,800 | 5,000 | 0 | 8,800 | 0 | 0 | 0 |
| Hennepin Tech College - Design & Renovate Science | 23 | 2,400 | 10,600 | 0 | 13,000 | 0 | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Addition; Design for LRC/SSC | | | | | | | | |
| Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design | 24 | 700 | 12,750 | 4,000 | 17,450 | 0 | 0 | 0 |
| Ridgewater College - Technical Instruction Design & Construction; Renovation Des | 25 | 3,500 | 14,500 | 0 | 18,000 | 0 | 0 | 0 |
| Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition | 26 | 4,000 | 0 | 0 | 4,000 | 0 | 0 | 0 |
| South Central College - Classroom Renovation and Addition Design | 27 | 700 | 12,000 | 0 | 12,700 | 0 | 0 | 0 |
| Property Acquisition | 28 | 13,100 | 0 | 0 | 13,100 | 0 | 0 | 0 |
| Demolition | 29 | 2,830 | 0 | 0 | 2,830 | 0 | 0 | 0 |
| Owatonna College and University Center - Property Acquisition | 30 | 3,500 | 0 | 0 | 3,500 | 0 | 0 | 0 |
| Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health | 31 | 1,900 | 41,680 | 0 | 43,580 | 0 | 0 | 0 |
| Mn State Univ Moorhead - Livingston Lord Library Renovation Design | 32 | 700 | 12,000 | 0 | 12,700 | 0 | 0 | 0 |
| Southwest Mn State Univ - Science Lab Renovation Design | 33 | 300 | 5,500 | 0 | 5,800 | 0 | 0 | 0 |
| St. Cloud State Univ - Integrated Science & Engineering Laboratory Design | 34 | 1,900 | 42,000 | 0 | 43,900 | 0 | 0 | 0 |
| Dakota County Tech College - Transportation and Emerging Technologies Lab Design | 35 | 300 | 6,500 | 6,500 | 13,300 | 0 | 0 | 0 |
| St. Cloud Tech College - Allied Health Building Renovation Design | 36 | 300 | 5,000 | 0 | 5,300 | 0 | 0 | 0 |
| Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech | 37 | 300 | 3,000 | 0 | 3,300 | 0 | 0 | 0 |
| **Total Project Requests** | | $350,210 | $293,930 | $120,500 | $764,640 | $128,675 | $40,000 | $40,000 |

**Agency Profile At A Glance**

- Largest provider of higher education in Minnesota, educating about 240,000 students in credit courses annually – over 50 percent of all Minnesota postsecondary enrollments.
- Serves another 135,000 students in non-credit courses.
- Graduates 33,500 students each year.
- Produces the largest share of the state's new teachers, accountants, police officers, nurses, computer professionals, firefighters, technicians, tradespeople and others from a broad range of disciplines.

**Agency Purpose**

The mission of the Minnesota State Colleges and Universities (MnSCU) system is to provide the diverse citizens of Minnesota with the benefits of high-quality, accessible, future-oriented higher education; relevant research; and community service.

The diverse institutions within the MnSCU system offer an unequaled breadth, variety and quality of educational opportunities across the state. Collectively and in partnership the colleges and universities offer learning opportunities for a technologically sophisticated world that result in:

- Contributing and empowered citizens
- Active participants in a democratic society
- Educated, skilled, and adaptable workers
- Innovative lifelong learners
- Practical research and development
- Successful communities

**Vision** – MnSCU will be the preferred pathway to higher educational opportunities and a valued partner in statewide economic development and community building.

The uniqueness and diversity of MnSCU and the power of a unified system will enable MnSCU to excel as the most accessible, highest quality, and innovative education provider in the region.

**Core Functions**

Teaching and learning are the core functions of MnSCU.

**Operations**

The colleges and universities serve students in credit-based courses, non-credit courses and customized training. The colleges and universities offer an extremely wide array of credit-based courses leading to master's, bachelor's and associate degrees, as well as occupational certificates and diplomas. They also offer non-credit continuing education courses and direct training services to businesses, non-profit organizations and government agencies seeking to improve their employees' skills.

MnSCU's programs are delivered at 53 campus locations statewide, comprising 20 million square feet of space, or approximately one-third of the state's building inventory. Each one of the 32 Minnesota state colleges and universities contribute to the civic, economic, and cultural life in the 46 communities in which they are located.

**Budget**

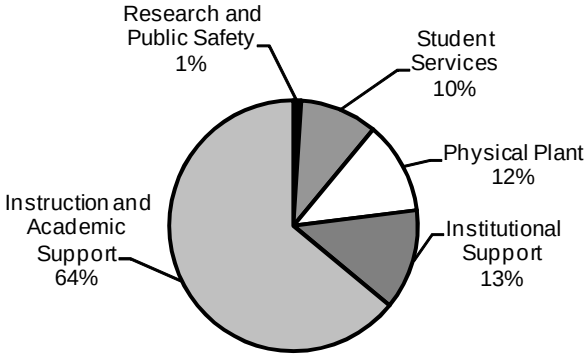
**Revenue**
State appropriations comprise 40 percent and tuition and fees revenue comprises 36 percent of the MnSCU system's revenue. Other major sources include federal and state grants. Ninety percent of the state appropriation is allocated to the colleges and universities. All tuition and fee revenues generated by the colleges and universities remains with the institution that generated them.

**Expenditures**

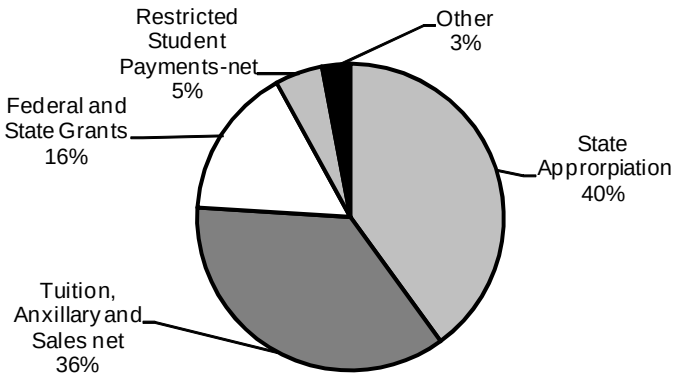
Compensation accounts for 65 percent of MnSCU's total expenses.

Instruction and academic support comprise approximately 64 percent Minnesota State Colleges and Universities functional activities.

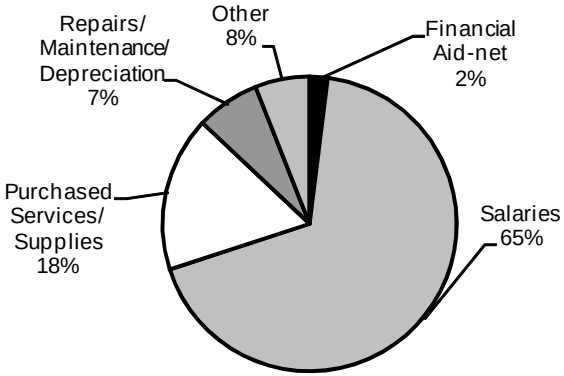
**Functional Expenditures - General Fund**
**FY 2005 $1.2 Billion**




**Revenues - All Funds**
**FY 2006 $1.5 Billion**

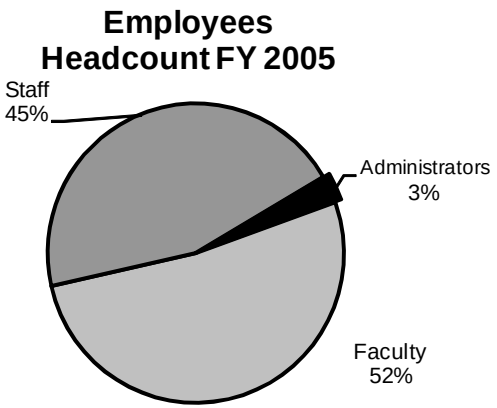



**Expenditures - All Funds**
**FY 2006 $1.5 Billion**




**Employees**

Faculty comprised 52 percent of the 17,653 headcount employees.




**Contact**

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**At A Glance: Agency Long-Range Strategic Goals**

The Board of Trustees of the Minnesota State Colleges and Universities (MnSCU) adopted the strategic plan for Designing the Future. Three principles are held above all others in everything that the system strives to accomplish:

- Student focus – helping students achieve personal, learning and career goals
- Community success – educating a people committed to building the vital civic and economic institutions that contribute to thriving communities
- Stewardship – earning the public's trust by efficiently and effectively managing the system's human, fiscal and facilities resources. This includes the system's long standing commitment to building energy efficient and sustainable structures.

The long-range strategic directions are:

- Increase access and opportunity
- High-quality learning programs and services
- Regional and state economic vitality
- Innovate to meet educational needs efficiently

**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

**Strategic Plan, Designing the Future:**
Minnesota State Colleges and Universities (MnSCU) is the largest single provider of higher education in the state, and the seventh largest of its kind in the nation. The system consists of 32 institutions located on 53 campuses in 46 communities. The Board of Trustees of MnSCU developed and adopted a strategic plan that focuses on fully serving the current and future learning needs of Minnesota. The strategic plan was built on an earlier report, *Access to Success*, by the Citizens Advisory Commission.

Minnesota state colleges and universities will pursue four strategic directions to fulfill its vision, mission and guiding principles:

- *Increase access and opportunity*

  More people from different backgrounds will have the opportunity to experience the benefits of higher education, and full participation (enrollment, retention and success) of non-traditional students and under-served populations will be encouraged. Apropos of this capital budget, MnSCU will ensure that its facilities provide an inviting and safe learning environment for students from all walks of life.

  *Trends* – MnSCU enrolled over 135,000 full-time equivalent (FYE) students in 2006. This is not the full story, as over 374,000 different students made up that number with 33,500 graduates. This means that a large number of incumbent workers are taking courses part-time in order to increase skills for their current job or learn new skills for a different job.

  According to the 2000 census, Minnesota's population is growing more diverse. The Minnesota Minority Education Partnership reports that minority students account for 59 percent of the growth in K-12 enrollment from 1990 to 2000. Students of color made up 14 percent of the MnSCU student enrollment in 2006, up from 7.7 percent in 1992. Twenty two percent of Minnesota K-12 students represent a community of color with a 14 percent graduation rate (Minnesota Department of Education).

- *High-quality learning programs and services:*

  Minnesota state colleges and universities will provide students with a full range of high-quality learning programs and services that respond to student needs and document student achievement. Students will develop lifelong learning, critical thinking and citizenship skills through high quality liberal arts and occupational and professional degree programs. MnSCU will provide up-to-date and innovative curriculum and equipment that prepares students for entry into the workforce and advancement in their careers. This includes the use of electronic-learning tools and processes to support classroom learning, support a wide variety of teaching and learning styles, and provide a full range of electronic student services.

  *Trends* –This strategic direction is primarily aimed at "enhancing the use of electronic learning tools and processes to support classroom

learning". Smart classrooms support the use of instructional technology. MnSCU has developed an array of instructional technology services that work together to optimize utility of smart classrooms.

Infrastructure for integrating instructional technology into the curriculum is part of all the 2008 capital requests. The 2008 capital budget request is focused on classrooms, applied labs, and sciences. Two projects this year reflect the system's long term service of providing 92 percent of the state's law enforcement officers.

- *State and regional economic vitality:*

MnSCU continues to work in new and collaborative ways to maintain and build vital communities and economies at the local, regional and state levels. The campuses play a central role in economic development by educating a skilled and flexible workforce. Providing organizations with business and management training and conducting applied research contributes to innovation and productivity increases for Minnesota's increasingly global economy. Campuses must respond to needs of emerging industries while at the same time strengthening their key role in preparing teachers, nurses, and law enforcement officers and supporting traditional Minnesota industries such as agriculture, food production, and manufacturing.

*Trends* – MnSCU graduates 33,500 students each year, 81 percent of whom stay in Minnesota to join the workforce or continue their education. MnSCU graduates the largest share of the state's new teachers, accountants, law enforcement officers, computer professionals, business people, firefighters, technicians, building trades people, and nurses.

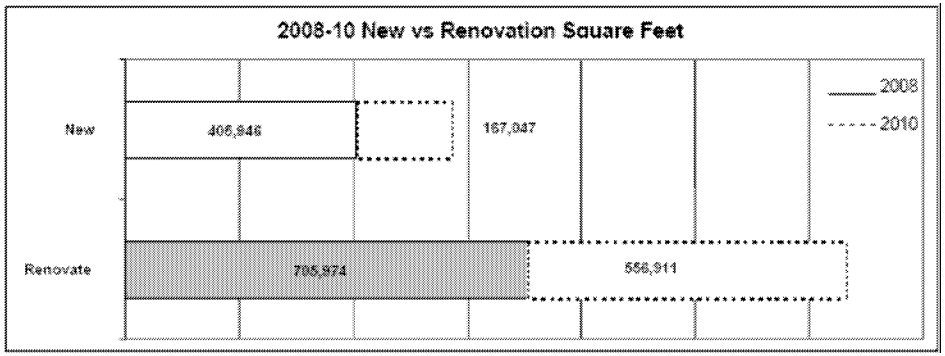
In 2006, MnSCU graduated 80 percent of the state's new nurses. The Department of Economic Security's *Minnesota Statewide Job Vacancy Survey* reported 2,347 vacancies for registered nurses and 725 vacancies for licensed practical nurses in the 4th quarter of 2006. Fulfilling educational requirements of their respective registration boards will require a shift to more science and technology offerings and will require retooling of laboratories and internal electrical and mechanical systems. The 2008 capital budget has over 465,000 square feet that directly relate to these science and technology offerings.

- *Innovate to meet educational needs efficiently:*

MnSCU's long term commitment to sustainable goals provides distinct higher education institutions that provide high-quality education. This will include integrating strategic, academic, financial, technology and facilities master plans at each institution and at the regional and system level. Most importantly, MnSCU places top priority on being a good steward of its capital assets by maximizing the use of and appropriately maintaining, repairing and renewing the buildings and infrastructure of the system and its individual campuses.

This top priority on protecting the public investment and improving the energy efficiency in MnSCU physical assets has led to Higher Education Asset Preservation and Replacement (HEAPR) being the number one request in the 2008 capital budget. It also means that renovation of existing sound structures is a large portion of this capital budget, which will have the effect of further reducing the deferred maintenance backlog.

*Trends* – HEAPR has been MnSCU's top capital budget priority since 1998. However, MnSCU's criteria for individual capital projects also place a high priority on asset preservation. As the graph indicates, asset preservation is nearly 70 percent greater in renovation for the combined 2008-2010 request than the request for new square footage.




This commitment to sustainability and maintaining the state's assets is evidenced in MnSCU's past capital budget requests:

| | |
|---|---|
| FY 2000 | request was 59.0 percent renovation vs. new construction |
| FY 2002 | request was 64.8 percent renovation |
| FY 2004 | request was 75.2 percent renovation |
| FY 2006 | request was 60.8 percent renovation - lower than past years only due to the necessity of adding the new science space square footage that could not be accommodated within existing space |
| FY 2008 | request is 63.0 percent renovation |
| FY 2010 | Proposed request is 77.0 percent renovation |

The Board of Trustees support good stewardship of existing assets by placing the highest priority on renovating facilities that the state already has in service before investing in new square footage. In addition, capital budget guidelines require that all colleges and universities submitting capital budget requests must pay for a predesign out of institution operating budgets prior to approval. Guidelines for MnSCU predesigns require integration of campus strategic, academic, technology and facilities master plans.

**Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**

MnSCU operates classroom buildings, libraries, and other structures, totaling 25.9 million square feet of academic space, including revenue fund-financed buildings. Facilities range in age from over 50 years to less than five years but the majority of the system square footage was built during the 1960-70 time period.

MnSCU undertook a baseline engineering assessment of the condition of deferred maintenance needs at all 53 campuses in 1998. The facilities condition assessment baseline data has been augmented by: (1) further engineering studies of mechanical and electrical systems at all seven state universities in 2000, seventeen two-year campuses in 2002, and ten two-year campuses in 2004; (2) annual engineering inspection of all 287 acres of roofs; and (3) a 2002 study of the status of fire detection and suppression devices. In 2005, MnSCU created a dynamic, predictive life cycle assessment of cyclical and deferred maintenance needs across the system. Initial data collection and verification are complete. This system has confirmed past studies and existing needs. The Facilities Renewal and Replacement Model (FRRM) has been operating for two years with campus input and allows campuses practical data for which to plan their needs.

Deferred maintenance needs identified across 25.9 million square feet showed the recurring patterns of systems that have passed design life:

- Mechanical reliability: HVAC, plumbing, electrical systems
- Exterior envelope integrity: roofs, windows, tuckpointing
- Restoration of interior spaces: safety, code compliance, lighting, egress

This current update indicates that past investments in roof replacements have had an impact in decreasing the roof replacement backlog. At present 42 percent of roofs in the system meet MnSCU's 40 year standard. To assure timely execution, 85 percent of roofs are advance designed. Thirty-two percent of the HEAPR request is for roofing replacement.

However, mechanical and electrical needs are increasing as the life expectancy of the original mechanical and electrical systems exceed their life expectancy; these systems are wearing out and need replacement.

**Agency Process Used to Arrive at These Capital Requests**

Following adoption of *Designing the Future*, the Trustees adopted formal capital budget guidelines. Colleges and universities used the guidelines calling for proposals with:

- Connections with MnSCU's strategic goals
- Connections between capital requests and campus academic, facilities, and instructional technology master planning
- Evidence of a space utilization inventory showing that existing facilities are being fully used, or that the capital request will improve utility
- Condition of the existing building(s), capacity of current utility infrastructure, and amount of asset preservation to be accomplished with the request, and
- Plans for debt service payment and other operating costs.

Two separate teams composed of all regions and disciplines evaluated these projects. In January 2007, two separate groups of advisory teams reviewed these projects. Based on board input from the previous biennium, an Academic Review Team was established. The Academic Review Team was

composed of 42 deans and academic administrators from all campuses and Office of the Chancellor academic staff. Their comments were then forwarded to the Project Advisory Team which was a broader based review team composed of 62 facilities, finance, academic and technology staff from all campuses and the Office of the Chancellor. Both these team reviews yielded comments and resulted in ranked projects in quartile groupings. Project documents, scoring information and other critical analysis from staff on past funding history, deferred maintenance conditions, space utilization, planning dynamics and enrollment information was provided to the board in February.

The scoring mechanism gave preferential points to asset preservation (renovation) projects that were evaluated from the campus FRRM data and projects receiving prior legislative or nonstate funding. Each project was scored twice, and some confirmed with a third review. Individual team members did not review their own campus' proposal. Individual project scores provided a baseline point of departure for evaluating capital requests.

The Board of Trustees held two public hearings in March 2007 at the board office to review all projects. The chancellor's staff and board members on the Finance and Facilities Committee reviewed and ranked the 2008-2013 projects in keeping with prior commitments made in the six year plan, and with rankings assigned by the technical advisory teams following the Board's priorities. In addition, the Office of the Chancellor incorporated information from the campus master plans, project predesign, space utilization study, facilities condition assessment, enrollment, prior level of capital investment, and input from all college and university presidents acting as the system's Leadership Council.

The Board of Trustees held its first reading of the capital budget in May 2007 and its second reading in June 2007, at which time this capital budget was approved.

**Major Capital Projects Authorized in 2006**

| Institution | Project | Approved |
|---|---|---|
| System | HEAPR | 40,000,000 |
| MSU, Mankato | Trafton Center | 32,900,000 |
| St Cloud SU | Wick Science Bldg Addition and Renovation | 14,000,000 |
| Century College | New Science Addition and Renovation | 19,900,000 |
| Fond du Lac | Library Addition and Cultural Center | 12,390,000 |
| MSU Moorhead | MacLean Hall | 9,680,000 |
| MCTC | Science and Allied Health Renovation | 18,874,000 |
| St Paul College | Transportation and Applied Technology Lab | 3,000,000 |
| Bemidji SU | Sattgast Hall | 700,000 |
| MSC-SETC | LRC, Student Services | 4,855,000 |
| Normandale CC | Renovation and Addition | 5,125,000 |
| Inver Hills CC | Addition and Renovation | 700,000 |
| St Cloud SU | Riverview Hall | 4,500,000 |
| Winona SU | Maxwell Hall | 11,186,000 |
| Systemwide | Science Labs | 5,140,000 |
| Systemwide | Demolition | 1,660,000 |
| Systemwide | Property Acquisition | 3,400,000 |
| North Hennepin CC | Business and Technology | 350,000 |
| Northland CTC | Nursing Addition, Library and Classroom | 300,000 |
| MSU Moorhead | Lommen Hall | 300,000 |
| Lake Superior College | Health and Science Center Design | 420,000 |
| Metro SU | Classroom Building | 300,000 |
| Alexandria TC | Law Enforcement Center Design | 400,000 |
| Metro SU & Minneapolis CTC | Co-located Law Enforcement Center | 350,000 |
| NHED Eveleth | Technical Lab | 300,000 |
| Southwest MSU | Science and Hotel and Restaurant Lab | 300,000 |
| Winona SU | Memorial Hall | 400,000 |

**2008 STATE APPROPRIATION REQUEST:** $110,000,000

**AGENCY PROJECT PRIORITY:** 1 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Asset Preservation and backlog reduction of needs at all colleges and universities
- Minnesota State Colleges and Universities (MnSCU) entrusted as stewards of 21 million square feet of academic building space
- One-third of all building space in the state
- Higher Education Asset Preservation and Rehabilitation (HEAPR) will reinvest in physical assets, preserving them well into the future

**Project Description**

Provide funding per M.S. 135A.046 (the "HEAPR" statute) to maintain and preserve MnSCU's existing physical assets. This asset preservation request includes roof replacement; heating, ventilation and air conditioning (HVAC) replacement and repair; upgrade and/or installation of fire alarms and sprinklers; window replacement; tuckpointing; life safety and code compliance projects; and replacement of other items that have reached the end of their useful life expectancy.

MnSCU's physical assets encompass 21 million gross square feet of academic buildings located on 53 campuses. The request can be broken into the following major categories:

- Roof replacement
- Mechanical and electrical reliability
- Life safety, code compliance, and interior and exterior building preservation

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Preserving the existing physical asset will maintain geographic access to educational opportunities for all Minnesotans.

*High-quality Learning Programs and Services* - High quality learning spaces lead to high quality learning options and services. HEAPR is the method of maintaining the state's assets.

*State and Regional Economic Need* - In most communities, the college or university serves a secondary role as a meeting facility, customized training facility, and community amenity – all these roles would be best served with adequately maintained facilities.

*Innovate to Meet Educational Needs Efficiently* - Exhibits good stewardship of state investment by preserving sound, existing physical assets well into the future.

**Project Rationale**

Chancellor and Board of Trustee's Process:
Each college and university submitted a set of prioritized asset preservation projects utilizing individual assessments of the buildings and grounds and analysis of the overall Facilities Condition Index (FCI) - the index derived by dividing the values of deferred maintenance by the current replacement value of the physical plant. These individual assessments were informed by:

- Facilities Condition Assessment (FCA) database: since 2003 campuses annually report their condition based on life cycle, updates, repairs and personal knowledge of the actual buildings and systems
- Engineering surveys of the major mechanical and electrical systems at all seven state universities
- An ongoing annual roof inspection program of all 292 acres (12.7 million square feet) of roofs
- Engineering surveys of major mechanical and electrical systems at 27 two-year colleges

All requests must form a discrete project. While some projects may be phased or partially funded, the portions that are budgeted form a project that can be completed and provide useful service.

Strategic HEAPR Priorities:
HEAPR is a critical component of a "catch-up and keep-up" reinvestment plan to maintain and reinvest in the state's assets. As noted, since 2003, the system is actively engaged in campus evaluation of buildings systems that determines the FCI. The FCI is an index derived by dividing the values of deferred maintenance by the current replacement value of the physical plant.

The size of the HEAPR request was determined, as in prior capital budgets, by considering the funding level needed to correct building deficiencies (reduce the backlog) and renew facilities in a timely manner to avoid backlog growth. Three major funding sources are included in this plan.

1. The capital budget is the primary mechanism to renovate and "take care of what we have." For the last eight years this has consistently yielded more renovation and modernization projects than projects for new square footage.
2. Campuses have been expected to spend at least $1.00 per square foot from operating funds on Repair and Replacement (R&R).
3. Undertaking HEAPR projects to directly impact the backlog of deferred maintenance.

In prior capital budgets, the need for $100 - $110 million in HEAPR projects was based on the level of anticipated funding for line-item renovation and renewal projects and campus funding of R&R. The HEAPR request was also based on a long-range plan to reduce the backlog by 50 percent over 10 years. Since the capital renovation and renewal budget is similar to prior years, and campus spending through the operating budget is close to the targeted amount, it is reasonable to conclude that a $110 million HEAPR request is needed.

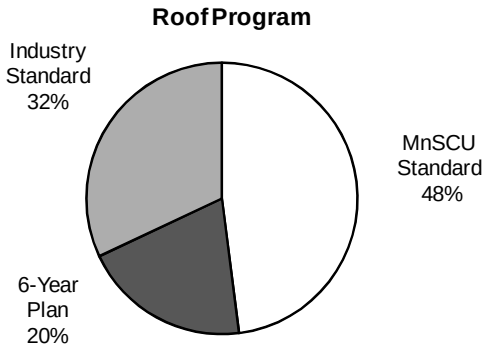
This funding request is reinforced by the system FCI not decreasing and the backlog of deferred maintenance continuing to grow. The current estimate of $672 million increased from the previous year estimate of $646 million. An increase in direct requests from campuses from $238 million in 2006 to $304 in 2008 further reflects the growing need.

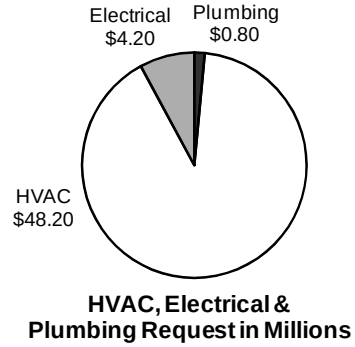
Major priorities of the system are evaluated by two critical criteria. First is to maintain campus assets "warm, safe and dry." After this critical component is met, the second evaluation for campus priorities is reviewed in relationship to the overall campus FCI. It should be noted that all projects were evaluated to these two criteria along, as well as respecting the individual campus priority request.

The three main priorities of the system are:

*1. Roof Replacement:* MnSCU is the custodian of 292 acres of roofs on academic buildings. MnSCU has been engaged since the merger in 1995 in a systematic program to replace all failing flat roofs in the system with built-up asphalt slope-to-drain roofs.

Replacement of the roof, the most critical waterproofing element on a building, protects the building structure, contents and occupants, preventing further structural damage. This component is critical for colleges and universities to fulfill the public obligation to students, staff and the public that they are "warm and dry." The present roof program began in 1984 with the state universities, and expanded to the two-year colleges in 1995. Once previously authorized construction is completed, 48 percent of college and university roofs will meet MnSCU standards. All 292 acres of roofs are inspected by professional engineers every year and rated for remaining useful life. Colleges and universities requested $85 million for roof replacements; this request reflects $37.2 million in critical roof replacement work. $36.8 million of capital budget requests are in the 0 to 1 year of the remaining life category. In fact, some roofs have been in the 0 years of remaining life category for several years. These roofs reflect leaking that leads to additional operational costs, potential air quality issues and create structural integrity concerns.

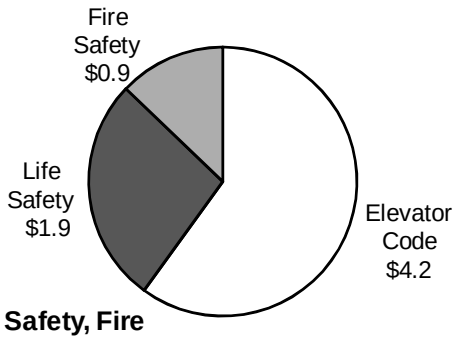



Due to the near 40 year average age of campus buildings many of the exterior brick and windows require replacement to stop water and air infiltration. This category of need for repair of exterior walls and envelopes has grown in the last decade with requests over $21 million submitted from colleges and universities. $7.8 million is contained in this final request to reflect this importance to stabilizing and protecting the state's assets.

*2. Mechanical and Electrical Reliability:* Next to integrity of the roofs, maintaining the reliability of building mechanical and electrical systems and safe air quality for students is paramount. MnSCU has placed its highest priority on keeping students "warm, safe and dry." The mechanical reliability conforms to the safe and warm by allowing adequate ventilation and temperature for building and personnel health. Most campus buildings are 1960's and 1970's construction with mechanical systems far outliving their life expectancy. Many systems have exceeded their life expectancy, and while campus maintenance personnel are doing a good job of patching, repairing and maintaining these systems, mechanical equipment can work for just so long before it must be replaced. Mechanical and electrical needs in this request break down as shown in the graph below. This request proposes 45 different campus projects totaling $48.2 million to replace major mechanical, electrical, plumbing, heating, ventilation and air conditioning systems.

*3. Life safety, fire and elevator code update:* As in past budgets, the consistent obligation to renovate for life safety codes is reflected in the HEAPR budget. These life safety code, fire alarm and safety components are proposed at $2.8 million in this request. A new life safety code issue this biennium is a code compliance requirement for elevators that must be corrected by 2012. Campuses have estimated that approximately $14-19 million is required for this change, which is due to the significant changes to International Building Code Chapter 1307. This code change impacts all cylinder elevators built before 1972 and all track elevators built before 1987. There are 300 elevators in the system and approximately 190 elevators impacted by this code change. Many campuses are striving to improve them by incremental measures, or update with other funds. However, HEAPR is the only source for many of these elevators. In the 2008 proposed list there are $4.2 million requested for mandatory code updates.




**Life Safety, Fire and Elevator Code**

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $40 million for HEAPR.
Laws 2005, chapter 20, article 1, section 3 appropriated $41.5 million for HEAPR.

**Impact on Agency Operating Budgets (Facilities Note)**

There are 33 proposed roof replacements on 22 campuses that will save a minimum of $600,000 annually in temporary patches and repairs, as well as ceiling and wall replacement costs. HVAC replacements and repairs in 38 projects on 25 campuses will save an average of approximately 10 percent (in some projects it will be more) or $1 million per year in energy savings. The fire safety, life safety and code compliance projects should have minimal impact on operating budgets.

Note that campuses spent a three year average of close to $1/sq ft of their own operating dollars for R&R funding to improve the facilities condition; and this is not keeping up with the need to repair. HEAPR dollars are essential for preservation of the long term asset the state has invested.

**Other Considerations**

Thirty Month Execution:
MnSCU has developed and implemented a HEAPR execution strategy to complete HEAPR projects within 30 months or better after receiving an appropriation. Both the 2000 and 2002 appropriations were fully committed well within the 30-month execution schedule. A little over 45 percent of the 2005 HEAPR appropriation was encumbered in the six month reporting period from April to October, 2005, and all funds were encumbered by spring 2006 (creating a 24 month schedule). For the 2006 funding, the system is 72 percent encumbered as of June 2007; which is 20 percent greater than the budgeted schedule.

This accelerated execution schedule was made possible by:

- Projects being delegated to respective MnSCU institutions
- Advance engineering completed by the college or Office of Chancellor prior to funding
- Accurate and timely project cost and project status reporting online
- Face-to-face HEAPR program discussions between the Office of the Chancellor and responsible campus personnel three times per year
- Reporting on status of HEAPR program to Board of Trustees semi-annually
- Developing expedited contracting procedures for pre-approved engineering consultants for HEAPR projects

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $40 million for this project. Also included are budget planning estimates of $40 million in 2010 and $40 million in 2012.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 1,750 | 6,081 | 5,158 | 4,000 | 16,989 |
| 4. Project Management | 2,990 | 5,950 | 1,330 | 1,230 | 11,500 |
| 5. Construction Costs | 35,260 | 84,460 | 80,400 | 73,062 | 273,182 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 13,509 | 23,112 | 31,708 | 68,329 |
| **TOTAL** | **40,000** | **110,000** | **110,000** | **110,000** | **370,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 40,000 | 110,000 | 110,000 | 110,000 | 370,000 |
| **State Funds Subtotal** | 40,000 | 110,000 | 110,000 | 110,000 | 370,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **40,000** | **110,000** | **110,000** | **110,000** | **370,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 110,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $25,500,000

**AGENCY PROJECT PRIORITY:** 2 of 37

**PROJECT LOCATION:** Minnesota State University, Mankato

**Project At A Glance**

- Project design was funded in 2005.
- Phase 1 – Funded in 2006 to construct 67,000 gross square feet (GSF) addition and renovate 16,010 GSF in north section.
- Phase 2 - Renovate 52,793 GSF in center/south section and renew exterior shell – roof, masonry and plaza repairs for sciences.
- Renovation will remove $19 million from backlog (for both phases).

**Project Description**

Remodel and renew the existing south/center section of Trafton Science Center. Renew the exterior shell including reroofing, masonry and outdoor plaza repairs in the center section.

The south section of Trafton primarily houses the Biology department. This renovation would include areas of the wet biology labs, greenhouse, classrooms and offices. The heating, ventilating and air conditioning (HVAC), fume hood exhaust systems, controls and roof would also be replaced. Other work includes new plaza pavers and waterproofing system, masonry repairs and new thru-wall flashing. Trafton Science Center produces 30 percent of all Mankato's credit hours. This project will remove $19 million from the deferred maintenance backlog.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity:* Mankato's enrollment in math, science, and engineering has grown more than 40 percent in five years. Partnerships with regional and state biotechnical and engineering industries have also grown.

*Strengthen Community Development and Economic Vitality:* Mankato scientists with state and business partners have developed collaborative applied student research through five privately funded research centers: Water Resources, Automotive Research (alternative fuels), Rapid Prototyping and Manufacturing, Advanced Telecommunications, and Space Imaging.

*Deliver High Quality Learning Options and Services:* In 2000, a Midwest Wireless-Nokia partnership and federal grant created an innovative, high technology, wireless campus. With expanding technology in every classroom and laboratory, and ubiquitous wireless access, the physical spaces designed in the 1970s must be improved to provide high quality learning opportunities--particularly for science and technology disciplines.

Mankato's Master Plan:
Mankato's Master Facilities Plan was presented to the Board of Trustees in May 2002, and Trafton was identified as the number one priority. This was based on four considerations: (1) over-crowding created by growth of the basic sciences, engineering, and mathematics; (2) an addition of a civil engineering program in 2001; (3) the pressing need to establish a "home base" for the electrical engineering program started in the mid-80s; and (4) more than $14.1 million of deferred maintenance in the Trafton complex.

Enrollment and Space Utilization:
When Trafton opened in 1972, only biology, chemistry, physics, and math, with a total of 700 majors, were offered. Enrollment has quadrupled to 2,800 majors with an expanded curriculum: engineering (electrical, computer, mechanical, and civil), engineering technology, biotechnology, molecular biology, biochemistry, astronomy and statistics as well as emphases in microbiology, toxicology, human biology, and physiology. In 1972 the majority of Trafton graduates went into teaching. Now, most declared majors are in non-teaching science or engineering careers.

| FY | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| FYE | 13,157 | 13,406 | 13,373 | 13,343 | 13,350 est. |

The 2001 MnSCU Space Utilization Study showed Mankato with a 6 percent deficit in teaching laboratories and 18 percent in research labs. The College of Science, Engineering and Technology generates 47 percent of its enrollment from general education and service courses for allied health, nursing, and K-12 education. Under the general education requirements, every student must take one math and one lab science course. Overcrowding is common.

**Project Rationale**

Trafton was constructed in 1972 as a three-story 224,864 GSF structure. A 55,940 GSF north addition was added in 1994 for engineering. The existing building has three defining sections. The south section currently houses Biology, Anthropology, some Engineering, a civil engineering lab and the Water Resources Center. The center section houses academic classrooms, lecture halls, offices, and electrical engineering labs. The second level is an open outdoor plaza. The north section houses Physics, Astronomy, Chemistry, Geology, Electrical Engineering, and Social Work.

Wet labs will consolidate in the new addition (underway) and in the south section of the existing building. Dry labs will locate in the north section. Approximately 69,000 square feet or 31 percent of the existing space in Trafton is being renovated with this project.

Programmatically, consolidating wet labs in one location will place Chemistry and Biochemistry in close proximity to Biology to enhance collaboration, share sophisticated instrumentation, utilize a common support staff, and be energy efficient. The addition will have increased inter-floor heights, providing necessary space for lab ventilation. Because of differing floor heights, connection of floors between buildings will be handled with stairs and elevators.

By moving chemistry to the new addition, the north section can be converted to “dry” laboratories, or those not requiring heavy ventilation. The first floor will remain unchanged with the Department of Physics and Astronomy. The second and third floors will house Engineering, a math lab, and co-located Anthropology and Social Work departments.

With this renovation the center section will be defined as the core for instructional classrooms and administrative offices. In 1972, laboratory pedagogy was visual and descriptive with microscopes and colorimetric chemistry being the norm. Today, labs are computer driven with sophisticated analytical instrumentation that is absolutely essential to graduate a well-prepared scientist or engineer. Labs and classrooms will all be technology-enhanced to link to the latest scientific discoveries. The south section currently is Biology and will remain so after the renovation.

Predesign:
Completed by HGA in the Spring of 2003.

**Impact on Agency Operating Budgets (Facilities Note)**

Building Operations Expenses:
The existing building will be renovated, with no new space added. Operating cost will be reduced by $82,000 per year, or 26 percent, with new efficient air handlers and exhaust fans operated by variable fan drives.

Debt Service:
This project, and all others requested, would create an annual obligation estimated at less than 1.6 percent of the annual operating budget. Mankato has the ability to pay this debt service and understands the obligation.

Capacity of Current Utility Infrastructure:
The central utility plant provides all utility services to the campus. A new 90,000 pounds per hour boiler was installed in 2004 with capacity to heat the entire campus with three other boilers providing redundancy. The centralized electrical distribution system was upgraded in 2006 providing reliable service and capacity well into the future. Cooling is adequate now that the chilled water system has been optimized with installation of new circulation pumps and cooling tower upgrades at the utility plant in 2006. Plans to connect the north and south chiller loops in 2007 will provide increased flow to the buildings.

Energy Efficiency/Sustainability:
The renovation will replace inefficient, worn out HVAC equipment with energy-efficient equipment.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $32.9 million to construct Phase 1.
Laws 2005, chapter 20, article 1, section 3 appropriated $2.56 million for design of this project.

**Other Considerations**

This project addresses $19 million in deferred backlog and $500,000 in 10 year renewal from the FRRM forecast. This will reduce the FCI for Trafton from .41 to .12. Improvements will include roofing, waterproofing the outdoor plaza, replacement of air handlers and controls, electrical upgrades, plumbing fixtures and rough-in, fire protection, built-in equipment and interior finishes along with abatement of deteriorate ceiling spray containing asbestos. The remaining backlog and renewal will be requested as HEAPR projects in future years.

Consequences of Delayed Funding:

- Continued waste of energy with outdated, inefficient ventilation
- Continued lack of academic space for teaching and research
- Impeded recruitment and retention of faculty due to inferior facilities

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $25.5 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 381 | 0 | 0 | 0 | 381 |
| 3. Design Fees | 3,329 | 460 | 0 | 0 | 3,789 |
| 4. Project Management | 1,128 | 707 | 0 | 0 | 1,835 |
| 5. Construction Costs | 25,933 | 19,200 | 0 | 0 | 45,133 |
| 6. One Percent for Art | 100 | 100 | 0 | 0 | 200 |
| 7. Relocation Expenses | 0 | 80 | 0 | 0 | 80 |
| 8. Occupancy | 4,970 | 1,542 | 0 | 0 | 6,512 |
| 9. Inflation | 0 | 3,411 | 0 | 0 | 3,411 |
| **TOTAL** | **35,841** | **25,500** | **0** | **0** | **61,341** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 35,460 | 25,500 | 0 | 0 | 60,960 |
| **State Funds Subtotal** | 35,460 | 25,500 | 0 | 0 | 60,960 |
| Agency Operating Budget Funds | 381 | 0 | 0 | 0 | 381 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **35,841** | **25,500** | **0** | **0** | **61,341** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 65 | 0 | 0 | 65 |
| Building Repair and Replacement Expenses | 106 | 0 | 0 | 106 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 171 | 0 | 0 | 171 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 171 | 0 | 0 | 171 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 17,085 | 67.0% |
| User Financing | 8415 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# St. Cloud State Univ - Brown Hall Science Renovation

**2008 STATE APPROPRIATION REQUEST:** $14,800,000

**AGENCY PROJECT PRIORITY:** 3 of 37

**PROJECT LOCATION:** St. Cloud State University, St. Cloud

**Project At A Glance**

- Project design funded in 2005
- Phase 1 new addition construction funded in 2006
- Renovation and equipping of 75,000 gross square feet (GSF)
- Construction of 1,400 GSF skyway
- Renovation will address $1.179 million of deferred maintenance

**Project Description**

Renovate, furnish and equip Brown Hall to serve as an instructional facility primarily for Nursing and Communication Sciences and Disorders; including Audiology and Continuing Studies. The project also includes re-glazing the 35 year-old skyway to the Wick Science Building and the construction of a new skyway to Centennial Hall, an adjacent classroom and student service building, which in turn is connected to the campus student union.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* **-** St. Cloud State University (SCSU) has had a strong reputation in the areas of Speech Pathology and Audiology for many years. These programs need space to meet current lab and practical standards for instruction and licensure.

The nursing program, which was initiated seven years ago in response to statewide and regional needs, is housed in leased space six miles off campus that is not optimally configured, causing inconvenience for students, faculty and staff.

Continuing Studies is the heart of the out reach for instruction in the wider community and needs adequate administrative and testing space to meet their mission. Continuing Studies manages Post-Secondary Enrollment Options (PSEO), Senior to Sophomore, distance education, customized training and online programs; all growing endeavors. For example, the online portion of the University's instruction is now about 7 percent of the total credits taught.

*High-quality Learning Programs and Services* **-** The Speech Pathology, Audiology and Nursing programs are all accredited and high quality programs but require current facilities to continue successful operation. In the summer of 2006, SCSU was the only nursing program in the state to have a 100 percent pass rate on the licensure exam given to all nurses.

*Innovate to Meet Educational Needs Efficiently* - Bringing the nursing program to campus, while not a remarkable innovation, will meet the needs of the nursing and pre-nursing students much more efficiently. The space used by nursing currently costs over $82,000 in lease expense that will be saved in bringing the program to campus.

The Continuing Studies program has seen dramatic growth, and recently moved from a former single family home to expended space in residence halls as an interim solution. As the residence hall occupancy has improved, it is expected that they will need to be displaced in the next two years. Brown Hall is the planned location for the on campus needs of this program.

Institution Master Plans and Regional Collaborations:
This project is consistent with broader plans for facilities for the College of Science and Engineering and the University's Master Facilities and Strategic Plans. Renewal of Brown Hall is a key element of these plans. It will improve the quality of the University's facilities, influence the quality of the programs housed and improve success in recruiting faculty and students. These programs are core programs for the University and having appropriate, convenient instructional student service and administrative space is important. The project will allow the University to continue to meet key needs for health care professionals in the region and the State.

Enrollment and Space Utilization:
The University has seen recent increases in enrollment that are expected to continue into the future. The following illustrates that trend:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 14,029 | 13,932 | 14,200 | 14,250 |

The University's leased nursing labs are used to capacity. Moving them to campus will increase flexibility of scheduling. The Communication Studies Labs are used to near capacity but are functionally obsolete and are not sufficiently accessible for the various clients that come to the lab so that students can experience effective practicums.

**Project Rationale**

Remodeling of Brown will impact the following departments:

- Nursing Sciences (consolidate to Brown Hall)
- Communication Sciences and Disorders (move to Brown Hall)
- Continuing Studies (move to Brown Hall)

*Nursing* **-** St. Cloud started a nursing program in 2001; both a traditional BSN and an accelerated BSN for adults with four-year degrees. St. Cloud has launched a "Health Sciences Initiative" to maximize nursing resources of St. Cloud Technical College, the College of St. Benedict, and St. Cloud Hospital. One goal of the initiative is a "learning lab" that all partners can share, but the required space is lacking. While there is a general shortage of nurses in the state, the most acute shortage is for nurses with advanced degrees.

Nursing is now in leased space at an off-campus location and has eight faculty members located in four different buildings on campus; there is no room for a master's degree program. The nursing faculty has attracted private grants for equipment from the Bremer Foundation, Initiative Foundation, and other private sources. The state Board of Nursing has accredited the B.S. program; that program also has national accreditation. The inadequate and scattered space has been an accreditation issue. This remodeling will consolidate and enlarge nursing in Brown Hall.

*Communication Disorders* - Classrooms, labs, faculty offices, and clinics will move from the Education Building to Brown Hall. At present the department has two small labs; one for instrumentation and one for audiology. Two labs will remain in Brown Hall, although the increased size will allow instruments to have stations and all students to have a lab station. In 2005, national accreditation standards changed, requiring 25 hours more student lab and clinic time. The accrediting agency has twice listed the complete absence of a waiting room for clients who bring their children to consult the faculty and students at the clinic as an area of concern. Communication Disorders boasts a 90 percent pass rate on national certification tests (national average is 75 percent) and the post-graduate program turns away 20 – 25 students per year because of space. The graduate program could double in a remodeled Brown Hall.

*Continuing Studies* **-** Continuing Studies recently moved from a former single family home to leased space in a residence hall. This growing program that serves distance education students, customized training needs and manages online course program needs appropriate and sufficient space to meet its needs. This facility will provide for those needs.

Predesign:
Predesign was completed by Afton Architects in October 2002 and updated by Rafferty Rafferty Tollefson Architects in October 2005.

Capacity of Current Utility Infrastructure:
The existing building is served by adequate infrastructure for all utilities. The replacement of the single glazed windows and the roof will reduce the demand for energy by this building.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The difference in operating costs will be marginal. The building is currently in service so there is no expected change in the compliment of staff when it is completed. Utilities will decrease slightly as a result of energy conservation. Although the University will increase debt service, the $83,000 annual off-campus lease expense for the nursing program and the space leased in the residence hall for Continuing Studies will no longer be required.

Energy Efficiency/Sustainability:
This project is essentially a renovation it is inherently a manifestation of sustainability. New windows replacing the existing single glazed and a new roof will improve comfort and save energy. This project, in addition to replacing the crazed and clouded glazing on the existing skyway from Brown Hall to Wick Science Building, removes the backlog of deferred maintenance on Brown Hall of $1.179 million.

Debt Service:
The University is prepared to assume the debt service as required by legislation and Board practice. The University manages its total debt load liability well below the Office of the Chancellor guideline of three percent of budgeted expenditures. The sum of all current and proposed projects at the University, if funded on the schedule requested, will result in a debt service of less than one percent of the operating expenses.

**Previous Appropriations for this project**

Laws 2006, chapter 258, section 3 appropriated $14.0 million to construct Phase 1.
Laws 2005, chapter 20, article 1, section 3 appropriated $900,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- If the single glazed windows and roof are not replaced the building will remain an excessive energy consumer.
- The University will continue indefinitely to have the inconvenience, uncertainty and expense of off campus leased space for the nursing program.
- The Audiology and Speech Pathology programs will have their required accreditation at risk because of inadequate and obsolete lab facilities.
- Continuing Studies will likely be encouraged to move out of needed residence hall space with no viable alternative.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $14.8 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 39 | 0 | 0 | 0 | 39 |
| 3. Design Fees | 1,155 | 276 | 0 | 0 | 1,431 |
| 4. Project Management | 547 | 650 | 0 | 0 | 1,197 |
| 5. Construction Costs | 11,630 | 11,698 | 0 | 0 | 23,328 |
| 6. One Percent for Art | 90 | 100 | 0 | 0 | 190 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 1,478 | 804 | 0 | 0 | 2,282 |
| 9. Inflation | 0 | 1,272 | 0 | 0 | 1,272 |
| **TOTAL** | **14,939** | **14,800** | **0** | **0** | **29,739** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 14,900 | 14,800 | 0 | 0 | 29,700 |
| **State Funds Subtotal** | 14,900 | 14,800 | 0 | 0 | 29,700 |
| Agency Operating Budget Funds | 39 | 0 | 0 | 0 | 39 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **14,939** | **14,800** | **0** | **0** | **29,739** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 83 | 83 | 0 | 166 |
| Expenditure Subtotal | 83 | 83 | 0 | 166 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 83 | 83 | 0 | 166 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,916 | 67.0% |
| User Financing | 4884 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Saint Paul College - Transportation and Applied Technology Lab Renovation

**2008 STATE APPROPRIATION REQUEST:** $13,500,000

**AGENCY PROJECT PRIORITY:** 4 of 37

**PROJECT LOCATION:** Saint Paul College, St. Paul

**Project At A Glance**

- Project funded for design in 2006
- Renovation of 105,911 gross square feet (GSF)
- Construction of 5,218 GSF
- Project will eliminate $1.5 million in deferred maintenance

**Project Description**

Remodel, renovate, furnish and equip classroom, lab, shop and other space and construct an expansion to the truck mechanics shop to effect a complete ground floor transformation at Saint Paul College. The project creates a "construction trades and transportation academy" that promotes more engaged industry experiences and partnerships. The project will provide a modern, 21st century environment for students and industries that more closely models the real world working environment.

Academic programs impacted by this second phase of the ground floor remodel include: auto body repair, automotive technician, diesel truck mechanic, carpentry, pipefitting, cabinetmaking, and chemical technician.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - This project will create a learning environment that is multi-functional and safe. Such an environment is critical to the success of all students, including under represented students. Minority full-year equivalents (FYE) student enrollment at the college in fiscal year 2006 was 45 percent - a seven percent increase over 2004. During Fall 2006 the college enrolled 867 students in English as a Second Language courses, an increase of 19 percent over Fall 2005.

*High-Quality Learning Programs and Services* - This project will complete the enhancement of the trade and industrial programs which account for 24 percent of the College's enrollment. Program advisory committees have expressed concern about the lack of appropriate lab and classroom spaces, and the impact that has on the College's ability to attract and retain students. They have also expressed concern about the ability to provide a workforce trained to maximize local industries' investment in innovations necessary to compete in the 21st century.

*State and Regional Economic Needs* **-** The employment outlook projection for the seven county metro area indicates a demand for 12,603 jobs in 2010 for the occupations affected by this project. The three year average placement rate for the graduates in these occupations is 97.8 percent. The College wishes to continue its outstanding legacy of meeting center city industry workforce needs that it has enjoyed since 1910.

*Innovate to Meet Educational Needs Efficiently* - This project will preserve and improve the state's investment in its physical assets and significantly reduce deferred maintenance. This project, along with the completion of Phase 1 and Higher Education Asset Preservation and Rehabilitation (HEAPR) investments, should reduce the campus facilities condition index (FCI) from .29 to .20. Single purpose classrooms will become flexible, multi-use classrooms that will realign and reallocate the physical resources of the college resulting in efficient and effective use of space.

St. Paul College Master Plans and Regional Collaborations:
The Board of Trustees approved the Master Facilities Plan in January 2001 and will have an updated plan complete in 2007. This project is aligned directly to priority number 1 of the College's Master Plan which transforms space to support:

- Long term stewardship of investment in existing facilities
- Clustering/coring of programs
- Space utilization improvement
- Sharing of resources internally and externally to the college

Enrollment and Space Utilization:

| | FY 1999 | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|---|
| FYE | 2133 | 3,000 | 3,090 | 3,250 | 3,330 |

St. Paul College has experienced more than 50 percent growth in FYE enrollment over the previous eight years. The mission expansion to a community and technical college has had a significant impact on this growth. Phase one of this project moves five construction electricity labs and classrooms to the ground floor to free up 5,859 GSF for liberal arts and sciences course offerings. This phase of the project will compliment the 2006-2008 project by providing several flexible classrooms on the ground floor.

More than half of the College's students reside in Ramsey County, and nearly 20 percent are from Hennepin County, both of which are expected to grow steadily in the next twenty years. The College is one of eleven seven-county Metro institutions that provide education to nearly 25 percent of the ethnically diverse students in the state. In 2006, Saint Paul College enrolled 3,012 credit seeking students of color or 43.5 percent of its credit student body, the highest percentage in the MnSCU system. Yet, Minnesota's fastest growing populations have the lowest rates of participation in postsecondary education and over 72 percent of students in the Saint Paul Public School System are students of color. The College expects to continue its tradition of serving students of color and may need to anticipate growth of yet another 50 percent in the next eight years.

MnSCU's Fall 2006 Space Utilization report shows Saint Paul College with 80 percent seat usage and 127 percent of available room hours. This project will increase these percentages by reallocating space and reconfiguring underutilized seat usage areas. It will remove classrooms from shop areas and provide flexible classrooms and labs that can be converted to open scheduling for any college course or custom training.

**Project Rationale**

The existing spaces on the ground floor have several severe life safety hazards that must be rectified. These hazards include: poor air quality, non-compliant or difficult to locate emergency exits, and risky working conditions for staff and students.

The spaces for the affected programs are not up to the standards of their respective industries in size, configuration, or quality of space. Remodeling of current labs and classrooms will allow programs to work together in efficient trade-related clusters, mirroring trends in industries. The project will:

- Improve the learning environment for students in Transportation and Geomatics.
- Respond to industry's need to train students in high-quality, up-to-date environments that meet or exceed industry standards.
- Accommodate the need for classroom flexibility by removing classrooms from inside the shop/lab areas making them available for open scheduling.
- "Clustering" like programs in floor plan layouts to facilitate shared resources and interdisciplinary learning.
- Technology upgrades in classrooms and labs to replicate conditions found in modern workplaces.
- Meet current building code requirements for emergency egress, heating, ventilating and air conditioning (HVAC), indoor air quality, and other life safety issues.

This project will remodel and/or reconfigure:

- Pipefitting, that is currently located in six separate labs. This project will combine spaces to economize space and increase flexibility.
- Auto Body and Auto Technician shops that are chopped up by unnecessary internal partitions, which will be removed increasing flexibility. However, the paint shop will be isolated from other shop areas. Modern exhaust systems will be installed to improve safety and air quality.
- Diesel Truck mechanics shop that is too short for the dyno equipment and today's longer trucks. There is inadequate space for storing engines.
- Cabinetmaking shop that needs its own delivery door and clearances for forklift operation inside the lab. Carpentry needs an expanded lab to accommodate 24 students at one time, increasing instructor efficiency.

Deferred maintenance of the ground floor will be addressed in all renovated areas. The asset preservation and infrastructure investment is $2.7 million, which will reduce deferred maintenance by $1.5 million through replacement of air handling units, lighting, electrical distribution, fire doors, and fire and security systems.

<u>Predesign:</u>
The original predesign by TKDA was submitted October 2004 in anticipation of capital bonding to fund the project in 2006. Because only design was

funded in 2006, an updated and revised predesign by TKDA was submitted in January 2006.

Capacity of Current Utility Infrastructure:
Since the new square footage is minimal, there is no requirement to expand the utility infrastructure. The project will be replacing and/or improving a large percentage of the current utility infrastructure, which is included in the project budget. The new energy efficient equipment should enable the college to recognize up to a 10 percent savings in utility costs.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The new addition will add $4,500 annually to operating expenses. Savings should be realized with newer, more energy efficient equipment. The minor increase in square footage should have no effect on operating funds.

Energy Efficiency/Sustainability:
Most of the present air supply system is 100 percent exhaust. The new system will improve fresh air make-up, reduce heating costs and emissions from boilers. There will also be filters installed for exhausts systems that are standard in the automotive and truck industries, reducing particulates emitted to the atmosphere.

Debt Service:
The current debt service obligation of the college is $150,000 annually. The estimated increase in debt liability from this project will be approximately $200,000 – increasing debt service to a manageable, anticipated 1.4 percent of the College's operating budget.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $3 million for design of this project, including replacement of the electrical system.

**Other Considerations**

Consequences of Delayed Funding:
The College cannot afford to address severe building safety issues with operating funds and:

- Potential unsafe working and learning environments will continue.
- Band-aid approach will be used to mitigate serious life safety issues.
- Core safety problems will not be addressed.
- Inefficiencies will be created – both academically and fiscally.

Timeline:
The schedule for design and construction has been considered and estimates substantial completion by September 2009.

Enrollment and Placement:
Also of concern is the potential impact on enrollment in the trade and industry programs. The college has an exemplary placement rate in high paying local jobs that help drive the economies of Saint Paul and the state of Minnesota. Placement rates may be threatened by industry's impression that the facilities are outdated or inadequate to support today's technology. The current space negatively impacts the college's ability to provide relevant programming necessary to prepare students for what they will find on today's job site.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $13.5 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 35 | 0 | 0 | 0 | 35 |
| 3. Design Fees | 549 | 183 | 0 | 0 | 732 |
| 4. Project Management | 0 | 635 | 0 | 0 | 635 |
| 5. Construction Costs | 2,451 | 10,395 | 0 | 0 | 12,846 |
| 6. One Percent for Art | 0 | 93 | 0 | 0 | 93 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 978 | 0 | 0 | 978 |
| 9. Inflation | 0 | 1,216 | 0 | 0 | 1,216 |
| **TOTAL** | **3,035** | **13,500** | **0** | **0** | **16,535** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,000 | 13,500 | 0 | 0 | 16,500 |
| **State Funds Subtotal** | 3,000 | 13,500 | 0 | 0 | 16,500 |
| Agency Operating Budget Funds | 35 | 0 | 0 | 0 | 35 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,035** | **13,500** | **0** | **0** | **16,535** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 10 | 38 | 38 | 86 |
| Other Program Related Expenses | <2> | <8> | <8> | <18> |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 8 | 30 | 30 | 68 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 8 | 30 | 30 | 68 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,045 | 67.0% |
| User Financing | 4455 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Bemidji State Univ - Sattgast Science Building Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $8,900,000

**AGENCY PROJECT PRIORITY:** 5 of 37

**PROJECT LOCATION:** Bemidji State University, Bemidji

**Project At A Glance**

- Project funded for design in 2006
- Addition to the 46 year old Science Building of 21,600 gross square feet (GSF) for aquatic biology, general biology and general chemistry lab spaces
- Renovation of 8,332 GSF for nursing, botany and anatomy and physiology
- Decommissioning 4,000 GSF of the Peters Aquatics Lab will eliminate $903,000 in deferred maintenance backlog and $2.3 million in deferred maintenance backlog for Sattgast.

**Project Description**

The expansion and renovation will provide a safe, flexible, and interactive learning environment for Bemidji State University (BSU) students.

The project will enhance collaborative teaching, learning, and research for three unique programs – Aquatic Biology Wetlands Ecology, and Environmental Studies – that support the university's commitment to serve the region and the state in the preservation of natural resources.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* **-** Current unsafe, outdated and non-accessible classrooms and laboratories are limiting course offerings and hampering a professional teaching and learning environment.

*High-quality Learning Programs and Services* - Provide facilities that will expand program offerings, curriculum, and services to all learners in the region.

*State and Regional Economic Needs* **-** Increased educational opportunities will improve skills of the local and regional workforce. An example of some of the partnerships currently in place:

- Pioneer Hybrid
- Marvin Windows and Doors
- North Country Health Services
- Minnesota Department of Natural Resources
- University of Minnesota Natural Resource Research Institute

*Innovate to Meet Educational Needs Efficiently* - The Allied Health learners from Northwest Technical College, other higher education partners (BSU has articulation agreements with 42 community and technical colleges), customized training, community, and other educational partners will utilize the classroom and lab facilities constructed and renovated as a result of this project. It will also support a research agenda that will benefit several external partners previously identified.

Institution Master Plans and Regional Collaborations:
Bemidji's Master Facilities Plan was updated in 2006 and the Sattgast Hall expansion and renovation is covered within the long-range master facilities plan as the top and most immediate priority. This project is the most critical to support the University's master academic plan, which was updated in 2005. With the project, four health and safety goals of this plan will be met:

*Consideration of new program development and growth* - Nursing labs, classrooms and offices will be added to the renovated facility, and some existing science and health programs will see growth because of the building renovation and better room configurations.

*Safety concerns* - In labs and computer station reconfiguration is necessary in almost every department. The air quality presents major health concerns. The upgrade of the entire building is necessary for ventilation, accessibility, electrical outlets and Internet connections to meet the current usage standards necessary in classrooms and labs. Peters Aquatic lab will be taken off line.

*Up-to-date science, healthcare and technology facilities* - Sattgast Hall was originally constructed in 1962. Remodeling and an addition was completed in 1989. The Harold T. Peters building was built in 1972 and has major leaking problems that will cost more to correct than to build new. The completed project will bring this science facility up to the standard set by other universities within the state.

*Promote interdisciplinary efforts to redesign existing majors or create new ones* – Student demand is increasing for wetlands and other science majors, for science educators, and for collaborative degrees between the sciences and other majors, such as computer science, public health, and engineering.

Enrollment and Space Utilization:
Enrollment has remained relatively stable:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 4,386 | 4,236 | 4,242 | 4,250 |

While overall space utilization on this campus is at 78 percent, this facility represents one of the greatest utilizations in the context of number of students served. Nearly one-third of overall credits generated are through the College of Social and Natural Sciences. Greater space utilization is anticipated once the safety, accessibility and other deficiencies are corrected so the expansion of programs in this college can be pursued. At this time, the current facilities are not sufficient to allow opportunity for further expansion into allied health and science fields. With this project space utilization will improve because the updating of labs will make them more flexible allowing more cross scheduling of disciplines within the labs.

**Project Rationale**

The unsafe and leaking condition of Peters laboratory is a principal driver of this request, along with the following identified deficiencies in Sattgast Hall:

- Low floor to floor height which makes distribution of mechanical systems, fume hood exhaust, plumbing and electrical systems difficult.
- Narrow laboratory planning module that affects the accessibility and instructional methods.
- American with Disabilities Act (ADA) inaccessibility, e.g. narrow aisles between benches.
- Ventilation and fume hoods are inadequate and unsafe in many of the existing laboratories.
- Laboratory egress does not meet current building code.
- Laboratory sizes and layouts are smaller than required for the number of student stations.
- Casework and bench top materials are deteriorating.
- The lack of student and faculty research space creates a non-competitive situation in attracting highly qualified faculty and students.
- Outmoded facility in which to provide today's pedagogy for undergraduate science, which is a collaborative environment where learners are active participants in learning science by doing science.

An expanded and renovated Sattgast will provide:

- New science labs
- Remodeled science labs
- Remodeled research space with the latest technologies

The facilities condition index (FCI) for Sattgast Hall will be reduced by dealing with backlog of $2.3 million in the areas of air quality, code compliance, accessibility, chemical resistant countertops, and temperature and humidity controls. Peters Aquatic lab has insurmountable leakage issues and will be decommissioned, which will eliminate its backlog of $903,000 and reduce its FCI to zero. The total renewal needs that will be completed during this project are over $3.2 million and will assist in reducing the University's overall FCI of 0.14.

Predesign:
The predesign was completed November 2004 and was updated in August 2005. Schematic design is currently in progress using the $700,000 in design funds that were secured in the 2006 bonding bill.

Capacity of Current Utility Infrastructure:
Utilities on campus are delivered via the central energy plant. The electrical distribution system was replaced with FY 2002 Higher Education Asset Preservation and Rehabilitation (HEAPR). HEAPR funding was secured in 2006 to replace one boiler, which is expected to be completed in the summer of 2008. Replacing a chiller is the university's top HEAPR request for the next round of HEAPR funding. This capital project includes costs to replace the outdated and hazardous ventilation system in Sattgast Hall.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Increased square feet in the new construction will add about $94,000 per year to the operating budget, however the planned energy efficiency should cut that by 10 percent to $85,000. Additional maintenance staff support will add another $36,000, for a total of $121,000 annually in operating costs. The one percent renewal account is approximately another $90,000 annually. Operating cost additions along with additional funding for renewal consists of less than 0.4 percent of the overall university's operating budget.

Energy Efficiency/Sustainability:
The proposed building additions will exceed the Minnesota Energy Code as required by MnSCU standards, and if feasible, will meet LEED certification requirements. Building systems (structural, mechanical, electrical) will be designed with maximum flexibility in mind to facilitate future remodeling and reconfiguration of spaces. Natural daylight will be utilized to supplement artificial lighting. Exterior glazing will be located with consideration of sun orientation, and appropriate sun control measures taken to avoid unwanted heat gain. All new lighting will be energy efficient, and employ occupancy sensors. Recycled content or renewable products will be favored in material selection.

Debt Service:
Debt Service for this project is approximately 0.25 percent of the University's operating budget at its peak, which would bring the overall debt service commitment for the University to about 0.75 percent of its operating budget in FY 2010.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $700,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:
- BSU will not serve regional learners and businesses in a manner consistent with its mission.
- Nursing and sciences, two of BSU's strongest programs, will not have the needed space to expand.
- Interdisciplinary collaborations and majors will be curtailed
- Quality of nursing and science programs will be compromised

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $8.9 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 65 | 0 | 0 | 0 | 65 |
| 3. Design Fees | 486 | 112 | 0 | 0 | 598 |
| 4. Project Management | 51 | 428 | 0 | 0 | 479 |
| 5. Construction Costs | 163 | 6,962 | 0 | 0 | 7,125 |
| 6. One Percent for Art | 0 | 60 | 0 | 0 | 60 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 500 | 0 | 0 | 500 |
| 9. Inflation | 0 | 838 | 0 | 0 | 838 |
| **TOTAL** | **765** | **8,900** | **0** | **0** | **9,665** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 700 | 8,900 | 0 | 0 | 9,600 |
| **State Funds Subtotal** | 700 | 8,900 | 0 | 0 | 9,600 |
| Agency Operating Budget Funds | 65 | 0 | 0 | 0 | 65 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **765** | **8,900** | **0** | **0** | **9,665** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 36 | 72 | 72 | 180 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 85 | 170 | 170 | 425 |
| Building Repair and Replacement Expenses | 90 | 180 | 180 | 450 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 211 | 422 | 422 | 1,055 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 211 | 422 | 422 | 1,055 |
| Change in F.T.E. Personnel | 0.0 | 0.5 | 0.5 | 1.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,963 | 67.0% |
| User Financing | 2937 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Normandale Comm College - Classroom Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $7,000,000

**AGENCY PROJECT PRIORITY:** 6 of 37

**PROJECT LOCATION:** Normandale Community College, Bloomington

**PROJECT AT A GLANCE**

- Project design funded in 2006.
- Phase I under construction with funds from 2006
- Phase II construction of additional classroom space and renovation to the health and wellness building
- Remodel a 1968 athletic building into useable classroom space
- Renovate 23,250 gross square feet (GSF)
- Add 9,310 GSF of new space
- Add 8,500 GSF for classrooms and support space
- Address life safety issue
- Project will eliminate $1.5 million in deferred maintenance
- Address major enrollment increases and lowest GSF/ full-year equivalents (FYE) ratio of any Minnesota State Colleges and Universities (MnSCU) college

**Project Description**

This is the second phase of a two phase project. Predesign and schematic design have been completed. The project will design, construct, furnish and equip a 37 year old building that has not been renovated since its original construction in 1969.

The project will improve classroom environment for the following academic programs: Health, Exercise Physiology, General Classrooms, Customized training, Fitness Center, and Physical Education.

Enrollment growth of over 26 percent in the past five years has left Normandale Community College (Normandale) with a major space crunch for its student population and its steady anticipated regional growth. The building was designed specifically for inter collegiate athletics in 1969. Since 1994 intercollegiate athletics is no longer part of the college offerings. The building must be updated for current curriculum offerings.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Student enrollment at Normandale has increased from 1,391 students when the building was originally constructed to over 13,000 students in 2005-06. Normandale has the third largest headcount in MnSCU. The project will reduce the instructional space deficit of over 44 percent because it provides additional classroom space. Normandale has the highest percent of room usage within MnSCU at 142 percent of room usage. This project will allow Normandale to serve more students in modern, updated facilities.

*High-quality Learning Programs and Services* - Normandale is one of the highest transfer schools in MnSCU. The Health department provides students with courses on health issues by exploring preventative, complementary and curative health practices. Three National Science Foundation Grants awarded Normandale supports teacher education in math and science with a health and wellness component to the curriculum.

A renovated space and new classrooms will support new pedagogy and curriculum. The project will focus on flexible classroom space, health and safety upgrades and American with Disabilities Act (ADA) requirements.

*State and Regional Economic Needs* - The new construction will provide classroom space for corporate partners, dislocated worker training and other workforce needs. Normandale has six Minnesota Job Skills Partnership Grants. Normandale's training partners include Fairview Health System, Metro Dental, Seagate Technology, and Best Buy. Normandale draws 80 percent of its students from a 20 mile radius including the southwest metro region where the heaviest growth in population is predicted. Normandale's population represents an economically diverse as well as racially and age diverse student population that reflects the region and the university's mission.

*Innovate to Meet Educational Needs Efficiently* - Normandale is already a MnSCU leader in the process of transfer from high school to the four year University. This project will enhance that long standing reputation and align itself with recommendations from the recent Minnesota Citizens League Study that encourages a greater partnership with high schools and preparing students for the workplace.

Normandale is innovative in class scheduling and offerings. Normandale is at the highest enrollment in its 38 year history and is the MnSCU leader in classroom usage. Increased classroom capacity will offer new opportunities in teaching and learning.

Institution Master Plans and Regional Collaborations:

- Normandale's Master Facilities Plan was presented to the Board of Trustees in March 2003. Meeting the challenge for future expansion was identified as the number one priority. This project meets that challenge and is supported by the Metro Alliance. It was accepted by the MnSCU Board of Trustees as the second phase of 2006-2008 Capital bonding initiative.
- Exhibit leadership in transfer curricula – This project will enhance Normandale's long-standing reputation as a leader in the transfer from high school to four-year universities by having more quality learning spaces.
- K-16 partnerships – Aligns with recommendations from the Minnesota Citizens League Study to form partnerships with local high schools in preparing students for college and the workforce.
- Southwest metro access to four-year degrees – Normandale partners with Minnesota State University (MSU) Mankato to offer Elementary Education Degrees, a four-year degree, on the Normandale Campus. Classes will be held in the additional space. In addition, Normandale offers 38 MSU Mankato classes and 10 Metro State classes per year on site. Increased classroom capacity would increase access for southwest metro students and residents to attend MnSCU universities closer to home and work.
- Normandale is a partner for two MnSCU Center of Excellence Grants, Engineering and Manufacturing; and Integrated Health Science Education and Practice.

Enrollment and Space Utilization:
Normandale is at the largest enrollment ever in the 38-year history of the college, the third largest headcount in MnSCU.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 5,857 | 6,120 | 6,304 | 6,350 |

The state demographer indicates major population growth will continue to occur in the southwest corridor of the metro region where Normandale is located for at least the next 10 years.

At an average of 78 GSF per student Normandale has the smallest amount of space per FYE of any college in the MnSCU system, but produces by far the most credits (3,083) per classroom. At 142 percent Normandale has the highest used classrooms. Well over the MnSCU average, Normandale is crowded.

**Project Rationale**

Enrollment growth has left Normandale with no space for its students much less its continued growth. This is a major asset preservation project. Phase II will:

- Create six general purpose classrooms
- Install an elevator to make the entire building ADA accessible; a major life safety issue
- Remodel a very outdated building and unusable space into a modern classroom building.
- Renovate physical education spaces
- Eliminate Higher Education Asset Preservation and Rehabilitation (HEAPR) by providing new heating, ventilating and air conditioning and roof.

The project will eliminate $1.5 million in deferred maintenance in the areas of building code compliance and ADA accessibility and will provide the adaptive reuse of existing spaces. A new roof will also contribute to a reduction in the building backlog. Existing facilities condition index (FCI) is .09 with this proposed renovation it will be .00.

Predesign:
Completed December 2004, forwarded to the Department of Administration. Schematic design completed July 2007.

Capacity of Current Utility Infrastructure:
The capacity of the utility infrastructure will accommodate the new project. The addition will not require the extension of existing campus facilities to provide utility service. Utilities are expected to be taken from the existing building. Minor adjustments to existing sanitary and storm sewer manhole casting elevations will be required.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
There are no anticipated additional expenses due to increase efficiency of new systems.

Energy Efficiency/Sustainability:
Meet or exceed all Minnesota building design guidelines.

Debt Service:
College has the ability to reallocate resources to meet the cost of the additional debt.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated a total of $5.125 million for projects at Normandale. This amount included funding to design this project.

**Other Considerations**

Normandale's FCI is .02 overall. Normandale spends on average $1.54/GSF per year on repair and replacement issues as compared to the MnSCU average of $.93/GSF per year, the large headcount each year makes it mandatory to continually maintain and upgrade facilities.

Consequences of Delayed Funding:
Projected continued enrollment growth will not be satisfactorily accommodated and life safety issue will not be corrected.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $7.0 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 35 | 0 | 0 | 0 | 35 |
| 3. Design Fees | 750 | 88 | 0 | 0 | 838 |
| 4. Project Management | 164 | 261 | 0 | 0 | 425 |
| 5. Construction Costs | 4,432 | 5,167 | 0 | 0 | 9,599 |
| 6. One Percent for Art | 36 | 45 | 0 | 0 | 81 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 213 | 612 | 0 | 0 | 825 |
| 9. Inflation | 0 | 827 | 0 | 0 | 827 |
| **TOTAL** | **5,630** | **7,000** | **0** | **0** | **12,630** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 5,125 | 7,000 | 0 | 0 | 12,125 |
| **State Funds Subtotal** | 5,125 | 7,000 | 0 | 0 | 12,125 |
| Agency Operating Budget Funds | 505 | 0 | 0 | 0 | 505 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **5,630** | **7,000** | **0** | **0** | **12,630** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 4,690 | 67.0% |
| User Financing | 2310 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Inver Hills Comm College - Classroom Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $13,200,000

**AGENCY PROJECT PRIORITY:** 7 of 37

**PROJECT LOCATION:** Inver Hills Community College, Inver Grove Heights

**Project At A Glance**

- Project funded for design in 2006
- Through creative reuse, will demolish 4,400 obsolete gross square feet (GSF), renovate 19,000 GSF and add a 27,300 GSF energy efficient addition for needed classrooms
- Facility will renovate code problems with the 33-year-old building, improve classroom utilization and add significantly needed general classroom space.
- Project will eliminate $961,000 in deferred maintenance backlog

**Project Description**

The new facility will include nine new "smart," i.e. high technology, general classrooms, 16 teaching labs, and renovated spaces in the original 1974 Fine Arts building to provide state-of-the-art, innovative programming to meet student needs.

The project will also correct deferred maintenance, severe life safety issues, Americans with Disabilities Act (ADA) compliance issues, and other building code shortcomings. The project will reduce the Fine Arts Building Facilities Condition Index (FCI) from .20 to .03 based on FY 2006 data. The campus FCI will be reduced from .07 to .05.

Academic programs impacted are the college's significantly growing liberal arts and sciences offerings, including studio arts, music, and theatre. Total enrollment in all academic programs has increased by 43 percent between 2000 and 2007. During this period, the enrollment increased in the STEM (Science, Technology, Engineering and Mathematics) programs by 42 percent and in the arts programs by 48 percent.

This project received funding for design in the 2006 bonding bill. Design, through construction documents, for this project will be completed in 2007 to allow for bidding as soon as construction funding is approved. This will allow for class use in Fall 2009.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - This project provides additional academic classrooms and labs that will meet the college's growing enrollments, severe space shortages and increased demand for technology-mediated courses, and provide opportunities for seamless pathways to four-year institutions. This will allow the college to serve its increasingly diverse student body - currently 17 percent of the total are students of color - and first generation learners, who make up 44 percent of the student body.

*High-quality Learning Programs and Services* - The renovation and addition will increase smart classrooms and teaching labs that meet demand for innovative programs to satisfy workforce needs. The new and renovated areas provide space for credit and continuing education courses, thus addressing lifelong learner needs. New classrooms will provide quality learning environments for up to 1,100 students needing core liberal arts and science courses for transfer and career programs.

*State and Regional Economic Needs* - The smart classrooms will allow the college to develop its unique program in IP (Internet Protocol) Telephony, which is part of the Center for Strategic Information Technology and Security— -the college's Center of Excellence. The new facilities will support the college partnership with River Heights Arts Alliance to create student opportunities to learn from, and side-by-side with, master artists. This will help the college meet Board of Trustee and Chancellor's goals associated with MnSCU institutions supporting regional vitality by contributing artistic, cultural, and civic assets that attract employees and other residents seeking a high quality of life. This project will strengthen transfer opportunities for pre-baccalaureate students in many pre-majors and in the new Associate in Fine Arts degree.

*Innovate to Meet Educational Needs Efficiently* - Renovation of existing instructional areas will eliminate safety and health issues. This project

exhibits good stewardship by eliminating over $961,000 of all currently identified deferred maintenance that will build organizational capacity to meet future challenges and remove barriers to innovation, responsiveness, and efficiencies. This will significantly reduce the FCI for the Fine Arts building from .20 to .03.

Institution Master Plans and Regional Collaborations:
Inver Hills' Master Facilities Plan was presented to the Board of Trustees in July 2002, and the Fine Arts building was identified as the college's next most urgent priority. The project is also aligned with goals of the Metro Alliance Plan to provide academic space for the college's fast growing regional area. Adding to and renovation of the Fine Arts building will meet the following academic and facilities master plan objectives:

- Inver Hills currently has the fourth lowest gross square feet per full-year equivalents (FYE) within MnSCU. Resolving these severe space needs with new classrooms and labs will enable the college to offer 100 additional sections of high-demand courses.
- Nine additional technology-enhanced classrooms in this project will meet the college's current needs for smart classrooms, as the faculty takes a leading role in developing a technology-rich curriculum.
- Meet classroom technology needs for the college's Center for Strategic Information Technology and Security—the college's legislatively funded Center of Excellence in partnership with Metropolitan State University and Minneapolis Community and Technical College. Inver Hills' role in curriculum development and course offerings in IP Telephony, Technology Security and Information Assurance.
- Meet classroom needs for Biomedical Technology offered in partnership with Anoka Ramsey Community College and Normandale Community College.
- Provide sufficient space for the new Associate of Fine Arts degree with an Art emphasis.
- Strengthen partnerships with River Heights Arts Alliance to build regional art programs for community members. The Alliance brings together artists from various disciplines to promote the importance of the Fine Arts in contributing to the artistic, cultural, and civic aspects of the college's service area. Music, art, and theatre events can attract up to 300 community members per event.

Enrollment and Space Utilization:
The college has experienced 43 percent enrollment growth from 2000 to 2007 and anticipates additional growth to 40.8 percent through 2008. During this period, academic instructional space has increased by only 25 percent.

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 3,274 | 3,300 | 3,486 | 3,521 |

The college utilized existing classrooms and labs 106 percent of the available weekly hours as shown in a Fall 2005 MnSCU space study and room utilization report. Inver Hills produces 1,779 credit hours per classroom, 162 percent of the MnSCU average. The project builds on the college's efficient use of space while meeting continued enrollment growth by providing versatile, multi-purpose instructional space.

**Project Rationale**

This project contributes to Inver Hills Community College's goal of reducing its critical shortage of academic space for its rapidly growing student body.

General-purpose Smart Classrooms:
Fall 2005 data indicated that the average room use was 106 percent when the overall system was only 89 percent. That is the third highest of all the two year campuses indicating a strong need for expansion. The college lacks sufficient high-technology classrooms and teaching labs to support existing and expanding core liberal arts and sciences requirements in the Minnesota Transfer Curriculum that the majority of Inver Hills' students take. Increasing students' technological capabilities is a key and long-standing component of Inver Hills' mission. The college is committed to assisting faculty with integrating technology into their curriculum and providing instructors and students with technology-equipped classrooms. Increased faculty and student use of technology has increased the need for more smart classrooms than are currently available.

There has been an enrollment increase since 2000 of 45 percent in the college's top six disciplines. Specifically, a 122 percent (from 147 to 324 FYE) enrollment growth in biology and a 105 percent (from 79 to 162 FYE) increase in registered nursing since 2000 require immediate additional smart classroom space that this project will satisfy. It is anticipated that the

collaborative biomedical technology degree will bring enrollment growth as well since Minnesota has a vibrant biomedical supply industry. To meet the demands of its service area that has grown by over 200 percent in the past 30 years, the college has increased its space utilization by offering Saturday classes, hybrid web-enhanced classes that share classroom spaces and scheduling popular classes at times that typically are under-enrolled. These strategies cannot indefinitely meet continued demand for educational programs in this growing service area without a building expansion.

Studio and Theatre Arts:
The enrollment in all Fine Arts disciplines has increased by 48 percent (from 136 to 201 FYE) since 2000. Teaching labs are needed to support enrollment growth in art, music and theatre in response to a vigorous regional fine arts community. New and renovated studio arts labs are needed to support the new AFA degree.

At present, the Fine Arts Building does not have capacity to take advantage of community partnerships such as the River Heights Arts Alliance due to a lack of room. Additional studio space will allow master artists from the arts alliance to provide real-world experience and enhance Inver Hill's students' learning through on campus demonstrations and/or seminars. Over 900 students will benefit from the relationship with master artists from the community.

The current teaching labs have serious health and safety issues due to uneven heating, lack of ventilation in art spaces that use chemicals, and inadequate electrical distribution. Currently, ceramic dust which may lead to silicosis is present in the air and on surfaces throughout the building, and doors are swollen and function poorly due to excess building humidity.

The Inver Hills Classroom Addition and Renovation project addresses this college-wide enrollment growth. It provides:

- Nine new smart classrooms to relieve liberal arts overcrowding
- Sixteen new teaching labs
- Updated auditorium
- Serious health and safety issues corrected

Asset Preservation:
The current building is not code compliant. It does not have elevator access to key classrooms, labs, and the theatre. Outdated building infrastructure and acoustical shortcomings prevent clear audio sound and are out of compliance with ADA requirements, as well as incompatible with modern teaching and learning techniques. A fire protection system will be installed in the existing building to bring it up to modern fire safety requirements. The college's deferred maintenance backlog will be reduced by $961,000 and will eliminate the deferred maintenance in the Fine Arts building. The Building FCI will be reduced from .20 to .03 based on FY 2006 data.

Predesign:
Predesign has been completed. Project design, through construction documents, will be completed in 2007 to allow for bidding as soon as legislative funds are available.

Capacity of Current Utility Infrastructure:
With 2002 and 2005 Higher Education Asset Preservation and Rehabilitation (HEAPR) funding the college increased its heating capacity and installed a centralized chiller plant. Heating and cooling capacity is sufficient to support the proposed addition. This project will upgrade ventilation systems in Fine Arts to improve air quality.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Building operating expenses will increase by $151,020 per year, which includes one new maintenance FTE at $34,000. Program expenses will increase by $15,804 annually which includes .375 support staff. The college anticipates allocating an additional $94,640 per year to the Repair and Replacement fund.

Energy Efficiency/Sustainability:
Design will incorporate sustainable approaches to reduce energy use by 30 percent more than building code, simplify cleaning and maintenance, and meet MnSCU's design standards as well as Minnesota sustainability guidelines.

Debt Service:
The project will increase the college's current debt service from an estimated $213,677, or 0.80 percent of the college's current operating budget for FY 2007 to a maximum of $493,347, or 1.6 percent of the college's estimated operating budget in FY 2011. This amount is within the college's ability to reallocate resources to meet the cost of the additional debt.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $700,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- Growth in core liberal arts and sciences offerings essential to the AA degree that 60 percent of for-credit students pursue will be curtailed.
- Space will not be available for new and existing STEM programs.
- Current severe safety concerns will not be addressed.
- Health threats due to inadequate ventilation in the existing Fine Arts building will go uncorrected.
- Community partners and businesses will have incumbent workforce training needs go unmet due to lack of space.
- 10 Fine Arts performances/events will take place in a substandard environment or not at all.
- Delay will impact up to 1,100 students in achieving their educational goals.

**Project Contact Person**

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**Governor's Recommendations**

The governor recommends general obligation bonding of $13.2 million for this project.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 52 | 0 | 0 | 0 | 52 |
| 3. Design Fees | 626 | 209 | 0 | 0 | 835 |
| 4. Project Management | 74 | 350 | 0 | 0 | 424 |
| 5. Construction Costs | 0 | 9,997 | 0 | 0 | 9,997 |
| 6. One Percent for Art | 0 | 76 | 0 | 0 | 76 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,166 | 0 | 0 | 1,166 |
| 9. Inflation | 0 | 1,652 | 0 | 0 | 1,652 |
| **TOTAL** | **752** | **13,450** | **0** | **0** | **14,202** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 700 | 13,200 | 0 | 0 | 13,900 |
| **State Funds Subtotal** | 700 | 13,200 | 0 | 0 | 13,900 |
| Agency Operating Budget Funds | 52 | 250 | 0 | 0 | 302 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **752** | **13,450** | **0** | **0** | **14,202** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 93 | 98 | 191 |
| Other Program Related Expenses | 0 | 9 | 12 | 21 |
| Building Operating Expenses | 0 | 128 | 191 | 319 |
| Building Repair and Replacement Expenses | 0 | 118 | 189 | 307 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 348 | 490 | 838 |
| Revenue Offsets | 0 | <10> | <20> | <30> |
| **TOTAL** | 0 | 338 | 470 | 808 |
| Change in F.T.E. Personnel | 0.0 | 0.5 | 0.9 | 1.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,844 | 67.0% |
| User Financing | 4356 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $13,300,000

**AGENCY PROJECT PRIORITY:** 8 of 37

**PROJECT LOCATION:** North Hennepin Community College, Brooklyn Park

**Project At A Glance**

- Project schematic design was funded in 2006
- Construction of 20,000 gross square feet (GSF) addition
- Renovation of 35,423 GSF
- Preserve, renovate and increase of space utilization
- Addition of essential teaching space
- Project will eliminate $1.5 million in deferred maintenance backlog

**Project Description**

Construct new addition and renovate existing Center for Business and Technology (CBT) building. This project will preserve, renovate, and increase the space utilization of an existing structure while adding essential teaching space. The predesign was completed in 2005 and the schematic design, design development, and construction documents are currently under development with completion scheduled to allow for construction to begin following the 2008 legislative session.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - North Hennepin Community College needs more space in order to increase access and opportunity in the rapidly growing northwest corridor. In FY 2007 the unduplicated headcount of students consisted of 2,178 students of color (26 percent of total students). In addition, 70 percent of students are first generation college students and 43 percent of our students are classified as low income by federal standards. The college has a successful, innovative, and growing Student Success program which, given space, is well-positioned to help the system achieve its goals in this area.

This renovation will allow the college to expand the use of technology in programs that reach out to low-income and under-served populations. They already use flexible room scheduling that allows multiple courses to access computer-equipped technology classrooms at the same time on alternating days. They have converted student study areas to temporary technology classrooms and limited hours of student access to open computer labs in order to provide academic classes with some access to technology classrooms. In order to maintain and expand access, additional computer-equipped technology classrooms are required so that the instructors can utilize proven and innovative technology tools to help the students succeed.

*High-quality Learning Programs and Services* - This project adds and renovates essential technology-enabled classrooms and computer lab classrooms. The academic areas that will most directly benefit will be Business, Computer Information Systems, Network and Data Security, Workforce Training, Academic Development, Computer Science, Construction Management, Paralegal, and Information Technology. They offer A.S. degrees, A.A.S. degrees, and certificates in these established, high-demand areas. The programs based in the CBT building utilize business and industry advisory boards comprised of leaders from local business, industry, service organizations, chambers of commerce, and higher education institutions. The Business Management program holds accreditation from the Association of Collegiate Business Schools and Programs and the Paralegal program is approved by the American Bar Association in addition to the college's overall accreditation by the Higher Learning Commission.

*State and Regional Economic Needs* - North Hennepin Community College has a conservatively estimated annual, recurring local economic impact of more than $78 million. This estimate is based on actual college spending data and estimated student spending. The College provides a valuable service to dislocated workers by getting them retrained and back to work quickly. The Adult Education and Training efforts are housed in the area being remodeled and are currently constrained. The college is currently renting classroom space from the Hennepin North Workforce Center in order to provide computer training to dislocated workers, but this center is

scheduled to close in June 2008. There is a need for more classroom space in order to continue this vital service.

The campus is located in the rapidly expanding northwest corridor of the Twin Cities metro area just a mile south of Target's proposed "third downtown" in Brooklyn Park. North Hennepin Community College provides employees, classes, and training to many high tech and high growth area companies such as Medtronic, PDL pharmaceuticals, Boston Scientific, Target, Wells Fargo, Allina, Carlson Companies, US Bank, General Mills, and many others. The campus receives over $300,000/year in federal Perkins funding, much of which is used to fund high-skill, high-pay, and high-demand academic programming housed in the CBT building.

*Innovate to Meet Educational Needs Efficiently* - Enrollment growth is projected to increase by 27 percent in full year equivalent students (FYE) from 2000 to 2011. This growth in enrollment has left the college in desperate need of additional classroom and computer classroom/computer lab space. The college has responded to this shortage of teaching space by adding Weekend College, evening classes, accelerated programs, online classes and programs, holding classes at Buffalo High School, and creating collaborations with other MnSCU institutions. Even with these innovations, the space utilization number of 122 percent is one of the highest in the MnSCU system. The college does not have the ability to offer additional needed academic programming without additional teaching space.

Institution Master Plans and Regional Collaborations:
This Center for Business and Technology addition and renovation is an integral part of the master plan and is aligned with the goals of the Metro Alliance. In addition to North Hennepin Community College programs, Metropolitan State University, Minnesota State University Moorhead and the University of Minnesota offer classes on the campus and could expand their capabilities with more classroom space. Metropolitan State University is currently in the process of replicating their BS in Business Administration to North Hennepin Community College and the college is struggling to find classrooms in which to offer this needed programming.

Enrollment and Space Utilization:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 4,211 | 4,165 | 4,150* | 4,190* |

*projected

The FY 2006 MnSCU Space Study shows room usage of 122 percent, among the system's highest. North Hennepin has only 65 gross square feet (GSF) per student FYE, among the lowest space per student in the system. The campus has used every means possible to squeeze as much utilization out of existing space.

**Project Rationale**

Address Capacity Concerns:
To accommodate this enrollment growth and students' needs for flexibility, the college expanded its availability for instruction into Weekend College, evening classes, accelerated programs and classes, and online classes. Lack of space is constraining the ability to add needed sections of current classes, new courses, and begin new academic collaborations. The college presently offers several accelerated web-enhanced courses that meld online and
in-class experiences to meet both student interest and classroom space limitations. This allows two courses to share one classroom in the same time slot. Program reviews are systematically conducted to determine the viability of existing credit and continuing education/customized training programs, and to discontinue non-viable courses.

- This project will add a total of 22,000 new square feet, a 5.5 percent increase in campus space, and renovate another 32,345 square feet to become the Center for Business and Technology.
- This project will add new technology-enabled "smart" classrooms, new and renovated computer classrooms/ labs, and, a new lecture hall.

Meet the Future Needs of the Marketplace:
The renovated and expanded CBT building will include technology-enabled "smart" classrooms able to deliver Business and Technology courses and training in the formats dictated by current and future marketplace needs. Rapid changes in technology require updated classroom space that allows

students to learn the most current information using the technology that simulates what students will work with on the job. Local industries require employees who are up to date on the information technology needs and equipment that businesses use today. These businesses count not only on our graduates, but also on the customized, flexible, and just-in-time continuing education and training opportunities provided by North Hennepin Community College. This project will also allow the college to expand collaborations with four year MnSCU universities such as the BS in Business Administration which is currently being replicated at North Hennepin by Metropolitan State University.

Renovate a Deteriorating and Inefficient Building:
The existing CBT Building is 35,423 GSF, only 43 percent of which is available space for classroom or teaching space. The remaining building consists of inefficiently placed offices with large voids. The result is an underutilized floor plan. In addition, the building's exterior walls are improperly constructed and result in trapped moisture and the potential for future mold. Air quality tests indicate there are no health problems yet, so time is of the essence if future problems are to be avoided. This project, in conjunction with replacement of the CBT roof, will remove $1.5 million in deferred maintenance (15 percent of the campus total). The campus currently has a Facilities Condition Index (FCI) of .04 and in five years the campus FCI will grow to .11. This project will reduce the five year growth in FCI to less than .10. The project will also demolish a small underutilized and deteriorating building to make room for the addition.

Predesign:
Predesign was completed in August 2005. Schematic design, design development, and construction documents were funded in 2006 and are currently being prepared to allow for consideration in the 2008 legislative session.

Capacity of Current Utility Infrastructure:
The recent installation of new heating, ventilating and air conditioning systems (boiler and chiller) with Higher Education Asset Preservation and Rehabilitation (HEAPR) funding provides sufficient capacity to handle the addition. There will be no additional utility upgrades needed to proceed with this project.

**Impact On Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Operating expenses will increase $75,000 per year for the new square footage and $78,000 for two additional maintenance FTE for a total yearly increase of $153,000.

Energy Efficiency/Sustainability:
In addition to applicable building codes and energy standards, the building will take sustainable design into consideration, including the following points: site design, enhance indoor environmental quality, conserve energy and water resources, use resource-efficient materials, minimize construction waste, and optimize maintenance and operations.

Debt Service:
The cost of debt service for this project is projected to peak at $250,008 in 2011. This represents less than one percent of the college's 2006-07 operating budget. The cost of debt service for past projects, this project and other new project requests currently under consideration for funding, is projected to peak at $996,700 in 2013, representing less than 3.4 percent of the college's 2006-07 operating budget.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $350,000 for design of this project.

**Other Considerations**

This project will be coordinated with a 2008 request for HEAPR funding to replace the existing CBT roof which has zero years of remaining useful life. Combining this HEAPR roof replacement with the new construction will result in significant overall savings.

Consequences of Delayed Funding:
- Space utilization of 122 percent would continue to climb and limit our ability to serve the students and the state of Minnesota.
- Moisture problems in the existing building would not be corrected in time to avoid more serious problems.

- $1.5 million of deferred maintenance (15 percent of the total campus backlog) would not be cleared.
- Student access to credit and continuing education/customized training programs would be limited due to capacity issues, and some students may not be able to graduate on time due to unavailability of required course sections.
- The opportunity to grow existing academic programs will be seriously inhibited.
- The ability to add new programs in response to changing employer needs will be negatively impacted.
- Development of new collaborations and partnerships with other MnSCU institutions will be limited.

**Project Contact Person**

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Note: This document refers the Center for Business and Technology (CBT). This building was renamed in 2006 and was formerly the Center for Career and Continuing Education (CCE). Both names refer to the same building.

**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 60 | 0 | 0 | 0 | 60 |
| 3. Design Fees | 638 | 212 | 0 | 0 | 850 |
| 4. Project Management | 24 | 553 | 0 | 0 | 577 |
| 5. Construction Costs | 0 | 10,574 | 0 | 0 | 10,574 |
| 6. One Percent for Art | 0 | 86 | 0 | 0 | 86 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 788 | 0 | 0 | 788 |
| 9. Inflation | 0 | 1,087 | 0 | 0 | 1,087 |
| **TOTAL** | **722** | **13,300** | **0** | **0** | **14,022** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 13,300 | 0 | 0 | 13,300 |
| **State Funds Subtotal** | 0 | 13,300 | 0 | 0 | 13,300 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,300** | **0** | **0** | **13,300** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 598 | 598 | 598 | 1,794 |
| Other Program Related Expenses | 77 | 77 | 77 | 231 |
| Building Operating Expenses | 296 | 296 | 296 | 888 |
| Building Repair and Replacement Expenses | 100 | 100 | 100 | 300 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 1,071 | 1,071 | 1,071 | 3,213 |
| Revenue Offsets | 0 | <1,441> | <1,441> | <2,882> |
| **TOTAL** | 1,071 | -370 | -370 | 331 |
| Change in F.T.E. Personnel | 17.0 | 17.0 | 17.0 | 51.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,911 | 67.0% |
| User Financing | 4389 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Science Lab Renovations

**2008 STATE APPROPRIATION REQUEST:** $5,775,000

**AGENCY PROJECT PRIORITY:** 9 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Alexandria Technical College – Renovation of biology lab
- Anoka Technical College – Renovation of multi-purpose science lab
- Anoka Ramsey Community College – Renovation of multi-purpose science lab
- Bemidji State University – Renovation of clinical research center
- Central Lakes College, Brainerd – Renovation of dental clinic
- Century College – Renovation of radiology lab
- Inver Hills Community College – Renovation of multi-purpose science lab
- Hennepin Technical College, Brooklyn Park – Renovation of general science lab
- Hennepin Technical College, Eden Prairie – Renovation of general science lab
- NHED Vermilion Community College – Renovation of science lab
- Ridgewater Community Technical College – Renovation of science lab

**Project Description**

*Alexandria Technical College* – Alexandria will renovate 2,000 gross square feet (GSF) to create a 26-station biology lab and associated prep/storage room. This will be used by Practical and Registered Nursing, Medical Lab Tech and General Education. There will be electrical upgrades, abatement of asbestos (floor tile), upgrades to mechanical system and fire protection.

*Anoka Technical College* – Anoka will renovate 3,175 GSF for a multipurpose science lab. This would provide Anoka with its own science lab since it currently shares facilities off site. The academic programs that will be affected are Practical Nursing, Medical Assisting, Microbiology, Horticulture, Landscape, Electronics, Machine Trades, etc. This will also expand the opportunities for secondary learners as well as the adult plus college learners at Anoka Technical College.

*Anoka Ramsey Community College at Cambridge* – Cambridge will renovate 4,000 GSF in the science wing of the College Center building for a multipurpose science lab. This will create a multipurpose chemistry lab for 24 students with related storage/prep room, to help meet the needs of growing health sciences programs. In addition it would help support work force and job skills development for health care workers.

*Bemidji State University* – Bemidji will remodel 6,400 GSF. It will create one large space and several small adjacent spaces to provide a hands-on skills lab for clinical procedures for Registered Nursing (RN) students. This will help to put in place a four year generic baccalaureate nursing program in addition to the current RN baccalaureate program. The design of a four-year generic nursing program will incorporate significant community collaboration including North Country Health Services, a regional system of health care facilities.

*Central Lakes College at Brainerd* – Central Lakes is to renovate 4,230 GSF. This will turn a nursing classroom lab and general classroom, along with existing dental assisting program lab and clinic, into an expanded dental community clinic. Operations of the clinic will be facilitated through a collaborative inter-agency agreement between Central Lakes College and the Department of Human Services. This will help to create greater access to quality dental services for low income, under-served individuals in the central Minnesota region.

*Century College* – Century will remodel 3,130 GSF of a Radiology Lab. This will help to create a lab space for students in the Radiologic Technology AAS degree, replacing dependence on off-campus hospital facilities that will no longer be available. The greatest workforce impact of the remodel is to increase the number of multi-skilled technologists able to perform more complex imaging examinations and to increase the number of radiologic technologists with the advanced radiologic imaging specialty included in their education.

*Inver Hills Community College* – Inver Hills will renovate 1,375 GSF for a multipurpose science lab. The project will help increase access for all

students to high-quality physics and engineering labs. Creation of a multi-purpose lab will expand ability of the College to offer open lab hours, and will also promote interdisciplinary work among the science and technology fields.

*Hennepin Technical College at Brooklyn Park* – Brooklyn Park will renovate 1,400 GSF to create a general science lab and storage/prep area. There are currently no science labs on campus and this project would allow easier transfer between institutions and more flexibility in schedule choices for students. This project directly addresses several goals of Hennepin Technical College's Master Academic Plan including increasing quality of programs, development of new programs specifically in biosciences, and increased articulation with other two-year and four-year institutions.

*Hennepin Technical College at Eden Prairie* – Eden Prairie will renovate 1,350 GSF to create a general science lab with storage/prep area. Currently there are no science labs on campus and this project would help to benefit the Nursing and Manufacturing programs. This will also help maximize student opportunities to transfer to four-year programs.

*NHED Vermilion Community College* – Vermilion will renovate 2,800 GSF. Two outdated labs will be turned into an Integrated Biology Lab with ITV capabilities and a physics/meteorology/climatology lab. This will increase capabilities for long distance learning in lab courses. This project will help eliminate $75,000 of deferred maintenance.

*Ridgewater Community Technical College at Willmar* – Willmar will renovate 5,686 GSF of science labs and support space in their Science Building. This project would benefit Physics, Biology and Earth Science programs and will help the College to investigate potential partnerships with Novatech and MnWest Technical Campus for equipment and programs.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* – Improve access to opportunities and careers for all Minnesotans, and help meet Minnesota state goals for a better educated workforce in the sciences and in applied technologies.

*High-Quality Learning Programs* – Improve instructional technology in labs to both bring a wider array of information and alternative learning formats to students, and to prepare graduates to operate the technology in which businesses have invested to improve productivity.

*State and Regional Economic Needs* – This is an Office of the Chancellor initiative to assist campuses directly to meet workforce needs for healthcare and technical employees, as well as teaching and learning objectives, while simultaneously reducing the backlog of interior deferred maintenance issues. This project directly supports the long-time Board focus on renewal and preservation, maximizing functionality, and utilizing future-oriented technology. Each of these projects has a direct and significant impact on the overall workforce development in the state and in the region.

Institution Master Plans and Regional Collaborations:
All of the projects are noted in the individual campus master plans.

Enrollment and Space Utilization:
Four year enrollment data for the eleven campuses is projected as follows:

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 27,348 | 26,619 | 26,591 | 26,852 |

**Project Rationale**

The following deferred maintenance items will be reduced or eliminated:

- Mechanical reliability – heating, ventilating and air conditioning (HVAC), air quality, and electrical systems.
- Interior space restoration – interior finishes, fixtures, voice and data wiring, fume hoods, chemical resistant surfaces, plumbing and lighting.
- Life safety and accessibility – fire protection, fire-code-mandated second egress, emergency lighting, handicapped accessibility, and asbestos abatement.

This project will improve the overall condition and functionality of science and applied technology laboratories. It will remove more than $600,000 from the deferred maintenance backlog.

This project focuses on the Board's priority on science and technology. The pace of change in the sciences, manufacturing and construction technology fields has outdistanced the ability to keep up with renovations to teaching and learning spaces, particularly making the labs technologically "smart."

This will help campuses strategically meet a demand for a workforce educated in the most up-to-date fashion on the standard of equipment currently used in industry. Minnesota businesses have strategically invested in new technologies and expect a workforce trained in its use.

Three of the projects focus on the priority of targeted industry partnerships in allied health. Specifically, the need for dental and radiology workforce need is documented by enrollments and by full placement in the workforce.

The other eight projects are renovations that directly address the increase in nursing and allied health job vacancies. Nursing and allied health students are required to take between two and five science laboratory courses. MnSCU colleges have moved healthcare students into the general science curriculum, thereby raising the bar on AA and AAS degree preparation. Healthcare curriculum also requires more traditional lecture delivery than other more traditional technical careers. This has put pressure on availability of science labs and smart classrooms and caused them to be necessary at colleges that had no need prior to career-laddering nursing and allied health degrees.

Renovations of laboratories where students spend so much of their on-campus time will have an immediate positive impact on the quality of their educational experience, particularly with the requested life safety and air quality improvements. The addition of voice and data cabling will support the change in educational delivery from close-ended problems with a known answer to open-ended problems that require more creativity and exploration from the students, most often working in teams using computers.

Predesign:
Conceptual predesigns from the campuses were completed for these projects by one consultant who traveled to each campus in the Fall of 2006 to assure the adequacy of need.

**Impact on Agency Operating Budgets (Facilities Notes)**

Capacity of Current Utility Infrastructure:
The existing utility infrastructure already serves each of these spaces, so there will be no additional strain on mechanical systems over and above that caused by the age of existing mechanical systems. There will be a reduction in utility usage at most campuses with the replacement of more energy efficient systems. There will a reduction in utility usage at most campuses with replacement of more energy efficient systems. However; some campuses may experience additional utility costs due to increase in usage. That increase will be covered by user fees.

Building Operations Expenses:
Increase for addressing code and safety ventilation issues.

Energy Efficiency/Sustainability:
Any new equipment will be energy efficient.

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each campus affected.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $5.14 million for science lab and workforce renovation initiatives.
Laws 2005, chapter 20, article 1, section 3 appropriated $6.668 million for science lab renovations.

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**Governor's Recommendations**

The governor recommends general obligation bonding of $5.775 million for this project.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 380 | 0 | 0 | 380 |
| 4. Project Management | 0 | 240 | 0 | 0 | 240 |
| 5. Construction Costs | 0 | 4,180 | 0 | 0 | 4,180 |
| 6. One Percent for Art | 0 | 38 | 0 | 0 | 38 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 417 | 0 | 0 | 417 |
| 9. Inflation | 0 | 520 | 0 | 0 | 520 |
| **TOTAL** | **0** | **5,775** | **0** | **0** | **5,775** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 5,775 | 0 | 0 | 5,775 |
| **State Funds Subtotal** | 0 | 5,775 | 0 | 0 | 5,775 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **5,775** | **0** | **0** | **5,775** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,869 | 67.0% |
| User Financing | 1906 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation

**2008 STATE APPROPRIATION REQUEST:** $7,800,000

**AGENCY PROJECT PRIORITY:** 10 of 37

**PROJECT LOCATION:** Northland Comm & Tech, East Grand Forks

**Project At A Glance**

- Project design through construction documents was funded in 2006
- Construction of 8,300 gross square feet (GSF) addition for new healthcare classrooms
- Renovation of 30,975 GSF
- Address fire and building code requirements
- Academic and support programs impacted are Nursing, Allied Health, Surgical Technician, Library, Learning Resource Center, Computer Labs, Information Technology, Early Childhood, Bookstore and Commons.
- Project will eliminate $2.446 million in deferred maintenance backlog.

**Project Description**

The project is for construction of an addition for new healthcare classrooms. This project will expand the Learning Resource Center (Library) to meet today's teaching and learning objectives and accreditation recommendations; as well as remodel the commons and expand the bookstore and learning resource center to address fire and building code requirements, improve efficiency, and update campus image.

**Relationship to Strategic Plan**

MnSCU's Strategic Goals:
*Increase Access and Opportunity* - The Nursing addition will increase nursing lab space in response to growing enrollment (99 students in 2000 to 518 in 2006), promote collaboration between allied health programs, and facilitate shared use of simulation technology and interdisciplinary experiences with other allied healthcare students. This project will improve access to nursing opportunities at Northland, which is one of the top suppliers of licensed and registered nurses in the state according to the State Board of Nursing. In 2003, Chancellor McCormick reorganized Northwest Technical College (NTC). This organizational change merged the East Grand Forks campus of NTC with Northland Community and Technical College (Northland), Thief River Falls. The regional reorganization has brought the Associate of Arts degree in Liberal Arts to East Grand Forks for the first time, requiring the college to expand and upgrade the Learning Resource Center, and to add general education classrooms and faculty.

*Deliver High Quality Learning Programs and Services* - The Nursing addition will integrate human simulation mannequins ("Sim Man") into the curriculum. Mannequins can be programmed to have controlled medical emergencies. This better prepares Northland nurses to handle real emergencies once they graduate. Northland's Learning Resource Center is the smallest in space per student in the entire MnSCU system and far below minimum college library standards. There is insufficient space to provide the research services a college must have.

*State and Regional Economic Needs* - Northland is one of the state's leaders in providing highly qualified and well trained nurses for rural communities. The project also improves access to customized training the region's incumbent workforce. The college has a waiting list of 100 students for customized training for incumbent nurses.

*Innovate to Meet Educational Needs Efficiently* – This facility make-over project exhibits good stewardship of state investment with asset preservation of 30,975 GSF of sound, existing physical space. As a result of this project, deferred maintenance will be reduced by $2,446,000. This investment will reduce the projected Facilities Condition Index (FCI) for FY 2008 on the East Grand Forks campus from .21 to .14.

Northland Community Technical College (CTC) Master Plans:
Northland's Master Facilities Plan was presented to the Board of Trustees in December 2002, and allied health and Learning Resource Center improvements were identified as the top priorities, based on three considerations:

*Create a quality learning environment* - The project will create quality teaching and learning spaces that increase access to allied health careers, improve teaching and learning by use of medical emergency simulation technology, and increase access to information and remedial learning resources for a well-rounded education via an expanded Learning Resource Center.

*Preserve and maintain existing assets* - Corrects Americans with Disabilities Act (ADA) issues and fire code deficiencies while increasing the existing building's flexibility with multi-use classrooms and collaboration opportunities. It also enhances the current campus architectural style while providing a clear identity for the 21st century

*Community linkages* - Strategically responds to emerging workforce needs of the northwest region.

Enrollment and Space Utilization:
Campus enrollment in East Grand Forks has increased from 1,040 full-year equivalents (FYE) in 2001 to 1,314 in 2006, with Nursing and Allied Health programs leading the growth. In just five years, nursing enrollment has grown by from just 99 students in 2000 to over 500 students in 2006.

| | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|---|---|---|---|---|---|
| FYE | 1,040 | 1,091 | 1,188 | 1,284 | 1,314 |

Current campus labs are used to maximum capacity 13 hours a day. Allied health and nursing lab spaces are located throughout the campus which creates operational inefficiencies with room scheduling. MnSCU's Spring 2006 Space Study reported 75 percent use of available classroom and lab hours at East Grand Forks. This project will re-purpose several obsolete spaces to improve space utilization.

**Project Rationale**

Northland CTC at East Grand Forks plans to:

- Expand and reconfigure its nursing classrooms and laboratories into a new collaborative learning addition
- Relocate the Surgical Technology laboratory in existing space to accommodate equipment and better align with other Allied Health programs
- Recreate and expand the Learning Resource Center (1972 design) in existing obsolete space
- Renovate and revitalize the commons/cafeteria area to remedy fire code concerns and update campus image
- Expand the bookstore (1972 design) in existing obsolete space
- Renovate the outdated auditorium into multi-purpose classrooms with operable partition walls to increase space utilization

*Nursing* - The Nursing addition will increase nursing lab space in response to growing enrollment (99 students in 2000, to 518 in 2006), promote collaboration between allied health programs, and facilitate shared use of simulation technology and interdisciplinary experiences with other allied healthcare students. The addition will include a new entryway that will double as a mock emergency room entrance and triage for simulation exercises in conjunction with the Fire-Emergency Medical Technician (EMT) program. Existing nursing laboratories will be reconfigured into a new state-of-the-art surgical laboratory that simulated a hospital operating room. To meet accreditation requirements, the Surgery Tech laboratory will have the ability to run two mock surgical procedures at the same time and will accommodate equipment donated by local medical service providers.

The project will also remodel existing nursing laboratories and reconfigure the auditorium area into multi-use classrooms. These multi-use class/lecture rooms will be ideal for nursing and all other college courses.

*Learning Resource Center* **-** The existing Learning Resource Center can accommodate only five percent of the student body, and is so crowded now that traffic flow is impeded. The existing space will be renovated and expanded at its current location to create a more modern, collegiate reference and research resource.

According to the American Library Association , East Grand Forks' Learning Resource Center should be 2½ times its existing size with triple its current number of books (from 3,000 to 20,000 volumes) to adequately serve its student enrollment. There is no space to add book shelves, and the existing small workroom for processing and repairing books is also the storage room,

the copier room, and the campus IT network closet. This past year, 800 exams were proctored in the Learning Resource Center with no dedicated, quiet space. Other location options on campus were examined, but the existing location provides the most economical solution.

*Cafeteria, Commons, and Bookstore* **-** The existing cafeteria and commons areas will be renovated and revitalized to correct building code deficiencies, and correct deferred maintenance in the areas of fire doors, fire walls, fire sprinklers, air quality, electrical, and Americans with Disabilities Act (ADA). The commons will be updated to provide a brighter, more contemporary atmosphere. The existing small bookstore, which has severely limited display space for textbooks, will be expanded and renovated.

The project will also recreate the main entrance and entryway to improve campus way-finding for new students and visitors, and to reduce deferred maintenance by fixing moisture intrusion problems with the exterior wall.

Predesign:
Predesign was completed, approved by MnSCU, and forwarded to the Department of Administration in August 2005. Design of the project was funded in 2006, and is scheduled to be complete in July 2007.

Capacity of Current Utility Infrastructure:
Current mechanical systems are at the end of their useful lives. The 2006 Higher Education Asset Preservation and Rehabilitation (HEAPR) boiler replacement project is currently underway. It will provide the necessary heating capacity for the proposed new construction area. Also added to this request is a chiller replacement project. Air handlers and ventilation systems serving renovated areas will be updated or replaced. Storm sewers are adequate for the existing building but new storm sewers may be required depending on location of the addition. All other utilities are adequate for the addition and renovation.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Building operating expenses with the new addition are anticipated to be $29,600 annually. However, the current boiler replacement project, funded through FY 2006 HEAPR and matched with $100,000 in college funds should reduce that anticipated annual expense by 10 percent.

Energy Efficiency/Sustainability:
Minnesota Sustainable Building Guidelines will be followed. Sustainable design methods and products will be incorporated. This project will increase energy conservation to exceed Minnesota energy code by 30 percent, improve indoor air quality, and use products made from renewable resources.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

- Enrollment Growth - Growth has been steady (1,040 FYE in FY 2002 to 1,314 FYE in FY 2006) despite the disastrous flood of 1997.
- Reorganization - The campus has also been reconfigured from the former five-campus Northwest Technical College, and is now merged with Northland CTC, Thief River Falls.
- Population - Future regional population projections predict even more growth.

This modest new nursing wing and major expansion of the Learning Resource Center will meet regional education and workforce needs for the near-term future.

Consequences of Delayed Funding:
- The College may have to lease space. Improvements will most likely have to be made to the leased space to accommodate student needs.
- The college has had no major capital investment in over ten years and its outdated spaces will not meet today's building codes or today's teaching and learning requirements.
- Nursing and allied healthcare workers will not be as prepared as they could be to face health crisis situations. In rural areas, many nursing students never experience all possible medical emergencies during their clinicals, and Sim Man provides valuable, first-hand crisis experience.

- East Grand Forks students will not have access to a modern Learning Resource Center which is needed for a well-rounded education.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 12 | 0 | 0 | 0 | 12 |
| 3. Design Fees | 368 | 100 | 0 | 0 | 468 |
| 4. Project Management | 103 | 355 | 0 | 0 | 458 |
| 5. Construction Costs | 5 | 5,990 | 0 | 0 | 5,995 |
| 6. One Percent for Art | 0 | 52 | 0 | 0 | 52 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 24 | 600 | 0 | 0 | 624 |
| 9. Inflation | 0 | 703 | 0 | 0 | 703 |
| **TOTAL** | **512** | **7,800** | **0** | **0** | **8,312** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 7,800 | 0 | 0 | 8,100 |
| **State Funds Subtotal** | 300 | 7,800 | 0 | 0 | 8,100 |
| Agency Operating Budget Funds | 212 | 0 | 0 | 0 | 212 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **512** | **7,800** | **0** | **0** | **8,312** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 59 | 59 | 118 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 59 | 59 | 118 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 59 | 59 | 118 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,226 | 67.0% |
| User Financing | 2574 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $13,100,000

**AGENCY PROJECT PRIORITY:** 11 of 37

**PROJECT LOCATION:** Minnesota State University, Moorhead

**Project At a Glance**

- Project design funded in 2006.
- Finalize construction and renovation of 81,885 gross square feet
- Renovation will provide functional academic improvements
- Code violations will be addressed
- Project will eliminate $5 million in deferred maintenance backlog

**Project Description**

The comprehensive renovation will provide for functional academic improvements, heating, ventilation and air conditioning (HVAC), electrical and plumbing replacements, and the correction of building code violations. Academic programs impacted include Teacher Preparation, Social Work, Sociology, Criminal Justice, Counseling, and Gerontology.

Lommen Hall and its addition have over $5 million in deferred maintenance. The existing facilities condition index (FCI) is 0.32 and with the remodeling it will be lowered to an FCI of 0.01. This project will remove a backlog of deferred maintenance ($5.2 million) and a considerable amount of renewal deferred maintenance. As an example, neither the current FCI nor list of deferred maintenance items include a $428,000 estimate of projected electrical work that will be added to the facilities module in 2007. This project will significantly reduce the deferred maintenance on campus and improve the campus FCI by reducing it from 0.24 to 0.23.

Initial design funding of $300,000 was received in 2006, and architectural documents are 70 percent complete.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* – Once renovated, Lommen will be the primary location for collaboration with regional partners in the training of pre-service teachers; development of research projects and in-service training with elementary, middle and high school teachers. The College of Social and Natural Science and the College of Education and Human Services coordinate outreach efforts to recruit students from underserved populations, and to develop multicultural initiatives at Minnesota State University Moorhead (MSUM).

*High-quality Learning Programs and Services* – Lommen Hall will provide updated teaching classrooms and labs to support growing programs and contemporary pedagogies. The upgraded facility will have "smart" classrooms with multimedia capabilities including distance-learning options and specialized inter-active observation labs for social work and counseling. Most importantly, renovated space will support a variety of student learning styles and expanded options for hands-on activities, such as service learning.

*State and Regional Economic Needs* – MSUM is the premier regional institution for the training of teachers, criminal justice majors, counselors and social workers. Updated facilities will provide essential support for improving teaching and learning in each discipline, and serve as an on-campus site for expanding outreach activities, such as e-learning and cooperative efforts with local law enforcement and social service agencies.

*Innovate to Meet Educational Needs Efficiently* **-** This project is illustrative of appropriate stewardship of state investment by preserving a sound, existing physical asset; and efficiently meeting the instructional technology needs of faculty and students.

MSU Moorhead Master Plans:
Minnesota State University Moorhead's facilities master plan was presented to the Board of Trustees in November 2004. Renovation of Lommen Hall is included in that plan, because it addresses three key goals:

- Enhanced learning processes and environment for all students – revitalized, modern, dynamic facilities that support a technology-

enhanced, media-rich curriculum will enhance teaching and learning in the academic environment, as well as meet industry expectations for a qualified workforce.

- Exhibit good stewardship of resources – includes a significant number of asset preservation issues. Currently the facility suffers from air quality problems, regulatory violations, and inability to respond to current pedagogy.
- Community outreach – will enable departments to improve their outreach and cooperative program initiatives with other higher education institutions, K-12 school partners, law enforcement, and social service agencies.

Enrollment and Space Utilization:
In fall 2004, about 40 percent of MSUM's student body (3,132 of 7,700 headcount) had at least one class in Lommen Hall.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 7,008 | 6,818 | 6,695 | 6,681 |

Current utilization of Lommen Hall averages above 100 percent, with some classrooms exceeding 140 percent (based on a 32 hour week). The HVAC system does not meet the air quality requirements for piece-meal reassignment of space for classrooms, laboratories, or offices. While the space is fully assigned now, redesign will provide a considerable improvement in efficient utilization. The entire facility must be renovated and ventilation improved in order to efficiently meet current and future academic and outreach space needs.

Lommen is used more extensively than any other building on campus. The ongoing in-service training center for area teachers is used 8-14 hours a day, six days a week, throughout the year.

**Project Rationale**

Lommen Hall, constructed in 1932, needs to be completely renovated in order to provide an appropriate learning environment for the campus community. The facility will house seven academic departments: Educational Leadership, Elementary and Early Childhood Education, Foundations of Education, Social Work, Sociology/Criminal Justice, Special Education/Counseling, and Early Childhood. There are 70 faculty offices, 25 classrooms and labs, the Write Site, and the Early Childhood Preschool presently located in the building.

Lommen Hall has had minor renovations in the past, which were limited to carving out office space and cosmetic upgrades. Lommen Hall suffers from building code violations - especially ADA accessibility, poor air quality, and poor lay-outs to accommodate current teaching and learning trends. While the building is aesthetically pleasing on the exterior, its interior spaces are starting to show their age and the building is difficult to maintain. The HVAC system cannot appropriately accommodate classroom use during the summer months. Air flow is particularly acute when outside temperatures reach the upper 70's.

In addition, the building needs a new fire detection system, sprinkler system, updated electrical systems, and plumbing replacement. This facility is 74 years old, and there has been a lack of attention to exterior maintenance. Windows and exterior doors must be replaced, and the building must be tuck-pointed. Altogether, deferred maintenance will be reduced by approximately $5.2 million. The FCI is 0.32 for Lommen Hall and its addition.

The project includes infill on the second floor to create new space for classrooms and fixing elevator code issues.

Reconfigured classrooms, laboratories, restrooms, and some offices are required to assure appropriate utilization of an attractive and sound structure. Most importantly, the renovation will enable multipurpose-use of classrooms by most of the housed departments. All classrooms will fully support a technology-rich and media-rich curriculum, as well as the most current teaching and learning methodologies.

Predesign:
Pre-design was completed in November 2005 and projected construction costs updated in December 2006.

Capacity of Current Utility Infrastructure:
The interior HVAC needs to be replaced. Those costs are included in the project budget. Electrical distribution to Lommen Hall was upgraded during

the construction of the science lab building. A new 12" water line was installed in the summer of 2005 with federal VA-HUD and state funding. All remaining utilities are adequate.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Obermiller Nelson Engineering Co. estimates that replacement of the interior ventilation system will result in a reduction of $10,000 to $15, 000 per year in building operating expenditures.

Energy Efficiency/Sustainability:
The design criteria will exceed the minimum energy efficiency requirements for heating, ventilation and air conditioning by at least 30 percent. Design criteria for water usage will also exceed the minimum conservation requirements.

Debt Service:
Total debt of $12.644 million will result in MSUM having yearly debt payments (assuming five percent interest) of $169,098.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:
MSUM will continue to maintain and support the academic programs housed in Lommen Hall. However, the faculty and staff have complained about the inappropriate learning environment, inaccessibility issues, and extremely poor air quality for many years.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 10 | 0 | 0 | 0 | 10 |
| 3. Design Fees | 245 | 368 | 0 | 0 | 613 |
| 4. Project Management | 55 | 501 | 0 | 0 | 556 |
| 5. Construction Costs | 0 | 9,484 | 0 | 0 | 9,484 |
| 6. One Percent for Art | 0 | 84 | 0 | 0 | 84 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,054 | 0 | 0 | 1,054 |
| 9. Inflation | 0 | 1,609 | 0 | 0 | 1,609 |
| **TOTAL** | **310** | **13,100** | **0** | **0** | **13,410** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 13,100 | 0 | 0 | 13,400 |
| **State Funds Subtotal** | 300 | 13,100 | 0 | 0 | 13,400 |
| Agency Operating Budget Funds | 10 | 0 | 0 | 0 | 10 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **310** | **13,100** | **0** | **0** | **13,410** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | <15> | <25> | <25> | <65> |
| **TOTAL** | -15 | -25 | -25 | -65 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,777 | 67.0% |
| User Financing | 4323 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Century College, White Bear Lake - Classroom & Student Support Space Renovation

**2008 STATE APPROPRIATION REQUEST:** $7,900,000

**AGENCY PROJECT PRIORITY:** 12 of 37

**PROJECT LOCATION:** Century College, White Bear Lake

**Project At a Glance**

- Second phase of the approved 2006 science/library project
- Design and renovation of 47,500 GSF to backfill the vacated spaces for the new science/library space
- Renovation to improve classroom utilization
- Renovation to address merged east and west campus areas
- Project will eliminate $6.4 million in deferred maintenance backlog and renewal

**Project Description**

The project will address:

- General purpose classrooms, computer lab and faculty offices on west campus.
- A student services center on west campus where students can connect with admissions, business office, counseling, records and financial aid. It also includes a space where students can meet, study and socialize.
- General purpose science classroom/science resource center on east campus.
- Support office space for information technology on east campus adjacent to the recently renovated Kopp Technology Center.
- Reduction of the Facilities Condition Index (FCI) for Bldg. "B" on the West campus from 0.27 to 0.12 and a reduction of the FCI for the main bldg. on the East campus from 0.30 to 0.28. This equates to a total reduction in backlog and future renewal/reinvestment costs of $6.4 million; which is the total construction cost of project. This project will reduce the backlog and renewal/reinvestment projects at the campus by $6.4 million, which currently totals $35.5 million. This equates to a reduction in campus FCI from 0.24 to 0.20.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - As the largest combined community and technical college in Minnesota, and the seventh largest college in the state, Century is striving to continue to meet the space needs of a student population that has grown 49 percent in full-year equivalents (FYE) in the last seven years. A recent space utilization study found that Century is at 115 percent of room capacity. Students need:

- Common areas in the college where they can meet, study and socialize. Research shows that when students do not engage with other students and become involved in student activities, they tend to drop out. Century had a 1.16 percent increase in new students in the fall of 2006, but a 3.45 percent decrease in returning students.
- Contiguous spaces where students can access the college's wide variety of student services. This is particularly important for first-generation, under-represented college students who need additional help to achieve success.
- Additional general purpose classrooms so that more sections of the most sought-after courses can be offered. All parts of this project are intended to promote recruitment, retention and the success of students.

*High-quality Learning Programs and Services* – Century offers nearly 60 technical and liberal arts programs. To retain students in these programs and classes, Century needs space where students can access student services and also engage with each other. A recent Community College Survey of Student Engagement (a national assessment tool) found that Century students interact with faculty less than their counterparts at other two-year colleges in the country. The new common areas are proximate to faculty offices and will provide space for this critical student-faculty interaction to take place. In addition, the new general purpose classrooms are needed to meet student demand.

*State and Regional Economic Needs* – Century College produces many of the state's paramedics, nurses, radiologic technicians, medical assistants, orthotic and prosthetic technicians, dental hygienists and other allied health professionals. To retain students in these programs and classes, this project will:

- Right-size vacated space and give students a collegiate environment that will allow them to interact with each other and access needed student services.
- Benefit hospital partners such as St. John's and United by increasing student retention. The hospitals provide Century's nursing and radiologic technology students with vital clinical experience.
- Enhance Century's long-standing partnership with Intermediate School District 916 and its 1,400 high school students who take classes on Century's campus every day during the school year. These students, who originate from 11 different school districts, also will benefit by taking advantage of the new student center and the new general purpose classrooms.
- Benefit other partnerships including the Century College Community Dental Clinic supported by 3M and Delta Dental, the Century Investigative Sciences and Law Enforcement program and its business partners, the English for Speakers of Other Languages joint program with Century and Metropolitan State University, and the Century Multi-Cultural Center by providing additional science classrooms and student support services.

*Innovate to Meet Educational Needs Efficiently* – This facilities renewal project will help sustain an innovative educational delivery project called the (Goals + Plans = Success) GPS LifePlan. The GPS LifePlan helps Century students connect with college resources, faculty and staff for guidance on their journey to achieving their personal and career goals. The new student services area will enhance the delivery of this important planning tool for students. In addition, the new student center and high-tech classrooms will provide more interactive, hands-on learning experiences for students, and also accommodate the 49 percent FYE enrollment growth the college experienced from 1999 to 2006. The additional classrooms will be proximate to expanded laboratory space for writing, math and reading/study skills. They also will be near new faculty offices and allow students to increase their interaction with faculty.

Institution Master Plans and Regional Collaborations:
This is the second phase of the approved 2006 science/library project. Following funding for design in 2005 and construction of new square footage for the science/library consolidation in 2006, this project will backfill the vacated spaces. Century presented a master plan to the Board of Trustees in September 2001. A new master facilities plan was submitted in October 2006. The current project is included in the updated master facilities plan as submitted in October 2006.

*Curricular renewal and teaching excellence* – Common spaces and additional classrooms that are technologically enhanced with up-to-date equipment will provide students access to a teaching and learning environment that is relevant to today's workplace. In addition, these new spaces will help the college deliver its innovative new GPS LifePlan planning tool to assist students in choosing courses that will advance their career, personal and leadership goals.

*Technology integration* – Century will continue to integrate technology into curriculum and administrative operations. The location of the new west campus technology center will facilitate more interaction between the campus information technology operation and the teaching technology programs. In addition, the new GPS LifePlan has a strong electronic component that needs support from a strong campus technology infrastructure.

*Workforce development* – The student services center will give students easier access to representatives from admissions, business, counseling, records and financial aid. These are the services that keep students in school and advancing their career goals. The new student services center will allow the college better to support the GPS LifePlan planning tool that assists students in connecting their education plans to their career goals. First-generation, under-represented college students are especially in need of this additional help. The student center also will help improve student retention by giving students the space they need for meeting, studying and socializing. Students who engage with the campus are more likely to stay in school, earn degrees and achieve their career goals.

Enrollment and Space Utilization:
During "prime time", Century College is at maximum capacity. It is not uncommon to have 130 to 150 percent classroom utilization rates, with the average being 115 percent room capacity. The college's average seat usage is 84 percent. Enrollment at Century College grew 25 percent in FYEs from 2000 to 2006. As the only public technical and community college in the

rapidly growing northeast quadrant of the Twin Cities, Century is expected to sustain its enrollment for some time.

| | FY2004 | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|---|
| **FYE** | 6,134 | 6,133 | 5,980 | 5,900 | 5,960 |

**Project Rationale**

This project is a backfill of vacated space created by the construction of a new library/science building funded in 2006 with a completion date of 2008. It takes the first step toward a campus space re-organization that focuses on a student-centered learning environment. The four main parts are:

- West campus general purpose classrooms, computer lab and faculty offices.
- West campus student center that connects students to admissions, business, counseling, records and financial aid, and also provides space for students to meet, study and socialize. This space will increase access and opportunity for under-represented, first-generation students who need additional help to be successful.
- East campus general purpose science classroom/resource center.
- East campus office space and general purpose classroom adjacent to the Kopp Technology Center. This space will increase interaction between the college's information technology operation and the academic programs related to technology.

Pre-design:
Completed in October 2003. Time between 2003 pre-design and funding of this project along with minor modifications resulting from completion of Campus Master Plan resulted in project cost exceeding rate of inflation. All changes have been made with the advice and assistance of the MnSCU facilities staff.

Capacity of Current Utility Infrastructure:
Century College has invested heavily in infrastructure upgrades that will support renovation including upgrading the heating, ventilation and air-conditioning systems and re-roofing. The college's infrastructure investments have been made at a rate that is nearly double the average of other colleges in the Minnesota State Colleges and Universities system. The college has adequate utility infrastructure to support this remodeling project. In 2002, the college was allocated $1.775 million in Higher Education Asset Preservation and Replacement dollars to centralize the chiller plant for both East and West Campus use.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
This project is a fine example of maximizing the use of campus space to meet student needs. The renovations will decrease the college's FCI, from 0.27 to 0.12 on the West campus and from 0.30 to 0.28 on the East campus. The facilities renewal project will reduce the backlog and renewal/reinvestment projects by $6.4 million. This equates to a reduction in campus FCI from 0.24 to 0.20. Operating costs for utilities and custodial staff are not expected to increase with this remodeling project.

Energy Efficiency/Sustainability:
This project will open up the new student center to south-facing daylight and will allow daylight harvesting and energy efficiencies. The sustainable features of this project deal with improving human comfort, increasing productivity and improving the learning environment. The renovation will emphasize energy efficiency and minimize operations costs.

Debt Service:
This amount is within the college's ability to reallocate resources to meet the cost of the additional debt.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $19.9 million to construct Phase 1.
Laws 2005, chapter 20, article 1, section 3 appropriated $1 million for design.

**Other Considerations**

Consequences of Delayed Funding:

- Access and opportunity for prospective students will be limited due to the current confusing configuration of student services offices.

- Student retention will be negatively affected. The college could continue to lose students who do not engage with the campus due to a lack of space for meeting, studying and socializing.
- Student services will be adversely affected because these services will continue to be delivered in space that is confusing and not contiguous. Again, this has an adverse effect on student retention.
- Without the new west campus technology office and computer lab, the interaction between the campus information technology operation and the academic programs will be limited.
- Without the new general purpose classrooms, student access will be curtailed.
- Without the facilities improvement, the Facilities Condition Index of 0.27, which is significantly above the system average, will continue to increase.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 1,305 | 489 | 0 | 0 | 1,794 |
| 4. Project Management | 1,232 | 350 | 0 | 0 | 1,582 |
| 5. Construction Costs | 17,163 | 5,606 | 0 | 0 | 22,769 |
| 6. One Percent for Art | 100 | 50 | 0 | 0 | 150 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 1,100 | 345 | 0 | 0 | 1,445 |
| 9. Inflation | 0 | 1,060 | 0 | 0 | 1,060 |
| **TOTAL** | **20,900** | **7,900** | **0** | **0** | **28,800** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 20,900 | 7,900 | 0 | 0 | 28,800 |
| **State Funds Subtotal** | 20,900 | 7,900 | 0 | 0 | 28,800 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **20,900** | **7,900** | **0** | **0** | **28,800** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 5,293 | 67.0% |
| User Financing | 2607 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Southwest Mn State Univ - Science & Hotel & Restaurant Administration Labs Renov

**2008 STATE APPROPRIATION REQUEST:** $9,000,000

**AGENCY PROJECT PRIORITY:** 13 of 37

**PROJECT LOCATION:** Southwest Minn. State University, Marshall

**Project At a Glance**

- Project design funded in 2006.
- Renovation of 7,300 gross square feet (GSF) of Hotel, Restaurant Administration (HRA) teaching labs in the Individualized Learning (IL) Center to accommodate a Hotel Restaurant Administration academic degree.
- Renovation of 11,300 GSF in Science and Technology (ST) to remodel and update biology and chemistry labs.
- Renovation of 12,200 GSF in Science and Math (SM) to remodel and update biology and chemistry labs.
- Project will eliminate $6.6 million in deferred maintenance backlog

**Project Description**

This request is to renovate teaching labs to accommodate a newly reinstated Hotel Restaurant Administration academic degree, and to remodel and update biology and chemistry labs.

Academic programs impacted are: Culinary Arts/Culinology, Hotel Restaurant Administration (HRA), Biology, Biology Education, Biology – Medical Technology / Cytotechnology, Chemistry, Chemistry Education, Chemistry – Environmental Emphasis, Environmental Science – Geology, Environmental Science – Natural Science, Environmental Science – Humanity and Environment, Geology, Agronomy, and pre-professional programs. Ten percent of Southwest Minnesota State University (SMSU) majors are enrolled in these programs and all students must take eight credits of biology, chemistry, physics or environmental science as part of the core curriculum.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - SMSU is the only baccalaureate institution within 20,000 square miles with a mission to provide higher education opportunity and access for all Minnesotans, regardless of financial circumstances. The remodeling also reflects a tradition of distinctive, barrier-free architectural access for students with disabilities.

*High-quality Learning Programs and Services* - Science and culinology students need training on up-to-date, state-of-the-industry technology and scientific equipment to better serve regional industry. SMSU can offer signature interdisciplinary culinolgy degree combining science and culinary arts with a service learning component aligned to learning goals.

*State and Regional Economic Needs* - HRA remodeling supports a high-quality learning program responsive to region's multi-billion dollar economy composed of precision farming, agricultural processing and multi-national food companies who are partners with SMSU. HRA will be restored as a signature academic program included in SMSU's 2010 strategic plan. U.S. Bureau of Labor Statistics reports demand for HRA graduates will rise 12 percent in Minnesota by 2010 creating 7,000 more jobs; and 8 –12 percent in both South Dakota and Iowa creating 6,000 jobs.

*Innovate to Meet Educational Needs Efficiently* - There have been many changes in science pedagogy over the last 36 years since these science labs were built. Science instruction is more open-ended, active inquiry, utilizing measurement and analysis tools that computers and the internet have made available at reduced cost. This renovation will incorporate technology to match the new science pedagogy.

Institution Master Plans and Regional Collaborations:
Southwest MSU's master facilities plan update was presented to the Office of the Chancellor in November 2006. Biology, chemistry, and HRA lab renovations tie directly to the following master plan principles and initiatives for future campus development:

*Acknowledge current density and compactness and take advantage of existing space* – This project is totally renovation of existing space, and the HRA lab takes advantage of space previously used in a similar capacity.

*Strengthen and support the University's mission* - Responds affirmatively to SMSU's mission, biennial and master plan initiatives and MnSCU system strategic initiative for increasing student enrollment in science, technology, engineering and mathematics (STEM) and increasing secondary teacher licensures in math and science. The programs will offer a unique blend of education, internships and hands-on experiences responsive to the region's workforce needs for science and food science graduates.

*Accommodate and support University growth* **–** Renovations acknowledge current density, compactness and taking advantage of existing space. Renovations will provide space for SMSU's biennial targets and resource needs for science (STEM), science teacher, and HRA food science enrollment. SMSU is the fastest growing university in the MnSCU system with science enrollments alone increasing 14 percent over the past five years without critical renovation to its labs.

*Regional collaborations* - HRA benefits from supportive partnerships with The Schwan Food Company, ARAMARK Corporation, and an advisory board of top restaurant and food company executives who provide internships, resource support, planning assistance and cooperative program development to the culinary arts program.

Enrollment and Space Utilization:
University enrolment has grown continuously since the University was founded in 1967.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **FYE** | 3,513 | 3,754 | 3,501 | 3,500 |

Fall Semester 2005, SMSU's overall space utilization rate was 89 percent of available weekly classroom hours and 54 percent seat usage.

**Project Rationale**

*Basic Sciences* **-** SMSU's biology and chemistry labs in Science and Technology and Science and Math Buildings have not been updated since original construction in 1970. The fume hoods are a safety hazard, and none of the labs meet today's standards for fresh air intake and ventilation. Chemical storage is not vented directly to the outside as current building code requires. Plumbing at the lab benches is overdue for replacement. Linear lab benches do not work for combined lecture/labs, which SMSU faculty now employ, and the more modern pod benches would better support "learning science by doing". The existing prep/storage rooms are a confusing and inefficient array of interconnected rooms that do no function well for lab work.

Six biology labs and five chemistry labs will be renovated and updated. The labyrinth of prep/storage areas will be simplified into one common lab prep area per floor that can be efficiently staffed, and will allow sharing of lab materials and equipment. Some of the inefficient prep-storage spaces will be converted into dedicated spaces for on-going student scientific research projects. One new "smart" science classroom in Science and Math will allow higher order thinking skill development in analyzing the results of real-time data collection from the labs.

*Hotel, Restaurant Administration (HRA)* **-** The proposed HRA lab was once used by SMSU's Hotel Restaurant Administration Program, which was replaced by a cooperative degree with the U of M Crookston that has since been discontinued. SMSU has reinstated the HRA degree – to include culinology. Culinology combines culinary arts, food science, and business to meet workforce demands for new products development specialists. Food science, food safety, and new food product development are core themes. Renovations are needed to provide modern facilities for the re-engineered program. The remodeling and right-sizing of the existing university space to commercial-grade academic labs will foster student learning and smooth transition to industry environments.

Renovation focuses on a total remodel of, and expansion into existing space, commercial grade equipment and materials, and the following spaces:

- basic skills kitchen to accommodate six identical kitchen stations
- upper level high production kitchen with areas for hot food, cold food, bakery, prep and beverage areas, and point of service computer system,
- a demonstration/teaching lab designed with industry-leading audio visual and instructional technology capabilities
- Food Science Research and Development lab
- public access gourmet dining hall for service learning opportunities

Total Campus FCI will be reduced from 0.23 to 0.21. Asset preservation, including plumbing, ventilation, code-complaint fume hoods and vented chemical storage, electrical, ADA compatible learning spaces, asbestos abatement, and life safety and code improvements, will affect deferred maintenance (DM) and FCI's as follows:

| | Current DM Backlog | Amount Eliminated | Current FCI | FCI After Project |
|---|---|---|---|---|
| ST | $ 6,261 | $ 2,669 | .28 | .16 |
| SM | $ 6,961 | $ 2,492 | .29 | .18 |
| IL | $ 8,428 | $ 1,513 | .43 | .35 |

Predesign:
Predesign was completed December 2005. Schematic design was funded by the legislature in 2006 and will be completed in early 2007.

Capacity of Current Utility Infrastructure:
Renovation will have negligible impact and the existing utilities will be adequate to meet the needs of this remodeling. New energy management systems will monitor and adjust to peak mechanical system usages.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Since this is a remodeling of existing space, there will be only a modest $10,000 increase in electricity with more and newer fume hoods that introduce more code-mandated fresh air into the labs than the existing outdated fume hoods.

Energy Efficiency/Sustainability:
To improve energy efficiency and meet goals of the Minnesota Sustainable Guidelines, this project ties equipment into the University's energy management system to provide continuous monitoring of heating, ventilation, and air conditioning, specifies low energy light fixtures, utilizes energy saving infrared toilet and sink controls, includes the use of motion sensors, and will include the use of green materials in the project design.

Debt Service:
At its high point in 2013, its annual debt service obligation could be $439,800, which would be 1.37 percent of the university's general operating revenues. This is a prudent level of managed debt and will be structured into SMSU's annual operating budgets.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Alternatives and Options:
This project is a renovation, demonstrating excellent stewardship of state assets, removing $6.674 million in deferred maintenance of the total campus backlog of $47 million. Remodeling of existing labs is the best approach because the number and type of existing labs is optimal for SMSU's needs but needs to be enlarged to accommodate larger class sizes. Adequate space can be better arranged to allow for enlarged labs and would be less expensive than building a new building.

Consequences of Delayed Funding:

- SMSU science students will continue studying in outdated facilities that do not meet current building codes and air quality requirements.
- The renovations are integral to achieving MnSCU System and SMSU established Biennial Targets and Resource needs (2007-2011) for STEM and science teacher licensure enrollment.

- Student access, opportunity and enrollment will decrease.
- Marketing and development of this signature 2010 Culinology accredited program will be jeopardized without adequate instructional labs.
- Donor confidence in funding for faculty positions, instructional supplies and professional development and travel may decrease.
- Deferred maintenance backlog will remain.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45 | 0 | 0 | 0 | 45 |
| 3. Design Fees | 222 | 295 | 0 | 0 | 517 |
| 4. Project Management | 78 | 313 | 0 | 0 | 391 |
| 5. Construction Costs | 0 | 6,505 | 0 | 0 | 6,505 |
| 6. One Percent for Art | 0 | 54 | 0 | 0 | 54 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 805 | 0 | 0 | 805 |
| 9. Inflation | 0 | 1,028 | 0 | 0 | 1,028 |
| **TOTAL** | **345** | **9,000** | **0** | **0** | **9,345** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 9,000 | 0 | 0 | 9,300 |
| **State Funds Subtotal** | 300 | 9,000 | 0 | 0 | 9,300 |
| Agency Operating Budget Funds | 45 | 0 | 0 | 0 | 45 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **345** | **9,000** | **0** | **0** | **9,345** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 6,030 | 67.0% |
| User Financing | 2970 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Classroom Renovations

**2008 STATE APPROPRIATION REQUEST:** $3,625,000

**AGENCY PROJECT PRIORITY:** 14 of 37

**PROJECT LOCATION:** Systemwide

**Project At a Glance**

- Design and renovation of obsolete classroom space on seven college campuses
- Classroom design will increase utilization of the campuses
- Deferred maintenance will be addressed
- Project will eliminate $1.762 million in deferred maintenance backlog

**Project Description**

Project will renovate college classrooms to promote innovation in a number of academic fields, improving utilization of the campus space and advancing workforce programs in technology, entrepreneurship, and nursing.

- Central Lakes College, Brainerd – large classroom renovation
- Mn State Community Tech College, Wadena – right-sizing classroom renovation
- Mn State Community Tech College, Moorhead – classroom and advanced technology
- Mn West Community Tech College, Pipestone – Interactive Television (ITV) and learning center
- Northland Community Tech College, Thief River Falls – Swenson Center for Entrepreneurship
- Pine Technical College, Pine City – prototype / metallurgy lab
- Rochester Community Tech College, Rochester – nursing labs / health classroom

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Improve access to opportunities and careers for all Minnesotans, and help meet Minnesota state goals for enhanced educated workforce in applied technologies.

*High-Quality Learning Programs* - Improve instructional technology in obsolete or underutilized lab or classroom spaces. Each of these projects was evaluated as to how the spaces could be made more efficient and more effective for instructional use. Many of these spaces need these renovations to optimize the current utilization. These renovations will allow for the investment to bring both a wider array of information and alternative learning formats to students and to prepare graduates to operate the technology in which businesses have invested to improve productivity.

*State and Regional Economic Needs* - Converts obsolete campus space to meet the mandate to educate a skilled and flexible workforce for the state's future. It will directly match workforce needs with workers. This Office of the Chancellor initiative will assist campuses directly to meet workforce and educational needs for teaching and learning objectives, while simultaneously reducing the backlog of interior deferred maintenance issues. This project directly supports the long-time Board focus on renewal and preservation, maximizing functionality, and utilizing future-oriented technology and improving obsolete, underused spaces.

Institution Master Plans and Regional Collaborations:
All of the projects are noted in the individual campus master plans.

Enrollment and Space Utilization:
These are renovation projects only, so there will be no new square footage involved. Space utilization will improve because the rooms are currently obsolete since they were designed to house specialized programs that have been closed or re-located within the campus. The objective is to capture unused space and turn it to a useful purpose.

Four year enrollment data for the seven campuses is projected as follows:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 10,559 | 10,879 | 10,967 | 11,153 |

**Project Rationale**

*Central Lakes College, Brainerd* - Central Lakes will renovate a 3,160 gross square feet theatre into a cross-functional learning space and combine two small classrooms into one large classroom that will create a multi-use space for academic programs such as Chemistry, Physics, Earth Science, Natural Resources, Economics, History, Psychology, Anthropology, Sociology, Political Science, Theatre, Humanities, Philosophy, Art, and Music. The renovation would allow delivery of interdisciplinary programming to large groups of credit students, non-credit students, and community members as well as potential collaboration with local service organizations and four-year institutions. The renovation would reduce deferred maintenance by $121,000.

*Mn State Community Tech College, Wadena* – Wadena will convert 10,010 gross square feet of underutilized space in the heart of their main building. This will help increase campus inventory of flexible, innovative classrooms and to enlarge an under-sized library. The academic programs affected include ITV classrooms, Library/Resource Center, and Learning Services. The renovation will reduce backlog by $120,000.

*Mn State Community Tech College, Moorhead* – Moorhead will remodel 6,000 gross square feet of existing classrooms to provide advanced technology delivery in flexible general classroom spaces. Classrooms of the right size will accommodate a greater number of classes while gaining high quality instructional environments and three extra classrooms. Backlog will be reduced by $90,000.

*Mn West Community Tech College, Pipestone* – Pipestone will convert 2,800 gross square feet of the closed Meat Cutting Program space at the center of campus into a student learning and academic hub. The reconfigured area will create ITV, tutoring, studying, research, interactive learning and collaboration areas, and physical support for online learning. This project will reduce the backlog by $100,000.

*Northland Community Tech College, Thief River Falls* – Thief River Falls will convert the Swenson House from a residential building into a commercial facility. This will create a 17,435 gross square feet space for the Entrepreneurial Education Center, the Center for Outreach and Innovation, multi-purpose classrooms, the College Advancement and Entrepreneurial Learning Program. This project will reduce the backlog by $50,000.

*Pine Technical College, Pine City* – Pine City will renovate 2,350 gross square feet of unused and underused space to create a Prototyping and Reverse Engineering Lab and Metallurgy Lab to meet goals of the MnSCU Manufacturing and Applied Engineering Center of Excellence collaboration. This project continues improvements to Machine Tool and Gunsmithing projected in the 2001 Facilities Master Plan. It is also in line with regional plans developed by the East Central Minnesota Workforce Partnership (ECMnWP) and the East Central Manufacturing Coalition (ECMC) for expansion of manufacturing education and training. The backlog will be reduced by $25,000.

*Rochester Community Tech College, Rochester* – Rochester will remodel 3,500 gross square feet of two vacated nursing labs and three vacated nursing practice rooms into two anatomy and physiology laboratories and an adjoining health science learning center. The remodeling will help the college provide fundamental science classes to increase the pipeline of qualified applicants to health science programs. This will lead to a potential increase in capacity of the transfer nursing and allied health programs. This project will improve the overall condition and functionality of science and applied technology laboratories. It will reduce the FCI for the building from 0.31 to 0.21 and remove a combined $356,000 from the deferred maintenance backlog.

This project will improve the overall condition and functionality of classrooms and science and applied technology laboratories.

Predesign:
Conceptual predesigns from the campuses were completed for these projects by one consultant who traveled to each campus in fall of 2006 to assure adequacy of need and to confirm each funding request.

Capacity of Current Utility Infrastructure:
The existing utility infrastructure already serves all these spaces, so there will be no additional strain on mechanical systems over and above that caused by the age of existing mechanical systems. With the replacement of more energy efficient systems; at most campuses there will a reduction in utility usage.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Increase for addressing code and safety ventilation issues.

Energy Efficiency/Sustainability:
Any new equipment will be energy efficient.

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each campus affected.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $5.14 million for science lab and workforce renovation initiatives.
Laws 2005, chapter 20, article 1, section 3 appropriated $3.083 million for workforce training classrooms and $1.019 million for technology updated classrooms.

**Other Considerations**

Consequences of Delayed Funding:
If funding is delayed, the institutions would continue to have obsolete or underused spaces. Campuses often do not have the ability to use scarce operating budget dollars to align academic offerings in high-demand programs with strong workforce needs to the physical classroom or lab spaces on campus.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 240 | 0 | 0 | 240 |
| 4. Project Management | 0 | 129 | 0 | 0 | 129 |
| 5. Construction Costs | 0 | 2,640 | 0 | 0 | 2,640 |
| 6. One Percent for Art | 0 | 24 | 0 | 0 | 24 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 265 | 0 | 0 | 265 |
| 9. Inflation | 0 | 327 | 0 | 0 | 327 |
| **TOTAL** | **0** | **3,625** | **0** | **0** | **3,625** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,625 | 0 | 0 | 3,625 |
| **State Funds Subtotal** | 0 | 3,625 | 0 | 0 | 3,625 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,625** | **0** | **0** | **3,625** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,429 | 67.0% |
| User Financing | 1196 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Lake Superior College - Health Science Center Addition

**2008 STATE APPROPRIATION REQUEST:** $11,000,000

**AGENCY PROJECT PRIORITY:** 15 of 37

**PROJECT LOCATION:** Lake Superior College, Duluth

**Project At A Glance**

- Project funded for design in 2006
- Bidding and construction of a 33,949 gross square feet (GSF) Health and Science Center addition
- Renovation of 1,865 GSF of backfill spaces (Phase 1)
- Renovation of 34,577 GSF of backfill spaces (Phase 2) planned for 2010
- Project will eliminate $480,100 in deferred maintenance
- Request for $4 million is anticipated in 2010 for renovation

**Project Description**

Bidding and construction of the Health and Science Center Addition and renovation of backfill spaces in the existing building (Phase 1); and design through construction documents of renovation of backfill spaces in existing building (Phase 2).

Phase I: The Health and Science Addition will include teaching laboratories, hospital nursing simulation center, "smart" classrooms, workforce development training room and allied health teaching laboratories. This Phase 1 renovation of existing space will remodel and update existing science teaching labs.

Phase 2: The FY 2010 request for renovation of existing spaces vacated by Health and Science will include public clinics and teaching labs for Physical Therapy, Dental Hygiene and Massage Therapist, multi-media classrooms and instructional technology labs.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* **-** Provides state-of-the-art health teaching labs and nursing simulation labs, providing increased opportunities for individuals to participate in science, technology, engineering and math (STEM) and health courses and programs. This creates opportunities for hands-on training in public health clinic settings meeting the needs of the region's uninsured or underinsured and addresses the lack of Americans with Disabilities Act (ADA) accessible labs in several STEM areas.

*High-quality Learning Programs and Services* - The College's capacity for delivering STEM and health programs with up-to-date technology is currently severely limited. In order to meet the full range of student learning needs, new facilities are needed which make use of future-oriented learning spaces and equipment.

*State and Regional Economic Needs* - Supports collaborations with St. Mary's Medical Center, Duluth Clinic, St. Luke's Hospital and other regional healthcare facilities by offering community public health access and education. Science faculty will have expanded opportunities to work collaboratively with other colleges, universities, high schools, and local home school parents.

*Innovate to Meet Educational Needs Efficiently* - This facility will be designed to simulate a hospital setting, thus providing innovative learning space closely attuned to real-world healthcare settings. New science labs will create technology-enhanced learning opportunities supportive of innovative teaching and learning.

Institution Master Plans and Regional Collaborations:
Lake Superior's Master Facilities Plan (MFP), originally approved by the Board of Trustees in December 2001 is currently under revision. This project is an integral part of the current plan and the update. The plan focuses on options for expanding the campus to meet student enrollment growth, current and new program needs, and necessary improvements to existing facilities and the environmentally-sensitive site. There is a strong need for a science addition to provide new laboratories and classrooms as identified in the MFP. This future site development will be in a place away from the sensitive creek

area. The MFP design and this building will provide a more visible college presence and access to the main campus from Trinity Road. The college's MFP augments and supports the city of Duluth's master planning for the city's fourth district, supports transfer collaborations with regional universities in both STEM and health programming, and provides needed workforce training space for new and incumbent healthcare workers through the building's simulation center.

Enrollment and Space Utilization:
Over the past five years Lake Superior College (LSC) has experienced a 51.3 percent full-year equivalents (FYE) enrollment growth, from 2,230 to 3,376 FYE in 2006. Current projections suggest that growth in health and science enrollment will show strong growth, putting further strain on the existing facilities.

| | FY2000 | FY2003 | FY2006 | FY2009(proj) |
|---|---|---|---|---|
| **FYE** | 3,230 | 3,080 | 3,396 | 3,590 |

The MnSCU FY 2006 space study found an 88.4 percent overall utilization rate for classrooms and teaching labs at LSC, above the median of 77.8 percent for all MnSCU institutions. The lack of campus teaching and open lab space most adversely affects the sciences. The major existing classrooms and labs that serve the sciences and health programs have an average utilization rate of 101.4 percent. The overall space deficiencies at LSC will decrease, but will not be eliminated, when the addition funded in 2006 is completed. The Health and Science Center will add an additional nine teaching and open labs, resulting in anticipated utilization still over 90 percent. The college's projected growth in health and STEM programs will certainly keep the college's space utilization high.

**Project Rationale**

*Nursing and Allied Health* - Lake Superior's allied health and nursing programs serve a significant need within the region and state by training healthcare workers. Recent Department of Employment and Economic Development employment and job opening projections for northeast Minnesota show a 19 - 58 percent increase in the need for health care workers between 2000 and 2010. LSC has already added evening, weekend, summer, and distance-site courses to help serve the needs of its 1,579 health-related program students.

The Health and Science Center will include (new and remodeled):

- Six Health teaching labs
- Two instructional technology labs
- Nine Science teaching labs
- One workforce development training room
- Three multi-media classrooms
- One hospital nursing simulation lab
- Two general classrooms
- Three outpatient public clinics

*Basic Sciences* - LSC has only three science classrooms to serve a student population of nearly 3,500 FYE, well below the number of science labs available at similarly-sized institutions. The three existing science laboratories are strained by both a steady increase in general enrollment (3,643 unduplicated students enrolled in science courses in FY 2006) and by the significantly large increase in the nursing and allied health students (1,579 unduplicated students enrolled in health programs) at LSC who must take 12 science credits rather than the eight the general student population take. The current science laboratories are fully utilized throughout instructional times and unavailable for lab prep or independent student work. The physics and natural sciences programs do not have access to laboratories and have courses taught from mobile carts in general classrooms. This curtails the full range of experiments instructors are able to offer and provides no opportunities for the housing of technology and science-related equipment to support student learning.

In addition, area education institutions such as the University of Minnesota – Duluth (UMD) and the University of Wisconsin – Superior (UWS), and home schooling programs rely on Lake Superior College to offer introductory science courses for students prior to transfer and graduation. Additional laboratories are needed to support these collaborations.

Predesign:
The building predesign has been completed and design is underway.

Capacity of Current Utility Infrastructure:
Current utility capacity at Lake Superior College is sufficient to accommodate the Health and Science Center.

**Impact on Agency Operating Budgets (Facilities Notes)**

It is anticipated that an additional two maintenance FTE will be required at a yearly cost of $80,000. Utility costs will increase approximately $52,000 annually. The current FCI for LSC is 0.13 and projected to grow to 0.16 in 2011. The addition of the Health and Science Center and the renovation of existing space will eliminate approximately $480,000 of a projected $15.935 million backlog projected by 2011, resulting in a projected FCI of 0.15.

Building Operations Expenses:
Building operations expenses are expected to increase $52,000 for utilities.

Energy Efficiency/Sustainability:
Building design, site development and construction methods may comply with the current state Sustainable Building Guidelines of B3 (Buildings Benchmarks and Beyond), as adopted by MnSCU, or the current Leadership in Energy and Environmental Design (LEEDTM) reference guides for new construction (LEED-NC) and existing building renovation (LEED-EX) developed by the United States Green Building Council (USGBC).

Debt Service:
Lake Superior College currently carries an annual debt service of approximately $32,000 annually. The new Administrative and Student Services addition and design/construction of the Health Science Center will create additional debt service which will peak at $396,000, or 1.3 percent of overall budget, in 2013.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $420,000 for design of this project as well as the 2010 renovation of existing spaces

**Other Considerations**

Consequences of Delayed Funding:
- Stagnant or declining enrollment in STEM and health-related programming
- Inefficient and inadequate support to students, including lack of technologically-supported innovation
- Inability to meet the state's workforce needs for healthcare, science and engineering workers
- Stagnant learning methods lacking emphasis in innovative technologies and the use of proper learning equipment,
- Continued and increased stress on already inadequate facilities
- Rising asset preservation costs and closure of obsolete spaces.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 50 | 0 | 0 | 0 | 50 |
| 3. Design Fees | 538 | 312 | 79 | 0 | 929 |
| 4. Project Management | 137 | 519 | 157 | 0 | 813 |
| 5. Construction Costs | 0 | 8,513 | 2,711 | 0 | 11,224 |
| 6. One Percent for Art | 0 | 79 | 25 | 0 | 104 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 541 | 280 | 0 | 821 |
| 9. Inflation | 0 | 1,036 | 748 | 0 | 1,784 |
| **TOTAL** | **725** | **11,000** | **4,000** | **0** | **15,725** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 420 | 11,000 | 4,000 | 0 | 15,420 |
| **State Funds Subtotal** | 420 | 11,000 | 4,000 | 0 | 15,420 |
| Agency Operating Budget Funds | 305 | 0 | 0 | 0 | 305 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **725** | **11,000** | **4,000** | **0** | **15,725** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,370 | 67.0% |
| User Financing | 3630 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Metropolitan State Univ - Classroom Center Addition

**2008 STATE APPROPRIATION REQUEST:** $4,980,000

**AGENCY PROJECT PRIORITY:** 16 of 37

**PROJECT LOCATION:** Metropolitan State University, St. Paul campus

**Project At A Glance**

- Construct, remodel, furnish and equip 16,500 gross square feet (GSF)
- Demolition to make room for new construction
- Renovation will address serious deferred maintenance issues
- Project will eliminate $3.9 million in deferred maintenance backlog

**Project Description**

Construct, remodel, furnish and equip the partial replacement of a demolished building in order to provide technology-enhanced classrooms and academic offices. The upper level of St. John's Hall "Power Plant" annex will be demolished, leaving the ground floor power plant. This project also rebuilds the upper two floors, providing a climate controlled link between St. John's, New Main, and the Library.

This project will complete the last phase of the St. Paul campus quad development (the last of four buildings facing the courtyard) and is a key element in finalizing the original campus master development plan and protecting the campus energy plant.

- Protects campus' existing central heating, cooling and electrical plant while also addressing the waterproofing of adjacent areas which are currently subject to water intrusion.

- Creates high quality learning environments for growing educational program needs. This is particularly for instructional Technology Programs, Computer Technology Training, Science, Business and Nursing programs.

- The project provides improved basic infrastructure for the University's growing Informational Technology Systems. Project includes power generator, uninterruptible power source and cooling upgrades which are functioning currently at capacity.

- Life safety and fire suppression systems as well as American Disabilities Act (ADA) upgrades that will make the currently "inaccessible" building meet ADA requirements.

- Replaces the central campus heating plant's "smoke stack" which is 90 years old and at near failure.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
This project meets the strategic goals identified by Minnesota State Colleges and Universities (MnSCU) for:

*Increase Access and Opportunity* – The unique student demographics of Metropolitan State University offer a unique opportunity to provide educational opportunities for many historically underserved individuals who want access to upper division and graduate level education.

- Creates a learning resource that enables students many of whom are non-traditional students to achieve their educational and career goals through high quality learning and support services.

- The Power of You program supported by this project is specifically designed to help retain students who typically have difficulty staying enrolled and to eliminate real and perceived financial barriers to higher education that prevent many high school students, particularly students at risk, from considering post-secondary education.

- The "Bridge to Success" program is a retention program providing a variety of intensive, individualized support services to help underserved students successfully complete their certificate, diploma or degree program. The "Bridge" program serves students of color, low income students, students who are first in their family to attend college, and English language Learners (ELL).

*High-quality Learning Options and Services* – Provides state-of-the-art facilities to support nationally and internationally competitive programs, using technology-enhanced teaching and learning techniques. Academic programs impacted are Management Information Systems, Decision Sciences, Information Studies, Information and Computer Sciences, Management, and Communications, as well as general applied science and liberal arts core curriculum courses.

*State and Regional Economic Needs* – Specifically, this project will support the education of a diverse workforce to fill the shortage of workers in various technical and professional vocations with more ethnic minorities and persons of color. For example, Metropolitan State University is the most diverse university in the State of Minnesota, culturally and ethnically.

*Innovate to Meet Educational Needs Efficiently* – Metropolitan State has a partnership with Century College at the St. Paul Campus to serve students who have English as a second language. This project will facilitate that initiative by providing additional office and program space. The design of this project maximizes operating efficiency; since the building will now connect with St. John's Hall which will allow co-location of related academic departments located in St. John's Hall to efficiently share support spaces, staff, and equipment.

*Strengthen Community Development and Economic Vitality* – Over 95 percent of Metro's students continue to work and reside in the Twin Cities after graduation. Support services also included in this building will facilitate student retention, improve the quality of students' academic experience through quality technology-rich facilities, and foster a sense of community.

*Create an Integrated System* – Improve the stewardship and management of physical assets.

Institution Master Plans and Regional Collaborations:
This project is in close alignment with the institution's master plan developed jointly with Minneapolis Community and Technical College (MCTC) that was completed in 2002 and updated in 2004. This project satisfies top priorities of the master plan and provides for expanding programs; consolidating programs with diminishing enrollment; improving the instructional facilities for programs specifically geared to enhance the quality of the regions workforce; and reducing the asset preservation backlog.

This capital project has also been endorsed by the Metro Alliance, a partnership of regional MnSCU institutions. Space within this facility can be used by students who attend Metro Alliance institutions, including Century College which has educational programs serving new immigrants housed on the St. Paul campus.

The co-location with MCTC encourages seamless transitions for students with associate degrees to baccalaureate degree programs. The University collaborates with Metro Alliance institutions in the development of baccalaureate degrees for registered nurses, specifically with Anoka-Ramsey Community College and North Hennepin Community College. The "Power of You" is a collaborative program between MCTC, Saint Paul College, and Metropolitan State University.

In addition, completing this project will meet the university's technology plan objectives that emphasize the following strategies:

- Technology infrastructure needed to implement technology-based learning strategies, both for instructional and administrative purposes that are consistent with student, faculty, and industry expectations.
- Position the institution as an educational leader in information technology-based education.
- Ensure sufficient on-campus student access to current technology.
- Enable instructors to make use of technology in instructional delivery.
- Pursue emerging technologies that improve and expand student services and learning opportunities.

Enrollment and Space Utilization:
The University's enrollment projection through 2007 and 2008 were made to be fiscally conservative. However, it is possible that current collaborations with other MnSCU colleges as well as the "Power of You" initiative which funds tuition for Twin Cities-area high school graduates will have a positive impact on enrollment projections.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 4,662 | 4,571 | 4,571 | 4,600 |

A fall 2005 MnSCU Space Study reported campus classroom usage at 64 percent of available weekly room hours. The traditional Metro State degree-seeking student is a working adult. Metro State attracts this student by offering the majority of classes in the evening from 6:00 P.M. until 10:00 P.M. Monday through Thursday and all day Saturday.

There are 21 general use classrooms on the St. Paul campus. Six of these rooms have a capacity of less than 32 which is now the standard class size for many of Metro's course offerings particularly in Finance, Accounting, Management, Mathematics and Nursing - all programs that are growing. The demand for smart classrooms increases each semester, yet only five of the classrooms in St. Paul are smart rooms and they are all located in the new Library building. The St. Paul campus provides space for approximately 22 percent of the university's evening classes. Evening classes are offered on the three main campus sites as well as between ten and 17 off-site locations each semester. The off-sites include a number of MnSCU community and technical colleges in the Twin Cities area which can be relied on to provide space for one to six classes, but other sites are always being developed to keep up with the continually increasing demand for classroom and office space. In FY 2005, those sites included the University of Minnesota's Continuing Education and Conference Center.

This project, which is a one-for-one replacement of space formerly existing on campus, will provide additional classrooms to address over-crowding during non-traditional days and hours, as well as to facilitate learning through instructional use of leading-edge technology. It will also provide additional office space on the university's St. Paul campus where faculty and advisors are most visible and accessible to students.

**Project Rationale**

- The reconstructed/remodeled building provides students with a highly visible and centrally located facility from which they can access "smart" classrooms as well as student support resources, in a space formerly unusable because it did not meet life safety occupancy requirements.

- The current upper levels of the building are unusable due to many life safety and structural deficiencies. The demolished upper two floors of the "power plant" will be replaced by two new floors of technology-enhanced classrooms, a large lecture hall, and support spaces.

- This building is the last piece of the old St. John's Hospital site yet to be remodeled, and will complete the core campus square. Site conversion has spanned five biennia. Design for this project has been funded through schematic design.

- The facility condition assessment for this building identifies an estimated $3.9 million deferred maintenance backlog by 2008. This yields a MnSCU building Facility Condition Index (FCI) of 1.21 versus the system average campus FCI of approximately 0.13.

- The building addition will include four new "right-sized" smart classrooms, one large smart lecture hall, and two seminar rooms as well as approximately 16 academic program work areas.

Faculty requests to teach in "smart" classrooms have increased over 300 percent since FY2005, particularly for courses in Business Management, Management Information Systems, and Computer Information Systems. Interest in "smart" classrooms has outpaced the university's ability to meet faculty demand since 2001. Instructors indicate:

- a growing need for technology that allows multi-media presentations in the classroom,
- a need to access and navigate Internet sites as part of classroom activity (many help manuals and even some textbooks are now only available on the Internet), and
- the ability to deliver newly redesigned curriculum content developed with an expectation of "smart classroom" technology.

"Smart" classrooms will contain technologies that both display and record multiple electronic information including video, audio, and data. This electronic capability will support a change in educational delivery including alternatives to audio-only learning formats and training on the same equipment in which local industry has heavily invested to improve productivity. The electronic capacity will also support an educational delivery change from close-ended to open-ended problems requiring more creativity and exploration from students. "Smart" labs will support students working in teams using computers and the resources of the Internet. Both wired and wireless connectivity will enable the widest variety of electronic devices needed to facilitate teaching and learning. All lighting will be computer controlled to accommodate the technology-enhanced and media-rich curriculum that faculty are creating and students are demanding.

Both phases of this project taken together address $3.9 million in deferred maintenance needs projected by 2008 in MnSCU facility renewal module. Assessment studies in 1998, 2001 and 2004 have continued to support the need for replacement of the upper level of the existing building as the most efficient facility management strategy. The campus' central energy plant, valued at over $4 million and located in the lower level of this building, will be protected by this project.

Predesign:
This project moved to schematic design prior to the predesign requirement.

Capacity of Current Utility Infrastructure:
The existing campus utility plant located on the ground floor of this building will easily serve this addition within existing capacity.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:

- Because the university currently pays $45,000 per year to minimally maintain this facility, replacement of existing, unusable space with new construction will add only $25,000 per year to operating costs, and another $18,000 with one-half additional maintenance full-time equivalent (FTE).
- Completion of this project will reduce the backlog by $3.9 million including deferred maintenance for building shell and interior furnishes, Life Safety and ADA code compliance, Heating, Ventilating, and Air Conditioning (HVAC), plumbing and energy efficient lighting.

Energy Efficiency/Sustainability:
Energy efficient terminal fans, motors and lighting will be installed that are compatible with the existing mechanical and electrical systems in order to comply with the B3 Guidelines (MN Statute 16B.325) developed by the state and the most current best practice for designing energy efficient systems for existing facilities. Finishes and materials will be selected with the following criteria: to provide durable and long lasting environments; to provide materials with high post-consumer recycled material content; and, to provide materials with low-VOC (volatile organic compound) content to maintain a healthy indoor environmental quality. Waste management and selective salvaging of quality materials and systems will be required during demolition and construction to minimize landfill impact and to encourage the wise use of natural resources.

Debt Service:
Metropolitan State can accommodate the debt load for this project. This project and other projects previously funded and requested is less than three percent of Metropolitan State's general operating revenues.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for the university:

- Compromise the quality of instruction for an underserved student population
- Further delay considerable asset preservation work that has direct impact on quality of instruction
- Impede implementation of retention programs for students such as Power of You and Bridge to Success

- The university will need to lease related lesser-quality facilities in other off-campus locations for operational and not access reasons.
- Require the university to construct a temporary roof on top of the undemolished ground floor of the power plant. This is an unnecessary expense that can be avoided by addressing this building need.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 28 | 0 | 0 | 0 | 28 |
| 3. Design Fees | 282 | 80 | 0 | 0 | 362 |
| 4. Project Management | 56 | 286 | 0 | 0 | 342 |
| 5. Construction Costs | 442 | 3,510 | 0 | 0 | 3,952 |
| 6. One Percent for Art | 0 | 32 | 0 | 0 | 32 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 603 | 0 | 0 | 603 |
| 9. Inflation | 0 | 469 | 0 | 0 | 469 |
| **TOTAL** | **808** | **4,980** | **0** | **0** | **5,788** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 780 | 4,980 | 0 | 0 | 5,760 |
| **State Funds Subtotal** | 780 | 4,980 | 0 | 0 | 5,760 |
| Agency Operating Budget Funds | 28 | 0 | 0 | 0 | 28 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **808** | **4,980** | **0** | **0** | **5,788** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 36 | 72 | 108 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 35 | 70 | 105 |
| Building Repair and Replacement Expenses | 0 | 35 | 70 | 105 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 106 | 212 | 318 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 106 | 212 | 318 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,337 | 67.0% |
| User Financing | 1643 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Alexandria Tech College - Law Enforcement Center Addition

**2008 STATE APPROPRIATION REQUEST:** $10,500,000

**AGENCY PROJECT PRIORITY:** 17 of 37

**PROJECT LOCATION:** Alexandria Technical College

**Project At A Glance**

- Complete design of Phase 1 of Law Enforcement Center that was partially funded in 2006
- Construct Phase 1 of New Law Enforcement Center and tactical space that has multiple program use for Diesel Mechanics, Marine and Small Engines, Truck Driving, Health and Fitness, Carpentry.
  - ⇒ Allied health service use such as ambulance, Emergency Medical Technicians (EMT), and fire departments
  - ⇒ Gymnasium remodeling into teaching lab
  - ⇒ Renewal of general classrooms
- Request of $4.2 million is anticipated in 2010 for renovation.

**Project Description**

Phase 1:

- 62,300 gross square feet (GSF) Law Enforcement Center addition for labs and faculty offices
- 8,500 GSF remodeling of the gymnasium into an industrial teaching lab
- Renewal of 11,300 GSF of general classrooms
- Academic programs impacted will be Law Enforcement, allied public safety fields, Diesel Mechanics, Marine and Small Engines, Health and Fitness, and Truck Driving.

Phase 2 (2010 funding): Remodeling of 8,400 GSF of existing library, relocate library and bookstore by renovating 10,000 GSF, and demolition of two temporary classroom buildings (7,000 GSF). The new construction will eliminate the repetitive flooding and will save operating dollars for repair, replacement of damaged equipment and supplies, and mold abatement. Funding for design and construction of Phase 2 will be requested in 2010.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:

*Increase access and opportunity* **-** Through extremely dedicated staff and students the Law Enforcement program has been highly successful. This expansion allows the program to grow and add training for new allied public safety entities at a single site. The Law Enforcement program is committed to diversity, currently accommodating 25 percent of Alexandria Technical College's (ATC) entire minority population.

*Expand high quality learning programs and services* - This project will support expansion to a national student recruitment pool for new students preparing to enter law enforcement and for existing officers needing continuing education. The project will provide realistic, state-of-the-art simulations to train officers how to survive in highly dangerous situations. It provides a high-tech infrastructure to support teaching methods for new equipment being used in the industry. As a result of the high quality of education and training the law enforcement students receive, the Alexandria Technical College (ATC) Law Enforcement program has had over 40 graduates elected sheriff in the state and over 100 graduates appointed chief of police in the state since its inception. This project will build on ATC's reputation of providing high quality instruction by creating an integrated state of the art facility.

*Strengthen Community Development and Economic Development* - In 2005 Alexandria provided 51 days of campus training for local sheriffs, jailers, police, Department of Natural Resources (DNR) officers, and federal Internal Revenue Services (IRS) agents. The college also provides self defense, judo instruction, and fingerprinting of small children to the general community in connection to its Safety Awareness program, with over 500 children served to date.

*Create an Integrated System* - ATC provides Law Enforcement Skills training for students from six MNSCU institutions and six private colleges, allowing optimal use of specialized facilities. The expansion will allow these cooperative agreements to remain in place and provide for new cooperative agreements particularly with federal law enforcement agencies. The Facility Condition Index (FCI) of the college will improve with this integrated use of the new building as well as the right-sizing of existing classrooms and shop

areas. This new building will diminish the current shop space shortage and optimize classroom usage by renewing existing Law Enforcement classrooms near the new building and repurposing former Law Enforcement areas for other shop/lab programs.

Alexandria Technical College Master Plan and Regional Collaborations:
Alexandria's master facilities plan was presented to the Board of Trustees in April 2002 and is being updated in 2007. The master plan update will include analysis of the courtyard infill in relation to the renovation of existing facilities. The master academic and master facilities plans envision Law Enforcement as a Center of Excellence; construction of a new Law Enforcement Center is the top priority in both plans.

Regional Collaborations:
ATC provides law enforcement skills training for students from colleges and universities that offer only the academic portion of the required Peace Officer Standards and Training (POST) Board Professional Peace Officer Education. This is a ten week comprehensive skills training course offered in the summer. Over the last ten years, ATC has trained 1,090 students, in groups which for the first five years averaged 85 students each session but has increased to an average 132 in the last five years. These students come from colleges and universities from across the state, as well as from one South Dakota technical college. Law enforcement training is also offered through collaborations with the Minnesota Chiefs' of Police Association, Minnesota Sheriffs' Association, Minnesota Department of Natural Resources, regional Chiefs' of Police Associations, and the Internal Revenue Service (IRS).

Enrollment and Space Utilization:

| FYE Enrollment | 2002 | 2004 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| ATC Overall | 2,131 | 2,153 | 2,071 | 2,075 | 2,100 |
| Law Enforcement | 450 | 450 | 450 | 450 | 450 |

Although interest continues to grow each year, enrollment in Law Enforcement is currently capped at 450 students. The enrollment breakdown for these 450 students is: 160 first-years – 140 second-years – 150 Skills.

- Following completion of the Phase 1 project enrollment in Law Enforcement is expected to grow from 160 to 186 admits per year.
- Law Enforcement graduate placement rate at ATC averages 89 percent.
- Approximately 20 percent of all new peace officers licensed by the Minnesota POST Board annually are ATC graduates.
- Over 90 percent of ATC graduates pass the POST Board licensing exam.
- Graduates are employed with the Minnesota State Patrol, county sheriffs departments and city police departments, mostly in Minnesota.

Space utilization of the ATC gymnasium, which is heavily used by Law Enforcement for athletic and tactical training, is 125 percent of the available hours. The college has continued to right-size its facilities by modifying general classrooms into science labs, shops, and technology spaces. As classrooms are repurposed, they are equipped and allocated for growing degree fields.

Alexandria Technical College's FCI index is 0.22. This project will reduce that number through the demolition of all the remaining temporary buildings on the main campus. It is anticipated that this action will reduce the deferred maintenance costs by approximately $208,000. This, along with the remodeling of the gym into a shop/lab, will reduce the College's heating and cooling costs. The remodeling of the library in Phase 2 will improve that wing of the college through removal of an attached temporary building. The addition of the courtyard infill in Phase 2 will eliminate the flooding that has contributed to a maintenance backlog in the 600 wing. Although the college's existing boiler system is reaching its life expectancy, ongoing negotiations with the adjacent incinerator plant to provide steam to the campus could relieve some of the demands on the boiler and extend its useful life.

**Project Rationale**

Law Enforcement is a highly successful program at ATC that is being taught by energetic instructors with law enforcement experience. Unfortunately, existing undersized and technologically inadequate spaces hinder the instructors' ability to adequately prepare future peace officers.

The college has never had facilities designed specifically for Law Enforcement, even though Law Enforcement is its largest degree program. Law Enforcement averages 296 degree-seeking students while Carpentry, the next-largest program has 108. Law Enforcement instruction requires adaptable space with large open areas, physical training areas, and

computer technology. As a leading provider of law enforcement training, ATC needs appropriate space and capacity to prepare students for the complexities of law enforcement careers of tomorrow.

Current program needs and facility problems to be addressed are:

- Temporary buildings: Not energy efficient; do not meet acceptable fire standards and are expensive to maintain. The goal of the college is to remove all temporary buildings on the main campus and significantly improve asset preservation.
- Outdoor Firing Range: Noise complaints from the college's residential neighbors limit usability; outdoor conditions limit classes to one semester per year. Indoor firearms and tactical training facilities will allow for a wide range of simulated weather and night time lighting conditions while eliminating noise issues and weather constraints.
- Officer Survival Training: It is of paramount importance for students to learn the areas of safety and protective cover available to them in a variety of dangerous situations, such as streets, alleys, residences, commercial buildings, and storage spaces. The new building will provide these specialty spaces for a wide variety of scenarios and simulations.

*Tactical component* – The project will construct a large flexible "tactical warehouse" space 180' long and 30' high, simulating an actual urban environment, with mock-up indoor street/neighborhood environment for officer training, multiple program use such as the Diesel Mechanics, Marine and Small Engines, Truck Driving, Health and Fitness, Carpentry, and Allied health service use such as ambulance, EMT, and fire departments.

*Physical Training and Firearms component* – The project will also construct a large physical training room for fitness, obstacle course, and use-of-force training with locker rooms and a weight room, and an indoor firing range. This replaces the existing gymnasium that is currently at 125 percent capacity. The current gym will become a shop for either Diesel Mechanics or Marine and Small Engines, both of which have waiting lists due to space limitations. The firing range will be capable of conducting night firing activities without regard for weather conditions or noise. The firing range will have a ventilation system that protects the users and the environment by moving air past the shooter to down-range, removing and capturing lead dust and other contaminants before exhausting air to the outside. Outside agencies will be provided access to the range for a user's fee.

Predesign was completed, approved by MnSCU, and forwarded to the Department of Administration in August 2005. Schematic design for Phase 1 began with funding from the 2006 bonding bill and will be completed in February 2007.

**Impact on Agency Operating Budgets (Facilities Notes)**

New facility will increase operating expenses $160,000 per year. ATC will see an additional cost of $76,000 annually for two additional maintenance FTE's. Tactical space will not be air conditioned nor heated above 55 degrees. Approximately $8,000 per year will be generated from user fees.

Capacity of Current Utility Infrastructure:
Heat, cooling, domestic water and sewer service have adequate capacity. An electrical upgrade was recently completed and is adequate. Data and voice infrastructure will be extended from the adjacent computer science building.

Energy Efficiency/Sustainability:
Energy-efficiency for the new facility will be 30 percent above code. The college is negotiating the purchase of energy from the Pope/Douglas County Incinerator Plant. The state's energy conservation goals and sustainable building guidelines will be met or exceeded.

Debt Service:
Alexandria Technical College has reviewed the debt and assures that the campus can pay the annual average cost of $300,000 for this proposed project. This amount is under MnSCU's three percent guideline.

**Previous Appropriations for this Project**
Laws 2006, chapter 258, section 3 appropriated $400,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- Less than 45 percent of applicants are accepted into ATC's Law Enforcement program due to space limitations. Law Enforcement enrollment is capped at 450 total and a waiting list exists. Due to the capacity cap, in 2006 163 new students out of 373 applicants were accepted and in 2005 175 out of 385 were accepted. If budget restrictions on state and municipal law enforcement departments ease, existing student graduation rates may not be adequate to support the increased demand for licensed peace officers.
- There is a need for expanded continuing education offerings for existing officers to receive training, in facilities that will be available year round, in areas served by this project – specifically the firing range, the physical training room, and the tactical building. This need would not be met.
- Overuse of the current gym presents safety issues.
- ATC has entered into agreements to train national law enforcement agencies such as the Federal Bureau of Investigation (FBI) and IRS. These agreements cannot continue without additional space and modern facilities.
- Without infill construction, drainage problems will continue to cause expensive and disruptive damage in the 600 wing.
- The undersized and inefficient library will continue to contribute to the college's high FCI number, and the safety hazard due to its restricted accessibility for firefighting equipment will be unresolved.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 50 | 0 | 0 | 0 | 50 |
| 3. Design Fees | 310 | 380 | 224 | 0 | 914 |
| 4. Project Management | 90 | 379 | 238 | 0 | 707 |
| 5. Construction Costs | 0 | 7,967 | 2,250 | 0 | 10,217 |
| 6. One Percent for Art | 0 | 70 | 18 | 0 | 88 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 715 | 559 | 0 | 1,274 |
| 9. Inflation | 0 | 989 | 911 | 0 | 1,900 |
| **TOTAL** | **450** | **10,500** | **4,200** | **0** | **15,150** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 400 | 10,500 | 4,200 | 0 | 15,100 |
| **State Funds Subtotal** | 400 | 10,500 | 4,200 | 0 | 15,100 |
| Agency Operating Budget Funds | 50 | 0 | 0 | 0 | 50 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **450** | **10,500** | **4,200** | **0** | **15,150** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 152 | 152 | 304 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 317 | 317 | 634 |
| Building Repair and Replacement Expenses | 0 | 80 | 80 | 160 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 549 | 549 | 1,098 |
| Revenue Offsets | 0 | <16> | <16> | <32> |
| **TOTAL** | 0 | 533 | 533 | 1,066 |
| Change in F.T.E. Personnel | 0.0 | 2.0 | 0.0 | 2.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 7,035 | 67.0% |
| User Financing | 3465 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $13,900,000

**AGENCY PROJECT PRIORITY:** 18 of 37

**PROJECT LOCATION:** Hennepin Technical College, Brooklyn Park

**Project At A Glance**

- Design and construct a 59,000 GSF regional law enforcement training facility
- Replace 51,000 GSF of current leased facilities
- Provide more space for enrollment

**Project Description**

Construct a 59,000 gross square feet (GSF) regional law enforcement training facility to replace leased facilities which currently house Metropolitan State University and Minneapolis Community and Technical College's (MCTC) law enforcement and criminal justice programs.

- Under Minneapolis CTC and Metropolitan State stewardship, the existing leased facility serves as a regional tactical skills training center for students attending law enforcement degree programs offered at all metro public postsecondary institutions. This project constructs replacement spaces with higher quality learning environments.
- This facility will serve Metropolitan State, Century CTC, Inver Hills CC, Normandale CC, Minneapolis CTC, North Hennepin CC, and Hennepin TC.
- The new center will benefit all metro area institutions with law enforcement and criminal justice programs (e.g. Metropolitan State, Century CTC, Inver Hills CC, Normandale CC, Minneapolis CTC, and North Hennepin CC), since all are currently served at the leased Minneapolis CTC facility.
- It will also facilitate a unique collaboration with Hennepin Technical College's fire and emergency management degree programs. This convergence of emergency response training with Law Enforcement programs is particularly important for improving coordination and response during local and national disasters.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Modernization of teaching lab spaces will better prepare MnSCU's law enforcement students to meet POST Board licensing requirements. MCTC's A.A. degree will mesh seamlessly with related upper division offerings by Metropolitan State. In addition, access to Hennepin TC's fire and EMS programs will be improved. The unique student demographics of Metropolitan State and MCTC offer a unique opportunity to provide educational opportunities for many historically underserved individuals.

Specifically, this project will support the education of a diverse workforce to fill the shortage of workers in various technical and professional law enforcement vocations with more ethnic minorities and person of color. For example, 30 percent of the current students in Law Enforcement programs are individuals of color.

The Power of You program supported by this project is specifically designed to help retain students who typically have difficulty staying enrolled and to eliminate real and perceived financial barriers to higher education that prevent many high school students, particularly students at risk, from considering post-secondary education.

*High-quality Learning Programs and Services* - This project will provide instructional space that reflects current workplace environments and matches current pedagogical methodology. Examples are:

Improvements in educational Law Enforcement and Criminal Justice program spaces will create a higher quality learning experience. This will certainly mean that to date, future law enforcement officers will be better trained to meet the challenges of urban policing and homeland security. To date, the program has been held in adapted leased facilities. Having facilities especially designed for the skills training will provide more realistic simulation of intense training experiences.

*State and Regional Economic Needs* - Completion of this project will support significant economic benefits for the state and surrounding region.

- This facility will train the Law Enforcement/Criminal Justice professionals who will serve tomorrow's needs – particularly in the growing 7 county metropolitan area by 2014.
- The Department of Labor and Industry projects a 25 percent increase in employment for police, sheriff and patrol officers by 2014.
- By 2014, the State projects a 14 percent increase in the need for first time supervisors/managers and protective service workers.
- The State projects market growth of over 15 percent growth in employment of Detectives and Criminal Investigators.
- The Department of Labor and Industry estimate that over 5,000 new positions in Law Enforcement and Criminal Justice will need to be filled in the 7 county metro area by 2014.

*Innovate to Meet Educational Needs Efficiently* - MCTC and Metropolitan State Law Enforcement programs have demonstrated the strength of innovation by creation of the joint training center, and planned future collaborations with other public safety agencies with significant training needs (e.g. Minneapolis/St. Paul Police, Department of Homeland Security, Bureau of Criminal Apprehension, etc.), to offer a wide range of educational services that would not be feasible individually.

Institution Master Plans and Regional Collaborations:
Metropolitan State's joint master facilities plan with Minneapolis CTC was presented to the Board of Trustees in October 2002, and this capital project providing a permanent home for law enforcement skills training is a fundamental component of both institutions' master academic and facilities plans. In addition, the location on Hennepin TC campus is supported by that college's master plans for development of the north campus at Brooklyn Park.

This project is in close alignment with the institution's master plan completed in 2002 and updated in 2004. This project satisfies top priorities of the master plan and provides for expanding programs; consolidating programs with diminishing enrollment; improving the instructional facilities for programs specifically geared to enhance the quality of the regions workforce; and reducing the asset preservation backlog.

Regional collaborations include:
- The co-location with Metropolitan State, which encourages seamless transitions for students with associate degrees to baccalaureate degree programs, and
- Collaboration with Metro-Alliance institutions in the development of baccalaureate degrees for registered nurses, specifically with Anoka-Ramsey Community College and North Hennepin Community College.

The long-standing skills training partnership among all metro higher education institutions with law enforcement degrees exhibit the spirit of collaboration. It has in the past, and will in the future, allow police tactical skills training on a metro-wide basis without completing separate permanent facilities. This project furthers the academic plan of seamless integration of student matriculation from member institutions' law enforcement degrees to Metropolitan State's advanced public safety degrees, and the business plan of realizing lease cost savings. The project is consistent with pre-service training location needs identified by the Department of Public Safety.

In addition, this project will effectively address objectives in the joint technology plan, which emphasizes the following strategies:
- Build a state-of-the-art technical infrastructure to implement technology-based instructional methodologies consistent with student, faculty, and industry expectations.
- Ensure students sufficient on-campus access to current technology.
- Ensure instructors optimum use of technology in instructional delivery, particularly in life-threatening situations, such as computer simulated "shoot—don't shoot" scenarios.
- Pursue emerging technologies to improve learning opportunities.

Enrollment and Space Utilization:
Enrollment at both institutions has increased since Fall 1998 and is expected to continue growing.

| FYE Enrollment | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| Minneapolis C&TC | 5,220 | 5,329 | 5,600 | 5,650 |
| Metropolitan State | 4,662 | 4,571 | 4,571 | 4,600 |

- Based on Hennepin Technical College, North Campus' space utilization records, a general shortage of classrooms exists on the North Campus.

- Based on Hennepin Technical College, North Campus' space utilization records, a general shortage of classrooms exists on the North Campus. For example, based on Fall 2006 data, the average classroom was used 94.2 percent of a 32 hour week instructional base. A 2004 Space Study confirmed over 100 percent usage of available classroom hours for Metropolitan State, Minneapolis CTC, and Hennepin TC at Brooklyn Park (north campus).

- Space utilization will be increased with the completion of this project because Metropolitan State, MCTC and HTC will have shared use of one facility rather than separate leased/owned facilities. This complementary demand for use will ensure classroom and lab usage day, night, and weekends.

Currently, law enforcement is a high demand program with capped enrollment. Credit hours in law enforcement and criminal justice have increased over 25 percent since 2000. Only space sufficient to meet current needs is leased. The new facility would enable cohort size to be expanded, increasing the number of students who have access to tactical and skills training in the growing metro region, and allowing cross-training with other first responders (fire and EMT).

**Project Rationale**

Several long-term goals and objectives will be achieved with the project.

- This project provides a 59,000 GSF new state-owned facility (to replace 51,000 GSF of existing leased facilities) including: adjacent exterior training simulation court (an exterior "street" where simulations of traffic stops/arrests can be conducted, evaluated and improved, or other public safety emergencies can be simulated), specialized, state-of-the-art laboratory and high technology training and simulation classrooms for law enforcement tactical skills, firing range, and classrooms, faculty and staff work areas, and student support areas.

- Currently, both institutions utilize costly lease space. Metropolitan State University leases approximately 16,000 GSF of space at 1450 Energy Park Drive in St. Paul which it uses exclusively for classroom instruction. Minneapolis CTC leases 25,000 GSF at 1380 Energy Lane in St. Paul, and rents time at an existing firing range (approximately 10,000 GSF). In spite of the addition of some new firing ranges in the metro area, experience proves that it is increasingly difficult to find firing range time slots due to increased pressure for use by other law enforcement agencies given the growing demand for in-service firearms training.

- The combined on-going lease costs totals over $900,000 per year, including hourly rentals at private firing ranges. A state-owned facility would be a more cost effective, long-term approach.

- MnSCU institutions educate 92 percent of all law enforcement officers statewide. The 7-county metropolitan region educates 40 percent of all law enforcement students passing the POST exam. Yet, unlike most other academic and professional programs, law enforcement has had to offer adapted programs in office buildings to provide specialized training scenarios. As a result, this important program has operated for 30 years without a professional-quality specially-designed facility to train future police officers in use of force.

- The construction of a permanent law enforcement tactical skills training facility will significantly improve law enforcement program quality while eliminating leasing costs, including the firing range. The new construction will support the ever-changing and challenging needs of municipal and county law enforcement, as well as state criminal justice agencies.

Predesign:
Predesign was completed in December 2005 by BTR Architects.

Capacity of Current Utility Infrastructure:
Hennepin Technical College received HEAPR funding in 2006 for heating plant replacement. As a result, the college's energy/utility plant has adequate capacity to serve this new facility. Connections to Hennepin TC's utility plant are included in cost estimates for this project.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Current combined on-going lease costs for both institutions total over $900,000 per year. Operating costs for the new building will be $295,000 annually plus $72,000 for an additional 2 maintenance FTE for a total yearly cost of $367,000. This yields annual savings of $530,000.

Energy Efficiency/Sustainability:
Energy efficient terminal fans, motors and lighting will be installed that are compatible with the existing mechanical and electrical systems in order to comply with the B3 Guidelines (MN Statute 16B.325) developed by the State of Minnesota and the most current best practice for designing energy efficient systems for existing facilities. Finishes and materials will be selected with the following criteria: to provide durable and long lasting environments; to provide materials with high post-consumer recycled material content; and to provide materials with low-VOC content to maintain a healthy indoor environmental quality. Waste management and selective salvaging of quality materials and systems will be required during demolition and construction to minimize landfill impact and to encourage the wise use of natural resources.

Debt Service:
Metropolitan State can accommodate the debt load for this project. This project and other projects previously funded and requested is less than three percent of Metropolitan State's general operating revenues.

**Previous Appropriations for this Project**

None

**Other Considerations**

Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for Metropolitan State, MCTC and Hennepin TC:

- Continue the shortage of related laboratory and training spaces that use leading technology as places to teach skill requirements
- Annual lease costs will continue and will increase
- Become increasingly difficult to locate and to schedule firearms training locations
- Compromise the quality of instruction for an underserved student population (approximately 30 percent of students are students of color)
- Impede the university's efforts to facilitate Law Enforcement program co-location with Minneapolis Community and Technical College
- Restrict laddering opportunities for associate degree and certificate recipients
- Limit Metropolitan State and MCTC's efforts to control operating costs by continuing payment of expenses "off campus" lease spaces.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 54 | 0 | 0 | 0 | 54 |
| 3. Design Fees | 546 | 250 | 0 | 0 | 796 |
| 4. Project Management | 104 | 463 | 0 | 0 | 567 |
| 5. Construction Costs | 0 | 10,551 | 0 | 0 | 10,551 |
| 6. One Percent for Art | 0 | 87 | 0 | 0 | 87 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 1,240 | 0 | 0 | 1,240 |
| 9. Inflation | 0 | 1,309 | 0 | 0 | 1,309 |
| **TOTAL** | **704** | **13,900** | **0** | **0** | **14,604** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 350 | 13,900 | 0 | 0 | 14,250 |
| **State Funds Subtotal** | 350 | 13,900 | 0 | 0 | 14,250 |
| Agency Operating Budget Funds | 354 | 0 | 0 | 0 | 354 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **704** | **13,900** | **0** | **0** | **14,604** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 144 | 144 | 288 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 590 | 590 | 1,180 |
| Building Repair and Replacement Expenses | 0 | 117 | 117 | 234 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 851 | 851 | 1,702 |
| Revenue Offsets | 0 | <1,600> | <1,600> | <3,200> |
| **TOTAL** | 0 | -749 | -749 | -1,498 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 9,313 | 67.0% |
| User Financing | 4587 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mesabi Range Comm & Tech College - Shop Space Addition & Renovation

**2008 STATE APPROPRIATION REQUEST:** $5,000,000

**AGENCY PROJECT PRIORITY:** 19 of 37

**PROJECT LOCATION:** Mesabi Range Comm & Tech College, Eveleth campus

**Project At A Glance**

- Project schematic design was funded in 2006.
- Construction and finishing of 15,500 gross square feet (GSF) of shop space.
- Renovation for Americans with Disabilities Act (ADA) compliant restrooms.
- Project will eliminate $1.183 million in deferred maintenance backlog.

**Project Description**

Construct, furnish and equip shop space to move the Carpentry and Industrial Mechanical Technology (IMT) programs back to campus from off-campus leased space. Renovate 115 square feet for new ADA compliant restrooms and in conjunction with the Higher Education Asset Preservation and Replacement (HEAPR) request replace heating, ventilation, and air conditioning (HVAC) and electrical systems in the 27,615 square feet of current space. This will include substantial air quality improvements, heating and cooling improvements in current labs, classrooms and office space.

Mesabi Range – Eveleth currently has a Facilities Condition Index (FCI) of 0.20 which is well above the overall Minnesota State Colleges and Universities average of 0.13. This is based on the $3.679 backlog and on a current replacement value (CRV) of $18.459 million. This project, along with the proposed 2008 HEAPR request, would remove $1.183 million of deferred maintenance which equates to removing 31 percent of the colleges backlog. This would decrease the colleges FCI from 0.20 to 0.14 which is a dramatic improvement.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:

*Increase Access and Opportunity* – The 134 students attending the first and second year Carpentry and Industrial Mechanical Technology programs will be able to access library services, career counseling, financial aid and other necessary student services if relocated at the home campus. Currently, first and second year Carpentry programs are located in rented space five miles from the Eveleth home campus. Additionally, Industrial Mechanical Technology first and second year programs are located in rented space eight miles from the home campus. This separation does not offer students access to participate in college student life and programming, to communicate electronically with other students or instructors, or to efficiently receive appropriate and adequate tutoring and disability support services. A 2005 Office of Civil Rights Review also identified a noncompliance on the Eveleth Campus for restroom facilities. This project will enable the construction of a male and female ADA compliant restroom.

*High-quality Learning Programs and Services* – Computer labs, computer classes, internet services, interactive technology and technical services are not easily accessible to students and instructors at the off-campus locations. The limited number of computers available to the students in these programs is an ongoing hardship and detriment to their learning process, particularly as they learn to order materials in their respective trades (lumber, windows and other building materials and machine parts from on-line catalogues). Go into any lumberyard, hardware store or machine parts store and ask a question, and then see how quickly that person reaches for a computer. Technical programs are synonymous with computer technology, simulation, online, and a multitude of software programs.

Technical programs benefit when expensive equipment can be shared. For example, the IMT program has a section on welding. The Eveleth campus has a welding program. Currently, the IMT students cannot be brought on to the Eveleth campus due to distance and time constraints, so the college is forced to duplicate very expensive equipment. Also, the current physical configuration does not allow the college to expand its programming capacity, which will ultimately put the college at risk to effectively meet the needs of a burgeoning regional economy. The new space will tie-in directly to the existing programs on the campus, yet is designed for the future.

*State and Regional Economic Needs* – The Custom Training division of Mesabi Range College continues to grow, particularly in the areas of mining and manufacturing. Having the carpentry and IMT programs back on campus and working more closely with complementary programs offers a comprehensive and seamless model of service to area learners and customers. Through a multitude of partnerships and via its mission, Mesabi Range is an integral part of community development and economic vitality.

*Innovate to Meet Educational Needs Efficiently* – Technical college graduates are expected to go to work in their field upon graduation. If the "school to work" model is going to function effectively, the student must be fully trained for seamless transfer to the workplace. The focus of this project is to align Mesabi Range's program offerings with industry technology and its learning technology infrastructure with that of the MnSCU system.

Institution Master Plans and Regional Collaborations:
Mesabi Range's master facilities plan was approved in May of 2003 and this project aligns to that plan.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **FYE** | 1,244 | 1,069 | 1,102 | 1,113 |

Enrollment surged in FY2002 through 2004 because of the closing of two taconite plants on the Iron Range. The mining industry is now on an upswing and the former employees that were trained are now working. Enrollment is more in line with historical ranges. However, the mining industry is predicting a 70 percent retirement rate of current employees in the next five to seven years. Programs at the Eveleth Campus lead the region in providing education and training for the mining industry. With the consolidation of programs to one campus, the college can more efficiently meet industry needs. Both the IMT and Carpentry programs are at full enrollment.

**Project Rationale**

This addition will resolve a shop space shortage that has forced Mesabi Range to lease 25,000 square feet of space at an annual cost of $4.45 per square foot. In addition, annual utilities and maintenance costs average $3.30 per square foot

Predesign:
Predesign was approved August 2005 and forwarded to Department of Administration. Work on schematic design began with 2006 funding.

Capacity of Current Utility Infrastructure:
Existing municipal water service, sewer services and boilers are adequate with HEAPR project.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
By remodeling and building the addition, the college's operating budget will actually decrease. The building operation per square foot expense for the currently rented space is $1.70 per square foot, as compared to $1.42 for the on-campus costs. The cost to provide maintenance services to the leased space runs $1.60 per square foot as compared to on-campus maintenance costs of $1.49 per square foot. The savings would equate to $0.39 per square foot.

This project would allow efficient use of staff and equipment. Moving the two programs back to the campus would allow the technical programs to share equipment for loading and unloading of program required supplies and share the use of hands-on demonstration equipment and other technologies. This would reduce additional costs that are now necessary since the leased spaces cannot conveniently share the equipment currently on hand at the campus.

Energy Efficiency/Sustainability:
Upgrading the HVAC and electrical systems in the current building will improve energy efficiency. Currently there are a number of means for heating and cooling the building. Electrical panels are old and need to be correctly sized to current capacities. These upgrades will improve heating, ventilation, and power needs of the campus as well as conserve energy dollars.

Debt Service:
The college is paying out approximately $150,000 in lease and building operation expenses for the spaces it leases for its IMT and Carpentry programs. The college's share of the debt service will be covered by savings caused by being able to eliminate these expenses when the two programs are brought back to the campus.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $300,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- The college will be forced to continue to lease space at additional cost to the college.
- There is a possibility of loss of food service at the Eveleth campus due to lack of sales since the largest programs are housed off-campus.
- The ability to fully meet the needs of area industries with the new Industrial Technology program will be limited, especially with students and custom training clients having to travel back and forth between facilities.
- Bringing the two programs back to campus would increase space utilization for the classrooms on the Eveleth Campus and would allow for better tutoring, financial aid, counseling, advising and other services to the students currently housed off campus.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 18 | 0 | 0 | 0 | 18 |
| 3. Design Fees | 319 | 74 | 0 | 0 | 393 |
| 4. Project Management | 167 | 246 | 0 | 0 | 413 |
| 5. Construction Costs | 14 | 3,746 | 0 | 0 | 3,760 |
| 6. One Percent for Art | 0 | 30 | 0 | 0 | 30 |
| 7. Relocation Expenses | 0 | 75 | 0 | 0 | 75 |
| 8. Occupancy | 0 | 385 | 0 | 0 | 385 |
| 9. Inflation | 0 | 444 | 0 | 0 | 444 |
| **TOTAL** | **518** | **5,000** | **0** | **0** | **5,518** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 300 | 5,000 | 0 | 0 | 5,300 |
| **State Funds Subtotal** | 300 | 5,000 | 0 | 0 | 5,300 |
| Agency Operating Budget Funds | 218 | 0 | 0 | 0 | 218 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **518** | **5,000** | **0** | **0** | **5,518** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 55 | 55 | 55 | 165 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | <114> | <114> | <114> | <342> |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | -59 | -59 | -59 | -177 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | -59 | -59 | -59 | -177 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 3,350 | 67.0% |
| User Financing | 1650 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Winona State Univ - Memorial Hall Addition and Renovation

**2008 STATE APPROPRIATION REQUEST:** $8,400,000

**AGENCY PROJECT PRIORITY:** 20 of 37

**PROJECT LOCATION:** Winona State University, Winona

**Project At A Glance**

- Project schematic design funded in 2006
- Construction of 78,000 GSF expansion
- Backfill renovation of 4,860 gross square feet (GSF)
- Project will eliminate $400,000 in deferred maintenance backlog
- Project is leveraging $10 million in donor and student supported revenue bonds.

**Project Description**

Construct, furnish and equip an expansion of Memorial Hall to house the Winona State University (WSU) Integrated Wellness Complex. The expansion will wrap around the south and west faces of the existing building. Memorial Hall is a large academic and athletic complex of approximately 142,000 GSF, constructed in 1953 and doubled in size in 1972. Project includes design for the "backfill" renovation vacated Gildemeister Hall.

Major elements of the project include:

- The WSU Integrated Wellness Complex will be one of the first of its kind in the nation to truly integrate the six dimensions of wellness (Intellectual, Social, Emotional, Physical, Occupational, and Spiritual); not only programmatic but operationally.
- This complex will seamlessly integrate academic departments (Health, Exercise and Rehabilitative Science and Physical Education and Recreation) with student life and development departments (fitness, recreation/intramurals, health, health education, and counseling) and athletics.
- Components of the Integrated Wellness Complex include a 200 meter indoor fitness track, cardiovascular fitness and strength training facilities, gymnasiums, aerobics classrooms, the health services clinic, the counseling center; a health education and resource center; experiential learning labs; and classrooms, faculty and administrative offices.

This project lowers the WSU tunnel backlog and renewal Facility Condition Index (FCI) by $400,000 which equates to a reduction of 0.27 to 0.19.

The state of Minnesota is asked to fund only one-half of the overall project cost. The remainder of this project will be financed from private gifts (about 15 percent) and student-supported revenue fund bonds (about 35 percent).

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Considerable research in the student affairs profession supports that healthy students facilitates learning, promotes academic achievement and improves retention. Staff and faculty in the Integrated Wellness Complex will partner to provide intervention strategies designed to help hi-risk, and/or underrepresented/underserved students succeed. A number of health issues have great potential to impede academic progress such as alcohol and other drug use/abuse, difficulty coping with stress, relationships, transitions and loneliness, untreated mood, sleep and eating disorders, and violent behavior.

*High-quality Learning Programs and Services* – All departments occupying this complex have grown considerably in the past five years.

- Health, Exercise and Rehabilitative Science (HERS) and Physical Education and Recreation (PER) have grown from 421 declared majors to 542 in five years.
- Counseling staff have increased from 3.5 to five full-time staff.
- Health services have added a health education/promotion component with a wellness resource room fully staffed by students primarily majoring in Health Education, Nursing, and Exercise Science.

Increased space for these areas translates to improved and expanded services that further WSU's emerging 'Learning in the 21st Century (L21) concept for a holistic, engaged student-centered campus.

*State and Regional Economic Needs* – A unique partnership of private giving, revenue bonding and state capitol support further emphasizes WSU's focus on collaboration. In addition, this complex will be a partnership with MSC-Southeast Technical College – their students use the fitness facility and health services, plus their massage students will provide massage therapy in this complex as part of their academic experiential learning component (this is just one example, WSU will continue to explore collaborative programs/activities and joint use with MSC-STC).

*Innovate to Meet Educational Needs Efficiently* – This complex will be the cornerstone of a truly innovative model of integrating academics (theoretical, class based learning) with 'learning labs' provided by student life and development (PER and ES). Majors gain experiential learning through work with intramurals and fitness. Health Education, Nursing, Psychology, Social Work, and Counseling majors gain experiential learning through work with health and counseling services.

Educational needs will be met efficiently and effectively through the collaboration of direct services and programs, curricular infusion, community service learning and research studies. These areas will work together in an intentional and coordinated manner to develop a system and process for identifying student learning outcomes to be assessed through the maintenance of an electronic 'Student Learning Passport'.

Institution Master Plans and Regional Collaborations:
Winona's Master Facilities Plan was presented to the Board of Trustees in February 2005. This project proposes an exciting and unique partnership of public, private and WSU efforts to realize the expansion of Memorial Hall to house the WSU Integrated Wellness Complex. Expansion of Memorial Hall is a key component of the short-range plan set forth in WSU's 2005 master plan and supports the goal of integrating wellness into the University community by providing for health care, counseling, pharmaceutical services, and physical fitness opportunities for the student population.

The Integrated Wellness Complex is an outstanding example of WSU's 'Learning for the 21st Century' philosophy and will assist WSU in meeting their L21 goals noted below:

- Provide high-quality undergraduate and graduate programs that respond to economic, environmental and social challenges, and that serve as a durable foundation for the acquisition of the knowledge, skills, habits and capabilities of a well-educated person.
- Create a learning environment that promotes active learning, interdisciplinary collaboration, and new ways to work together within the university community, service region, and the world.
- Provide opportunities and experiences that instill global competencies and learning opportunities that will make a difference in improving the world.
- Develop the infrastructure that supports a culture of change and innovation and that demonstrates new ways of working together to provide an environment that supports and sustains scholarly excellence and outstanding student experiences.

Enrollment and Space Utilization:
Winona's enrollment has grown 18 percent since 1998 despite capped enrollment for many degree programs.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 7,682 | 7,690 | 7,800 | 7,800 |

Departments and programs included in this project had the following space deficits identified in WSU's 2005 Master Plan:

| College/School/Major Unit | 2008 Target Year Deficit |
|---|---|
| College of Education | (30%) |
| College of Nursing and Health Sciences | (25%) |
| Student Health Care and Counseling | (38%) |
| Physical Education and Recreation | (29%) |

Over the last five years the departments and programs included in this project have grown considerably:

- Declared majors in HERS and PER have grown 28 percent,
- Counseling staff FTE have increased 17.5 percent, and
- Health services has added a new health education/promotion component.

**Project Rationale**

WSU's Integrated Wellness Complex is a multi-disciplinary system that will sustain and enhance academic excellence; foster an effective, holistic learning environment; and demonstrate a supportive, inclusive community.

- The WSU Integrated Wellness Complex will be one of the first of its kind in the nation to truly integrate the six dimensions of wellness (Intellectual, Social, Emotional, Physical, Occupational, and Spiritual); not only programmatic but operationally. This complex will seamlessly integrate academic departments (Health, Exercise and Rehabilitative Science and Physical Education and Recreation) with student life and development departments (fitness, recreation/intramurals, health, health education, and counseling) and athletics.
- This innovative model demonstrates WSU's commitment to collaboration and providing a holistic learning environment that supports the notion learning occurs in and out of the classroom setting. This partnering will synergistically optimize the university's resources through shared and multi-purpose spaces, programs and activities. In addition, this complex will enhance students, faculty and staff working together to reach out to the community and be engaged in community programs and activities.
- This project proposes a unique partnership of private giving, revenue bonding and state general obligation bonding support. The state of Minnesota will only be asked to fund about one-half of the overall project cost. Private gifts and student-supported revenue fund bonds will finance the remaining costs. This private-public collaboration will add a major asset to WSU and the Winona community, at a relatively small cost to the state.
- The new addition will relocate the Counseling Center from Gildemeister Hall, Health Services from temporary space in Wabasha Hall, faculty offices from Memorial Hall, aerobics classroom space from Memorial Hall, and the cardiovascular and strength and fitness centers from temporary locations in Wabasha Hall. In all of these cases, the vacated spaces are needed to fulfill pressing academic needs.
- This innovative project allows WSU to provide for badly needed academic space, both in the new addition and in the backfill of vacated space. At the same time it fulfills major goals of the "Learning in the 21st Century" concept for a student-centered campus by bringing together, in one center, educational facilities, well-being facilities such as Counseling and Health Services, and wellness and fitness facilities which serve education, recreation and athletics.

Predesign:
The predesign was completed, approved by MnSCU, and forwarded to the Department of Administration in March 2005.

Approximately one-half of the design funding was appropriated by the legislature in 2006. The remaining design funding has been financed by student-supported revenue fund bonds. Contract documents will be ready so the project can go to bid funding is provided.

Capacity of Current Utility Infrastructure:
Winona's central utility plant was upgraded and new boilers and chillers installed in conjunction with construction of the new library a decade ago. The existing electrical infrastructure is adequate for the academic addition to Memorial Hall. Winona received $4.2 million in Higher Education Asset Preservation and Rehabilitation (HEAPR) appropriations in 2004 and 2006 to replace the ventilation in Memorial Hall. Upgrade of the steam and chilled water distribution loop serving Memorial Hall will be required and funded through this project.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The following annual building operations expenses will be incurred: $150,000 for compensation (3.0 FTE for maintenance personnel), $80,000 for building operation expenses, and $200,000 for the one percent renewal account.

Energy Efficiency/Sustainability:
The design will incorporate sustainable design approaches as outlined in the Minnesota Sustainable Building Guidelines. Specific targeted strategies include:

- reducing energy use to 30 percent below a comparable "code" facility
- reduction of building heat island effect
- building water use efficiency
- use of low-emitting materials
- incorporation of daylighting strategies
- utilizing locally sourced and recycled content materials
- waste minimization and recycling

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $400,000 for design of this project.

**Other Considerations**

Consequences of Delayed Funding:

- WSU's goal of truly integrating student wellness facilities will not be realized. This will have a direct negative impact on the quality of student life at WSU and ultimately affect student recruitment and retention.
- Student wellness facilities will continue to be located in ill-suited spaces in Wabasha Hall and Gildemeister Hall.
- The opportunity to leverage $10 million in private gifts and student-supported revenue fund bonds for support of this project will be severely jeopardized or lost completely.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 39 | 0 | 0 | 0 | 39 |
| 3. Design Fees | 735 | 275 | 0 | 0 | 1,010 |
| 4. Project Management | 0 | 538 | 0 | 0 | 538 |
| 5. Construction Costs | 0 | 15,069 | 0 | 0 | 15,069 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 551 | 0 | 0 | 551 |
| 9. Inflation | 0 | 1,967 | 0 | 0 | 1,967 |
| **TOTAL** | **774** | **18,500** | **0** | **0** | **19,274** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 400 | 8,400 | 0 | 0 | 8,800 |
| MNSCU Revenue Bond | 0 | 0 | 0 | 0 | 0 |
| **State Funds Subtotal** | 400 | 8,400 | 0 | 0 | 8,800 |
| Agency Operating Budget Funds | 39 | 0 | 0 | 0 | 39 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 3,000 | 0 | 0 | 3,000 |
| Other | 335 | 7,100 | 0 | 0 | 7,435 |
| **TOTAL** | **774** | **18,500** | **0** | **0** | **19,274** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 150 | 150 | 150 | 450 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 80 | 80 | 80 | 240 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 230 | 230 | 230 | 690 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 230 | 230 | 230 | 690 |
| Change in F.T.E. Personnel | 3.0 | 3.0 | 3.0 | 9.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,400 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn State Comm & Tech College, Moorhead - Trades Addition & LRC Design

**2008 STATE APPROPRIATION REQUEST:** $2,800,000

**AGENCY PROJECT PRIORITY:** 21 of 37

**PROJECT LOCATION:** Mn State Comm & Tech College, Moorhead

**Project At A Glance**

- Design and construction of 5,200 GSF Mechanical Construction Trades lab addition
- Design for 26,000 GSF classroom/library addition
- Demolition of building to allow for better placement of classroom/ library addition
- This project, along with a $5.2 million anticipated request in 2010 for renovation, will eliminate of $2.5 million in deferred maintenance backlog

**Project Description**

Design and construct a Mechanical Construction Trades addition in support of the Associate in Arts (AA) degree and Science and Technology programs. Design for a 2010 request of a three story Classroom/Library addition. (Project construction in 2010 will include demolition of a sheet metal building that is inaccessible and not code compliant.) This project will include construction of:

- 12 classrooms critically needed to be used by all programs on campus as well as in support of the new Nanoscience Technology program. These classrooms are critical due to the explosive growth in the campus. FYE went up over 35 percent from fall 2003 to fall 2006. Headcount is more dramatic with 2,402 students in fall 2006 compared to 1,676 in fall 2003.
- Adequate sized 7,000 square foot centrally located library facility that will become the educational hub of campus. The new library will provide a critical educational component for Associate of Arts programs. Library will serve the expanding science and technical programs by allowing for increased services as well as providing space for additional educational resources. The library will include computer resource spaces, quiet study areas, group study rooms, and larger service areas. The facility is sized to fit the present student population. This library / classroom addition will be the central learning point of campus providing resources for all of the library needs of the AA and Technical students.
- Shared mechanical construction trades lab, to be shared by the carpentry, construction management and refrigeration programs. Campus had previously constructed adequate mechanical systems to effectively and efficiently serve this infill addition. The space will include an internal mock building structure to serve the lab project needs of each of all the construction related programs in one space and is adjacent to the other Trades programs laboratories.
- Renovation of four classrooms that will be utilized by 200 students enrolled in the seven construction and service trades related programs.
- Demolition of the Air Conditioning and Refrigeration (ACR) building, a 1971 sheet metal building with 6,000 gross square feet. The building has an FCI of .60 and the location will allow for a better placement of the classroom and library as noted above.
- Elimination of $2.5 million in deferred maintenance, reducing the current campus Facilities Condition Index (FCI) by one half (from .16 to .08).

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - The current library facility size of only 3,372 sq ft extremely limits the ability to serve the current and growing campus population. The new library facility will support the AA program faculty and students by providing spaces for study, computer training, quiet study areas, and service areas.

The 12 new classrooms will be a variety of sizes consisting of 12 seat seminar space, 18, 24, 32, 40 and 48 seat classrooms. The campus presently reports 100 percent space utilization with only a 65 percent available seat usage due to not having the proper mix of classroom sizes. This project will correct that situation and increase the seat usage. The improved space utilization through the right-sizing of available classrooms will continue the campus use at 100 percent of the classrooms utilized with improved more efficient seat available usage.

The new trade's lab facilities will provide safe, appropriately sized and equipped spaces for faculty and students. The clustering effect of this program will enhance collaboration and connectivity between the trades. The new lab spaces will allow additional students to experience lab projects that are appropriate for the industry training needs. The facilities will provide appropriate accommodations for handicapped students.

Current classroom and lab shortages are limiting current course offerings as well as hampering a professional teaching and learning environment. For example, over 40 general education classes (as part of the recently implemented AA degree) had to be offered off campus in the former Edison Elementary School due to a shortage of available space on the Moorhead campus. Further, the teaching and learning environment in the off-campus space was hindered by the size of the rooms and the limited technology interface. With the general purpose classrooms on campus basically at capacity, there is little opportunity to add new courses or additional sections to accommodate increased growth. The dilemma is that the campus does have the opportunity for, and does expect, considerable growth to occur in general education courses and the Associate in Arts degree during the next five to seven years. An additional pressing need is science classrooms and labs. With the expectation that the college will expand its course offerings in the Science, Technology, Engineering and Math areas, additional classroom and lab space is a high priority.

*High-quality Learning Programs and Services:* This project will provide increased library spaces, classrooms, and laboratories and will provide an environment that expands student opportunities. Greater technology will be available by utilizing the library and Internet resources. General Lab facilities will increase student learning by providing additional space for projects such as the new Nanoscience Technology program. The facility will also enhance expanded lab experiences. Faculty and students will experience improved teaching and learning environments. The project will provide facilities that expand program offerings, curriculum and services to students and the region.

*State and Regional Economic Needs* – The AA program options available on the campus will provide increased educational opportunities to the citizens of the region. The educational opportunities provided by this project will improve the education and skills of the local and regional workforce. The AA degree has been offered on the Moorhead campus for only two years and currently has a headcount enrollment of over 900 students (691 FTE). Continued growth in the AA degree is estimated to double within the next five to 10 years. One of the key factors in the current and anticipated growth is the commitment to offering the degree program in the late afternoon, evening and other non-traditional times. The current facilities are inadequate to accommodate this growth.

The refrigeration program addition will enable valuable clustering and expansion of with other existing construction trades programs. This program is supported by the Home Builders Association of Fargo Moorhead as well as other regional mechanical trade contractors and materials suppliers. The programs will be supported by these partners with training equipment, materials, internship and co-op opportunities. Based on conversations with local HVAC contractors, the MSCTC-Moorhead campus has established a realistic goal of receiving equipment donations for the HVAC and RAC programs with a value of at least $100,000.

The Refrigeration and Air Conditioning (RAC) program typically enrolls 25-35 students per year and has had a total related employment rate of 100 percent during the past two years, with local starting salaries between $25,000 – 32,000 per year. It is anticipated that the new facility would allow the addition of a Heating, Ventilation and Air Conditioning (HVAC) program. While the RAC program primarily serves the commercial industry, the HVAC program would provide services to the residential market. The MSCTC-Moorhead Refrigeration and Air Conditioning program advisory committee, the group of approximately 15 business and industry representatives from the Moorhead-Fargo region voiced a strong need for a residential HVAC program. Such a program would likely enroll about 20 new students per year with local wages being between $23,000 - $30,000 upon completion. It is expected to have 100 percent placement based on other construction trades programs on the campus. U.S. Department of Labor statistics for the year 2004 (the latest statistics available) indicated that job prospects for HVAC and RAC technicians are excellent and due to anticipated retirements in the workforce, the need for skilled workers in these areas will increase faster than average through the year 2014. Locally, this need has been voiced strongly by the Home Builders Association of Fargo-Moorhead and numerous HVAC contractors and suppliers.

Consequently, the college administration has been collaborating with the leaders of the refrigeration, plumbing, and heating industries along with the Home Builders Association of Fargo Moorhead to create new programs as well as expand existing programs. The facility needs necessary to expand the current refrigeration program are included within this project. Due to the high regional demand in the construction and facility service industries, additional programming in the Heating, Ventilation and Air Conditioning industry are planned to support the growing regional demand for a highly trained labor force.

Increased educational opportunities provided by this project will improve the education and skills of the local and regional workforce. The following construction trades corporate partnerships will be in place at the time this request is considered:

- A metro-wide collaboration of plumbing contractors which currently supports the campus Plumbing program
- A metro-wide collaboration of HVAC contractors who are keenly interested in new programming to prepare HVAC technicians

Additionally, the new Nanoscience Technology program is a partnership between Minnesota State Community and Technical College and the North Dakota State College of Science. With a strong foundation of science and mathematics courses in the first year of the curriculum, this program will require access to classrooms with high quality instructional technology as well as well-equipped science labs.

*Innovate to Meet Educational Needs Efficiently* – The Mechanical Construction Trades lab will provide the RAC program significant opportunities for learning enhancements. The program is developing much closer relationships with business and industry, which in turn is leading to more equipment donations. The current facility does not allow for adequate use of these donations. Consequently, the new lab would allow the college to accept more donations, as well as better utilize them. More importantly, a new lab would provide an opportunity to build HVAC options within the existing program without other major expenditures. The campus does have experience in shared lab facilities – its Construction Electricity and Plumbing programs currently are co-located in a newly constructed Trades lab and this provides a good template for future construction trades programming. The proposed Mechanical Construction Trades lab would be constructed next to the new Construction Electricity and Plumbing lab so that the programs could share resources.

The campus is taking a leading role in the Moorhead-Fargo community in evening programming. The Associate in Arts degree is designed for late afternoon and evening delivery. Current facility constraints in room availability are a problem these additional classrooms will solve.

Moorhead-Fargo metropolitan area has a significant population that cannot access general education courses during the day due to such issues as work schedules, child care, etc. Consequently, MSCTC is committed to finding creative ways to provide courses and programs in non-traditional times. The campus has had great success in developing its AA degree in an alternative time format with its existing facilities, but the lack of general education classrooms is a major barrier to current and future growth. AA degree courses supported by this facility expansion and renovation will transfer to Minnesota State University Moorhead and other higher education partners. Custom Training Services, Moorhead Community Ed and local union educational partners will utilize the library, classroom and lab facilities.

Institution Master Plans and Regional Collaborations:

Minnesota State Community and Technical College represents a regional collaboration of the MSCTC campuses in Detroit Lakes, Moorhead, Wadena and Fergus Falls, along with the Gateway program. The Gateway program is a partnership with Minnesota State University Moorhead to provide those learners who do not meet the university's academic admission requirements with the skills necessary so that they might eventually be able to enroll in University level programs. The primary strategic goal for these collaborations is to train a skilled workforce for the regional area. The Moorhead Master Plan created in 2000 has been updated to recognize these collaborations. This project is the direct result of that collaboration, the academic strategic plan and the 2004 Master Facilities Plan / Predesign as updated.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 1,467 | 1,902 | 2,000 | 2,100 |

The campus currently schedules classes from 7 AM to 10 PM, five days a week with some Saturday classes. Scheduled classes starting with the 7 AM time slot thru the 8 PM time slot utilize 85 percent of the available campus classrooms.

**Project Rationale**

MSCTC - Moorhead's AA degree offers an option to students in the area that wasn't previously available until two years ago. Classes are scheduled on weekday afternoons, evenings and some weekends, so that students can create a flexible class schedule that fits lifestyle and work schedules. MSCTC-Moorhead, working with Minnesota State University Moorhead (MSUM) developed a list of courses to meet the needs of those students considering a major field of study in business, criminal justice, education and human services. These are some of the most popular majors at MSUM.

The AA degree was first offered Fall Semester 2004. There are currently 942 students declaring the AA degree as their program major. MSCTC-Moorhead is becoming “the community and technical college” of the Fargo-Moorhead metropolitan area. However, as the community continues to grow, other two-year colleges (particularly from North Dakota) are anxious to develop a presence in the metro area. Should MSCTC-Moorhead not be able to accommodate increased student enrollment, it is quite likely that these other colleges would use this situation as a rationale for bringing courses and programs to the community. And if other two-year colleges do bring courses and program to the metro area, the results will likely be a reduction in enrollment potential for MSCTC-Moorhead. Therefore, adequate facilities are essential if MSCTC-Moorhead is to be able to continue on its path to serve increased numbers of students and to continue to be “the community and technical college” of Moorhead-Fargo.

Predesign:
The predesign update has been completed and delivered to the Office of the Chancellor.

Capacity of Current Utility Infrastructure**:**
All the infrastructure upgrades necessary to support this expansion were included as part of the 2005 funded construction project which will be completed by December 2006.

This foresight in planning means that the dollars per square foot are less due to previously installed electrical distribution center, new mechanical room, new hot water boilers, new central chiller that were all sized to allow this future expansion. Fire sprinkler protection for the entire contiguous building was provided as well as an upgraded addressable fire alarm and notification system throughout the campus.

Use of this current infrastructure will allow for an aggressive schedule to have the project competed by fall of 2010.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses (heating, cooling, electrical, refuse, one percent renewal account, etc): It is anticipated that the new construction space will add about $100,000 to the operating budget of this campus.

Energy Efficiency/Sustainability:
The proposed buildings additions will be designed in accordance with state and local codes, including the Minnesota Energy Code, and exceed the Minnesota Energy Code as required by MnSCU standards. Building systems (structural, mechanical, electrical) will be designed with maximum flexibility in mind to facilitate future remodeling and reconfiguration of spaces. Existing exterior walls enclosed by the new additions will benefit from higher energy efficiency of walls, roofs, and openings. Natural daylight will be utilized to supplement artificial lighting where available. Exterior glazing will be located with consideration of sun orientation, and appropriate sun control measures taken to avoid unwanted heat gain. All new lighting will be energy efficient. Occupancy sensors will be provided to activate lighting and ventilation in spaces as appropriate. Recycled content or renewable products will be favored in material selection. Low VOC finishes will be specified to minimize off-gassings, both immediate and long-term.

Debt Service:
The proposed facility project will provide improvements to major areas of the campus that will allow for enrollment growth. The campus Associate in Arts degree has had an enrollment growth of approximately six percent this year. The college anticipates that these programs will continue to grow their enrollment on the Moorhead campus by approximately five to 10 percent annually. The construction of a modern library will enhance the draw for the AA program.

The other major portion of the project is to de-construct metal buildings that house the air conditioning/refrigeration programs and replace them with more modern facilities, efficient buildings that will replace the metal structures. Additional classrooms and science laboratories will support the new Nanoscience Technology program and other new programs which will provide for enrollment growth.

The debt service on this specific project will be approximately 0.40 percent of college operating budget. With the existing debt service on previous projects, it will not be over 1.3 percent of the operating budget – which is well under the suggested guideline of three percent from the Department of Finance.

**Other Considerations**

Asset Preservation, Life Safety and Code Compliance – There is about $141,000 of deferred maintenance backlog for the metal Air Conditioning and Refrigeration (ACR) building with another $195,000 projected in 2008. This project will eliminate these costs. The FCI of the ACR building will be reduced from .60 to 0.

The current ACR building is in code violation, does not have direct access from the main building and contains no accessible toilet facilities. The proposed project would move the program to a permanent accessible space. When all of the infrastructure upgrades are included in the next Facilities Renewal Reinvestment Model update the FCI will be greatly improved. Over $2.5 million of the 2005 project was for campus wide infrastructure, fire and life safety upgrades in anticipation of this project; many in anticipation of this proposed addition. MSCTC-Moorhead currently has an FCI of 0.16. Adding in the additional area of new construction and the reduction of deferred maintenance indicated on the FRRM report will lower the FCI to 0.08.

Consequences of Delayed Funding:

- MSCTC-Moorhead will not be in a position to serve the students of the region in a manner directed by the goals of the MNSCU Board of Trustees, Chancellors goals and MSCTC goals.
- MSCTC-Moorhead will lose students to other colleges due to inability to get required courses at the needed times to due lack of classrooms and labs.
- New programs and courses delivered in Moorhead-Fargo metro will be done by North Dakota colleges if MSCTC-Moorhead is not able to add new classroom space, library and trades areas to respond to community needs.
- The college will be unable to grow the Associate in Arts degree, which has been the proven catalyst of the recent student growth at MSCTC-Moorhead.
- There will be concerns over safety of existing 1971 tin structure and major delay in developing the HVAC program on the Moorhead campus
- Clustering program development in the entire construction trades area, which benefits overall workforce and economy in the region, will be lost.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 635 | 175 | 0 | 810 |
| 4. Project Management | 0 | 122 | 142 | 0 | 264 |
| 5. Construction Costs | 0 | 1,580 | 3,540 | 0 | 5,120 |
| 6. One Percent for Art | 0 | 12 | 33 | 0 | 45 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 199 | 355 | 0 | 554 |
| 9. Inflation | 0 | 252 | 955 | 0 | 1,207 |
| **TOTAL** | **0** | **2,800** | **5,200** | **0** | **8,000** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,800 | 5,200 | 0 | 8,000 |
| **State Funds Subtotal** | 0 | 2,800 | 5,200 | 0 | 8,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,800** | **5,200** | **0** | **8,000** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,876 | 67.0% |
| User Financing | 924 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Anoka Ramsey Comm College - Classroom Building Addition Design & Construction

**2008 STATE APPROPRIATION REQUEST:** $3,800,000

**AGENCY PROJECT PRIORITY:** 22 of 37

**PROJECT LOCATION:** Anoka Ramsey Comm College, Coon Rapids campus

**Project At A Glance**

- Phase 1: Design and construction of an 14,000 GSF academic addition for classrooms and offices and 2,500 GSF for advancement offices.
- Phase 2: Design for a renovation of a 16,400 GSF industrial arts and music facility (related to request in 2010).
- Academic impact of both phases: additional needed classrooms, offices, improved floor plan for the delivery and expansion of AFA-Art, AFA-Music, isolates industrial arts programming safeguarding hazardous waste and improving indoor air quality.
- Phase 2: Renovation request of $5.0 million is anticipated in 2010. This Phase will renovate remaining portions of 1969 building to bring lighting, accessibility, air quality, technology, and academic spaces into compliance with 21st century pedagogical, spatial, and use standards.
- This project, along with the 2010 request, will reduce the building's FCI from 0.29 to 0.03.

## Project Description

This project is in two phases. Phase 1 constructs a modest addition in 2008 for needed classrooms and offices. Phase 2, planned for construction in 2010, renovates the original 1969 outdated and code deficient Fine Arts Classroom Building.

## Relationship to Strategic Plan

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Modernization and expansion of the Fine Arts/Music Building will provide greater access for the growing number of liberal arts and PSEO students interested in music and/or art as an area of study. As the result of significant growth in program enrollments, only 20 percent of Coon Rapids students are able to participate in art and music courses. Anoka Ramsey Community College (ARCC) has over 200 declared majors for its Associate of Fine Arts in Music (AFA-Music) and the Associate of Fine Arts in Art (AFA-Art) degree programs. The growth in these programs requires that degree courses are offered in a timely fashion to allow majors to meet program requirements. This in turn reduces space availability for course offerings directed toward liberal arts students interested in music and/or art as a transfer course option. These courses are also not available to the over 550 PSEO students on campus.

In 2006 over 1,400 students participated in the 52 music and arts course offerings. This project will dramatically increase access and opportunity for the remaining 5,700 students on campus. There is also an increased interest in music and arts courses by community members in pursuit of lifelong learning.

Glass Blowing, as the only program of its kind in MnSCU, has had to cap the number of students allowed to participate due to the limitations of the current Music and Fine Arts facility. The existing sections of Glass Blowing fill within 48 hours of posting. With adequate space, additional sections could be added. Photography II also fills within 48 hours of posting, so with sufficient space additional sections could be offered.

*Unique High-quality Learning Programs and Services* - ARCC's AFA in Music degree is one of two programs offered in the Metro Alliance. ARCC and Normandale Community College are the only Metro Alliance colleges to offer both an AFA in Music and an AFA in Art. Normandale Community College and Inver Hills Community College both received funding to update their aging Fine Arts facilities in past bonding cycles.

Glass Blowing:
Anoka-Ramsey is one of two community colleges in the country hosting a glassblowing studio. ARCC's glassblowing program is one of the oldest in the country, earning it a national reputation. While glassblowing is a popular class among traditional undergraduate populations, the college's studio and instruction have attracted guest artists from across the world to study at ARCC.

Bronze Casting/Pottery Firing/Raku:
In addition to the glass blowing furnaces, other activities supported by the building include Bronze casting, Pottery Firing, Raku creation and use of an industrial tool shop – saws, compressors, drills and other power equipment. These activities create noise, vibration, fumes, smoke, airborne particulates and heat. Additionally these activities can become a hazard to those not familiar with their use. This project seeks to properly group, isolate and/or separate more traditional areas such as classrooms, offices and common areas from the sounds and air quality hazards generated from music and industrial arts activities. Additionally, band and choir education and practice areas have unique requirements for sound isolation and attenuation that will be addressed by this project.

Visual Arts:
The renovated facility will support a computer lab that provides students with access to essential software, including Adobe Photoshop, Adobe Illustrator, and additional graphic design programs. The lab will also be available to the Music Department to provide students access to teaching and composing software, as well as piano keyboarding software.

All instructional areas will be supported by smart classroom technology.

*State and Regional Economic Needs* – This project strengthens ARCC's contribution to the cultural health and economy of the community. A U.S. Labor Department report (SCANS) cites the arts as a factor in achievement of core competencies for gainful employment, i.e., foundational skills such as creativity, problem-solving, and individual responsibility. The project also addresses related program needs outlined by the Metropolitan Council of Arts for the northern metro area. The AFA in Music supports the goal of the MnSCU system to strengthen community development and expand economic vitality. Data compiled by Bruce Sternagel, including projected openings and wages for music occupations, suggest that a need for additional fine arts teachers exists in the next six years. The National Center for Education Statistics (2000) also reports a shortage in prepared music teachers in the Midwest including Minnesota.

The AFA in Art also supports the goal of the MnSCU system to strengthen community development and expand economic vitality. The arts improve quality of life for individuals and communities. Various studies confirm the role of the arts in contributing to individual enjoyment and healthy communities. Two studies by the Performing Arts Research Coalition (PARC) surveyed residents of greater metropolitan areas including Minneapolis/St. Paul. Over 80 percent of respondents strongly agreed or agreed that the performing arts improve the quality of life in their community, helping to attract workforce talent and new businesses. Minneapolis-St. Paul is identified as a premier center for the arts. (Markusen, Schrock, and Cameron, 2004). Considering all of the available evidence, the training of art and music majors is important.

*Innovate to Meet Educational Needs Efficiently* **-** ARCC has a healthy reputation for serving as a good steward of its capital assets. The renovation and expansion of the existing facility is fiscally responsible because it minimizes added overhead, dramatically reduces the deferred maintenance backlog and mitigates several health/safety concerns, while not requiring tuition increases above typical inflation adjustments. Flexibility in scheduling combined with more classroom and lab space will reduce the average cost per student.

More importantly, the project provides for an improved learning environment and maximizes shared spaces. The project creates appropriate adjacencies and separations for similar and dissimilar environments respectively. The planning maximizes the view of the Mississippi River allowing for a modest amount of future growth on the riverside.

Institution Master Plans and Regional Collaborations:
The renovation and expansion project is the result of continued planning through ARCC's Academic Master Plan, Strategic Plan, *Designs for Distinction*, and the Facilities Master Plan (approved in September 2004). This project is the top priority identified for the college in the Facilities Master Plan and it is pertinent to the Academic Master Plan's goal for "10 new and/or enhanced academic programs."

After completing an AFA in Music, students may transfer to four-year programs and complete their Bachelor of Art in Music, Bachelor of Science in Music Education, or Bachelor of Science in Music Industry. ARCC currently has articulation agreements with the University of Minnesota, Minnesota State University, Mankato and Augsburg College. ARCC is currently in the

process of completing articulation agreements with Bemidji State and the University of Wisconsin, River Falls.

The Associates in Fine Arts in Art was added fall 2005. The AFA in Art currently collaborates with Winona State University, Minnesota State University - Moorhead, the University of Minnesota Duluth, Concordia University and McNally-Smith. Both programs have furthered relationships with Anoka-Hennepin, ISD #11. Program faculty are reaching out to the Fred Moore Middle School, a magnet school for the arts. ARCC faculty offer grades 6-8 opportunities to learn about careers in music and art.

Other community collaborations include Anoka Children's Theatre, Anoka County Arts Alliance; Anoka County Retired Senor Volunteer Program, Minneapolis Children's Theatre, Minnesota Historical Society, Lake Wobegon Brass Band and Kid U. These groups utilize the Fine Arts Building for classes, rehearsals, exhibits, and ensembles.

Through pointed donations for the arts, the Anoka-Ramsey Community College Foundation has pledged $120,000 toward equipment for this project.

Enrollment and Space Utilization:

Campus FYE

| FY2000 | FY2004 | FY2006 | FY2008 (est.) |
|---|---|---|---|
| 2,837.2 | 3,533.5 | 3,589.0 | 3,888.0 |

Art and Music FYE

| FY2000 | FY2004 | FY2006 | FY2008 (est.) |
|---|---|---|---|
| 125.3 | 195.9 | 193.9 | * |

*Current facility is at capacity.

Program space in Fine Arts and Music is insufficient. MnSCU space utilization reports do not reflect the actual use of spaces in the Fine Arts Building. The spaces double in function, including all art classrooms doubling as studios and lab space, plus all music classrooms doubling for practice and lesson space. Glassblowing and Bronze casting currently share the same program space. On days when bronze is cast, the glassblowing lab is shut down. All glassblowing students are required to forfeit lab time on those days. This adds to an already deficient amount of student lab time. Additionally, there is essentially no space for students to store their instruments or art supplies. Extra instruments are stored in the hallway of the Fine Arts building, causing congestion and safety concerns. All Art and Music students are required to access the facility on weekends to complete lab and practice requirements. There are currently no general classrooms in the Fine Arts Building. The addition of even a few flexible, shared classrooms helps alleviate competition for classroom space across the campus. Additionally, a new floor plan provides the flexibility to schedule classes on Saturdays. Currently, Saturdays are reserved for student access to open labs.

Another concern regarding the existing Fine Arts Building is inadequate space for materials, supplies and machinery. Enrollment in art courses average over 95 percent capacity for the past two years. Maximum enrollment numbers in art courses are set at a fiscally responsible level (30:1) and would be increased if space allowed. However, when courses are at or near maximum available seating, the space in the classrooms/studios becomes very crowded, resulting in a challenging environment in which to teach and learn. Overcrowding has produced significant social distancing problems, including standing room only during lectures, and group work being held in the hallway.

**Project Rationale**

Phase I of the project will accommodate academic growth resulting from a new Associate in Fine Arts Degree(s) and overall college enrollments and reduce the multi-year waiting lists for certain studio arts classes. The second phase of the project will create an improved floor plan isolating music from industrial arts programs and correct multiple deferred maintenance, accessibility and health/safety issues. The project separates the sound and vibration sensitive Music Arts from the often loud, smoky and smelly Industrial Arts. This project will also provide:

- opportunities to realign and grow programs in support of strategic and academic master planning goals
- a reduction in the current building FCI of .29 to .03

- for the correction of multiple deficiencies including safety and ventilation concerns in the existing Fine Arts Building
- improved function and efficiency of existing spaces in the Fine Arts Building
- improved service and loading access to and within the Fine Arts Building
- the ability to centralize other industrial art programs to the Fine Arts Building
- technology enhancements
- multipurpose space in support of the college's academic mission
- improved learning environment for students pursuing an AA or AFA degree
- the physical isolation of the glassblowing lab to allow for 24/7 access
- more flexibility in scheduling
- right-sizing and balancing program space, allowing for future growth

Building Concerns:
The ARCC Fine Arts Building continues to use its original infrastructure supporting a 16,400 SF area. Construction of the building began in 1969 with an occupancy date of 1971. This facility serves primarily as an industrial arts building and suffers from health and safety concerns related to antiquated building systems. A deficient floor plan contributes to safety concerns and does not support current academic programming needs. The art program necessitates use of toxic chemicals, potentially dangerous machinery, and excessive exposure to particles of clay and glaze dust. The ventilation system in the building is outdated, resulting in poor indoor air quality throughout the building. The heating/cooling systems are also antiquated and do not safely control the excessive heat generated by the kilns and furnaces.

Planning for the Fine Arts renovation provides ARCC the ability to align renewal efforts with deferred maintenance priorities. Project also completes current key elements of the college's Facilities Master Plan.

Program Functional Concerns:
In line with its core values, ARCC supports several industrial and fine arts programs including glassblowing, ceramics, pottery, drawing, painting, photography, and vocal and instrumental music. The combination of these programs and their physical proximities to one another requires the college to constantly monitor potential safety issues, thus incurring higher operating costs. The acoustic proximity of these classrooms to one another is not resolved by merely renovating Fine Arts. An expansion and relocation will allow for modernized infrastructure that addresses the needs specific to Arts and Music programs and courses. Fine Arts infrastructure must accommodate the storage of heavy supplies and deal with particles of clay and glaze dust, vapor and chemicals. Additionally, correcting the HVAC systems and realigning program space will correct concerns associated with the use of hazardous materials and machinery. Even with improvements to the current system, vapors generated by the creation of studio arts is not compatible with the type of air movement important for musicians whose most important instrument is their own breath.

From an instructional standpoint, the current floor plan leads to frustration on the part of faculty, students and administrators. The glass blowing room is only adequate for hands-on instruction, forcing the instructor and students into the hallway for lecture. Ongoing, often costly, accommodations are made in support of classroom activities. Current deficiencies of the building can be found in every existing discipline.

The first step in correcting the physical and academic deficiencies of the Fine Arts Building is to expand the facility to allow more industrial uses to be combined and segregated from other traditional uses. This corrective step will keep much of Music where it is now and will move most of the noxious arts activities into a new area to better align like programs functionally, provide correct classroom and rehearsal space, and to provide necessary academic support space. Correcting the Fine Arts Building concerns through this renewal, renovation and expansion project will provide room for safer storage areas for raw materials; and it will isolate dust particles, handle fumes from the kilns, and adjust the functional floor plan to centralize industrial arts-type programs such as ceramics, glassblowing, painting and photography. Music education will be separated from these activities to reduce the negative impact that the current proximity creates.

Predesign:
Predesign was completed December 2004 and updated December 2006. The project cost and scope have not increased over inflation from the 2004 submittal. The overall project scope in 2008 has been reduced by $3,700,000 from the original 2004 submittal.

Capacity of Current Utility Infrastructure:
Heating: The three dual fuel (gas/oil) boiler/burner units are in good working order and have sufficient capacity to heat the new building areas.
Cooling: The two water-cooled centrifugal chillers installed in 1997 have sufficient capacity to cool the new building areas.
Electrical: The existing 15 KV loop system, which distributes power throughout the campus with 15 KV loop switches located within each of the buildings, is in good order and of sufficient capacity to expand the system.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

- The project will have a $51,000 annual impact on the operating budget.
- The 14,650 SF addition will not require additional staff.

Energy Efficiency/Sustainability:
The new construction and renovations will emphasize energy efficiency and minimize operational costs. Sustainability design strategies are proposed for the project. They relate to energy usage, interior environmental quality and material selections as follows:

- Expanding and renovating the existing facility will retain embodied energy, reuse existing space and allow for possible excess heat capture and reuse.
- The project will allow for better exterior storm water management and possible introduction of rainwater gardens.
- Renovation will allow the Fine Arts Building to be updated for HVAC and electrical codes including energy efficient green design requirements.
- All the single pane glass in the building will be replaced with energy efficient glass.
- The outdated, inefficient AHU's (Air Handling Units) will be replaced with new, energy efficient AHU's.

Debt Service:
Projected debt service between 2010 and 2013 will be less than one percent of campus annual operating expenses.

**Other Considerations**

Consequences of Delayed Funding:
*Increased health and safety concerns*: Until the project is completed the college and its students, faculty and staff may be at risk with the potential for excessive exposure to air pollutants from dust particles and chemicals including Volatile Organic Compounds (VOCs). This project addresses concerns regarding compliance with OSHA Standards 1910.19, Special Provisions for Air Contaminants, 1910.94, Occupational Health and Environmental, (Ventilation) and applicable portions of the USEPA requirements under the 1990 Clean Air Act. Lastly, the gas kilns and elevator are not compliant with today's safety standards.

*Inability to provide excellent pedagogy*: The Music Department program space has been outdated and inadequate since the late 1990s when it was deleted from a previous capital request. Teaching and learning will continue to be hindered, especially by unacceptable technology-enhanced space. Current alignment impacts student learning in Music and Art courses alike. Lastly, lack of appropriate program space limits Music and Art course scheduling options for students completing their AA or Minnesota Transfer Curriculum, which is ARCC's largest program.

*Potential loss of students seeking music major*: ARCC cannot remain competitive for music students given the current program space, configuration, and equipment, plus the program's negative proximity to industrial arts functions of fine arts described herein. AFA-Arts cannot be fully developed until the learning environment is improved.

*Potential loss of other students*: ARCC routinely must turn away students seeking education and training in glass blowing and photography due to lack of sufficient space. Access to labs severely impacts the number of students that are able to participate in music and art education at ARCC.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 39 | 0 | 0 | 0 | 39 |
| 3. Design Fees | 250 | 170 | 134 | 0 | 554 |
| 4. Project Management | 80 | 161 | 395 | 0 | 636 |
| 5. Construction Costs | 550 | 2,899 | 2,973 | 0 | 6,422 |
| 6. One Percent for Art | 0 | 26 | 23 | 0 | 49 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 50 | 202 | 469 | 0 | 721 |
| 9. Inflation | 0 | 342 | 1,126 | 0 | 1,468 |
| **TOTAL** | **969** | **3,800** | **5,120** | **0** | **9,889** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,800 | 5,000 | 0 | 8,800 |
| **State Funds Subtotal** | 0 | 3,800 | 5,000 | 0 | 8,800 |
| Agency Operating Budget Funds | 969 | 0 | 0 | 0 | 969 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 120 | 0 | 120 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **969** | **3,800** | **5,120** | **0** | **9,889** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 25 | 100 | 125 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 25 | 100 | 125 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 25 | 100 | 125 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,546 | 67.0% |
| User Financing | 1254 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Hennepin Tech College - Design & Renovate Science Addition; Design for LRC/SSC

**2008 STATE APPROPRIATION REQUEST:** $2,400,000

**AGENCY PROJECT PRIORITY:** 23 of 37

**PROJECT LOCATION:** Hennepin Tech. - Eden Prairie & Brooklyn Park

**Project At A Glance**

- Design and construct science labs at Eden Prairie and design library and student services at both campuses in 2008.
- Construction of the library and student services at both campuses in 2010.
- Project will eliminate $800,000 in deferred maintenance backlog in 2008.
- Request for $10.6 million is anticipated in 2010 for renovation.

**Project Description**

Design and renovate underutilized space at Eden Prairie campus to create suite of science labs and shared classrooms. The project will also design for renovation of existing space at both campuses to relocate and enclose the library and related instructional support services. The project also includes the design for renovation of existing space at both campuses to consolidate services to students in one central location and support the integrated model of service delivery. This will also create a small 2000 sq ft addition to create a new entry for students.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - In 2006, 40 percent of students taking Nursing courses at the Eden Prairie campus and 24 percent of students in the college's manufacturing programs were students of color. This is higher than the overall college diversity of students. For many, health programs are the means, and choice, for them to be gainfully employed. Hennepin Technical College (HTC) draws students primarily from a six-county area including the counties of Hennepin, Anoka, Carver, Scott, Sherburne, and Wright. The state demographer's office is projecting continued growth in population for this area and is projecting significant growth in non-white populations. The addition of science, especially biology, chemistry and physics, to the HTC curriculum will provide students with more options for career choices, transfer success, and further education after graduation. New program options currently under consideration that need a science component include expansion of health sciences, engineering technology, environmental science, alternative energy, and biotechnology and biomedical technician.

HTC's hands-on training appeals to the diverse, and often marginalized, populations and is attractive and relevant for the incumbent workforce. Underserved populations often need multiple support services to promote their retention and successful completion. Both the library and instructional services and the integrated student services components of this project will help to better meet those needs through easier access to services such as assessment, make-up testing, and tutoring. Students will also benefit from the creation of reading and writing centers, increased availability to technology resources and the creation of quiet spaces for individual or group study.

*High-quality Learning Programs and Services* - HTC currently has no science labs. The addition of science will

- Increase enrollment in the science, technology, engineering and mathematics fields (STEM)
- Increase student opportunities to continue their education at another two or four-year institution
- Increase the courses that are part of the Mn Transfer Curriculum
- Expand the possibilities for new programs and partnerships with business and other education institutions
- Enhance the Center of Engineering and Manufacturing Excellence with Minnesota State University Mankato

The library spaces at both campuses have not changed since 1972. This renovation will create spaces that promote effective learning and enhance instructional support.

*State and Regional Economic Needs* - The Department of Employment and Economic Development reports that 62 percent of all jobs in Minnesota are in

manufacturing, healthcare/ social assistance, and retail trade. The manufacturing sector accounts for 13.4 percent of all jobs and 16.2 percent of payroll wages. Healthcare and social assistance account for 12.5 percent of jobs and 10.6 percent of all payroll. Minnesota's healthcare industry is projected to have an increase in retirees, fewer workers, and a growing demand for health care services. The Health Resources and Services Administration is projecting that vacancy levels in nursing in Minnesota will be over 4,400 by 2010 and 9,200 by 2015. Similar forecasts are anticipated in almost all healthcare programs. Three of the eight occupational fields projected to have acute shortages of workers in the Twin Cities region are health related: nursing, psychiatric and home health aides; occupational and physical therapy assistants and aides; and health technologists and technicians. With the addition of science curriculum, HTC can expand its programming and provide a trained workforce, both new and incumbent workers, with a set of solid foundational skills and advanced STEM skills.

HTC is a partner in the Minnesota Center for Engineering and Manufacturing Excellence (MnCEME) which is led by Minnesota State University-Mankato. The goal of MNCEME is to be the nationally renowned model for stimulating economic growth and development through industry/education alliances. The focus is to prepare engineering and engineering technology students and manufacturing technicians to support economic development for Minnesota companies through applied research and collaboration with industry. To realize these goals, HTC needs to serve as a strategic metropolitan access point to four-year programs in engineering, engineering technology, and healthcare. To make this access viable, HTC needs to reshape its curriculum to include a science core of biology, chemistry and physics, and a strong foundation of mathematics.

*Innovate to Meet Educational Needs Efficiently* **-** HTC currently has sixty-five articulation agreements with six other higher-education institutions. Also, there are 225 secondary articulation agreements with 34 high schools, 3 intermediate districts, 2 educational cooperatives, and 1 early college program. This is an effective and efficient approach for students to realize their educational goals in less time and for less money. It is also an effective tool to pique and expand the interest of high school students in high-growth, high-wage occupations. The science suite will be designed to maximize the flexibility of the labs and classrooms to meet the academic demands. The concept includes shared use of classroom space by multiple science disciplines with adaptable labs.

Institution Master Plans and Regional Collaborations:
HTC updated its Master Academic Plan in 2005. The six goal areas resulting from this planning are:

- Commit to continuous quality improvement of academic and student programs.
- Develop an action plan to attract and retain a diverse student population and faculty.
- Promote academic/technical programs and make changes in response to stakeholder needs and opportunities.
- Promote entrepreneurial opportunities and partnerships to ensure high quality teaching and learning.
- Develop a process to support and enhance development and delivery of new programs.
- Enhance teaching and learning through the use of technology.

This project will help move HTC forward to achieving all six of these goals. The science labs will enable the college to expand offerings not only in general education but also to improve and develop new options for existing programs - particularly in Allied Health and Manufacturing and Engineering Technology - and develop new programs to support the workforce needs of the region. New program considerations include science technician, biotechnology, engineering technology, medical assistant, and other health careers. The labs will enable the college to fulfill the potential of the MnCEME partnership and expand opportunities for students who want to continue their education at a four-year institution. The labs will increase options for students to complete their general education requirements within the Mn Transfer Curriculum. The library and student services renovations will create an environment that is more welcoming for all students and will promote retention through increased access to instructional support services. The study spaces, small group spaces, and increased technology will aid in the success of students' learning.

This project will also align with the goals of the Master Facility Plan in which a capacity for science was the highest priority need. Another key objective of the Master Facility Plan is to maximize the flexibility and utilization of HTC's physical assets and the potential for shared use. The science and library

components of this project will include the use of vacant and underutilized spaces that resulted from a right-sizing of academic programs and some consolidation of programs to one campus. Another key objective is to create a more pleasant and serviceable environment for students and employees. This will be accomplished by the emphasis on more use of natural light, more flexible, comfortable spaces for individual and group study, and the enclosure of the library.

The Technology Plan goals will be addressed through the infrastructure design to enable more integration of technology in the learning and service environments. The creation of a space for easy access to e-services and e-learning will promote effective and efficient services through the application of technology.

HTC is part of the Metro Alliance and has been engaged in discussions with sister institutions about this project, the addition of science to their curriculum, and new program options. There was consideration given to using labs in neighboring institutions. The demand for science, though, at those institutions is high and this wasn't a viable option. HTC is open to sharing their labs with Normandale and North Hennepin to ease their space demands if schedules permit.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 3,631 | 3,649 | 3,633 | 3,636 |

Space Utilization

| | Brooklyn Park | Eden Prairie |
|---|---|---|
| Seat Usage | 50% | 32% |
| Hours Usage | 77% | 76% |

There is more vacant and underutilized space at the Eden Prairie campus primarily due to three factors. First, HTC has consolidated four programs that were offered at both campuses to only being offered at Brooklyn Park. This was done to increase efficiency and vitality of programs. The second factor was a decision last spring to discontinue the on-campus preschool lab experience for the Child Development program. This was due to decreased registrations of children for the preschool and the increased availability of off-site externship options for students in the program. The third factor was a decrease in the number of programs offered through Intermediate District 287 that were housed at the campus through a Joint Powers Agreement.

**Project Rationale**

HTC currently has no science labs. This is an impediment to increasing student skills in the STEM fields. It also impedes graduates who want to continue their education at another two or four-year institution. New program development is a critical strategy for HTC to remain vital and a significant contributor to the regional and state economy through the development of a trained, highly-skilled workforce. Without a capacity for science, the options are limited.

The current library space is basically as originally designed in 1972. At that time, there were several material resource centers located throughout the building to support specific programs and the library functioned differently. Those resource centers are gone and the expectations for library resources have changed dramatically with the addition of AAS and AS degrees, general education courses, and the advanced curriculum in the technical programs. The physical space and learning environment of the library needs to better accommodate the needs of today.

HTC serves a growing population of diverse students. The populations of the six counties from where most students are drawn are projected to grow significantly in non-white population groups. Businesses' dependence on the underrepresented populations for workers will dramatically increase over the next decade. The hallmark of hands-on, technical training is attractive to these populations. Their future needs to be expanded with an enhanced skill set. There needs to be a myriad of services to support their academic success. All of this will be better facilitated through this project.

Predesign:
The predesign for this project was completed in November. Components of this project, library and student services, were submitted for capital funding in 2004 and 2006, and predesigns were also done then.

Capacity of Current Utility Infrastructure:
This project is almost exclusively renovation and renewal and current utilities will adequately accommodate needs. The most significant infrastructure changes will be needed in the new science suite. New plumbing and ventilation systems will be needed for this area to service the new labs and toilet renovations. The largest impact would be from the fume hood exhaust which will require additional localized HVAC capacity. The library relocation will involve moderate renovation of the existing mechanical and electrical systems and will likely require modifications to the existing distributions systems. Existing air handlers and electric supply systems will accommodate the work proposed in this area. The student services portion will be the least invasive area and existing infrastructure will be reworked in place to accommodate the renovation.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Energy increase from fume hoods and added exhaust is estimated at $40-$60,000 annually if use is maximized. Cost of increased electrical use should be offset by more energy efficient equipment. While the new square footage is minimal, the addition of science labs is expected to increase need for custodial staff by 0.50 FTE.

The current FCI for Brooklyn Park and Eden Prairie are 0.03 and 0.04 respectively. The estimated amount of this project that would impact the FCI is approximately $800,000 though maintenance and upgrades including lighting, heating and ventilation, door and window replacements,

Energy Efficiency/Sustainability:
This project will comply with established energy conservation standards as well as incorporate applicable Minnesota B3 guidelines where feasible. The new HVAC and plumbing systems will be selected considering the enhancement of the indoor environment, the conservation of energy and the use of renewable resources. Life cycle costs and payback cycle will be evaluated in the selection process. Incorporation of natural light will be maximized to contribute to environmental quality. Renovations will incorporate new exterior windows in the existing precast concrete walls. This will allow for significant delighting opportunities paired with occupancy and daylight sensors in the lighting control system. HVAC renovations will expand on the VAV system currently utilized by the college resulting in increased efficiency. The building control system for the new areas will consider digital controls, preparing the college for eventual conversion from the existing pneumatic control system. Material selection will involve determination of both recycled and reuse content, as well as low emitting VOC content to improve indoor air quality. The construction process will require selective deconstruction and disposal to minimize landfill waste and promote product recycling and reuse. Biodegradable and recycled, environmentally friendly materials, such as paints, carpet, vinyl flooring, will be incorporated.

Debt Service:
HTC currently has minimal debt service obligations of less than $30,000 per year. This project would increase the annual commitment to a projected high of $166,000 which is less than one percent of their total operating revenue.

**Other Considerations**

Consequences of Delayed Funding:
Without this project, HTC's

- academic offerings will not include science and environmental science
- capacity for increasing enrollment in STEM fields is diminished
- options for new programs will be limited in the healthcare, engineering technology and manufacturing areas
- availability of a trained workforce for the businesses of the region and state will be impacted
- ability to be an effective partner in accomplishing MnCEME goals is reduced
- students will have no access to the physical and life sciences and will have increased time and cost to pursue additional education.
- utilization of space will be less than optimal
- will be unable to offer the ten goal areas of the Minnesota Transfer Curriculum in their entirety

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 37 | 0 | 0 | 0 | 37 |
| 3. Design Fees | 145 | 542 | 305 | 0 | 992 |
| 4. Project Management | 0 | 160 | 245 | 0 | 405 |
| 5. Construction Costs | 0 | 1,051 | 7,575 | 0 | 8,626 |
| 6. One Percent for Art | 0 | 9 | 71 | 0 | 80 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 422 | 457 | 0 | 879 |
| 9. Inflation | 0 | 216 | 1,947 | 0 | 2,163 |
| **TOTAL** | **182** | **2,400** | **10,600** | **0** | **13,182** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,400 | 10,600 | 0 | 13,000 |
| **State Funds Subtotal** | 0 | 2,400 | 10,600 | 0 | 13,000 |
| Agency Operating Budget Funds | 182 | 0 | 0 | 0 | 182 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **182** | **2,400** | **10,600** | **0** | **13,182** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 2,749 | 3,091 | 3,289 | 9,129 |
| Other Program Related Expenses | 597 | 660 | 707 | 1,964 |
| Building Operating Expenses | 1,802 | 1,872 | 1,872 | 5,546 |
| Building Repair and Replacement Expenses | 2,788 | 2,788 | 2,931 | 8,507 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 7,936 | 8,411 | 8,799 | 25,146 |
| Revenue Offsets | 0 | <279> | <416> | <695> |
| **TOTAL** | 7,936 | 8,132 | 8,383 | 24,451 |
| Change in F.T.E. Personnel | 0.0 | 4.5 | 5.9 | 10.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,608 | 67.0% |
| User Financing | 792 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $700,000

**AGENCY PROJECT PRIORITY:** 24 of 37

**PROJECT LOCATION:** Mpls Comm & Tech College, Minneapolis

**Project At A Glance**

- Design to remodel 80,000 GSF
- Infrastructure upgrades to T-building
- Fixes to code violations
- Movement of programs away from leased spaces
- Request of $12.75 million is anticipated in 2010 and $4 million in 2012 for renovation

**Project Description**

This project consists of design for the extensive remodeling of instructional space, support space and infrastructure for the vital workforce programs at Minneapolis Community and Technical College (MCTC). Renovation funds for $12.75 million will be sought in 2010 and $4 million in 2012.

Design for the remodeling of approximately 80,000 square feet on five floors (LL, 2nd, 3rd, 4th and 5th floors) of the T-Building (approximately 403,000 total GSF) to accommodate improved instructional environments for the following technical programs: Architecture Technology, Photography and Digital Imaging, Jewelry, Gemology, Air Traffic Control, Welding and Metal Fabrication, Computer Support and Network Administration, Computer Forensics, Computer Software Development, Phlebotomy, Polysomnographic Technology, Electroneurodiagnostic Technology, Sterile Instrument Processing, Community Health Worker, Dental Assistant and Practical and Registered Nursing. Portions of the remodeling will include a Student Services Testing Center and common areas.

Infrastructure upgrades to the T-building will include: the installation of elevators and escalators to increase access to all levels; the increased ventilation and the installation of air-conditioning to the trades programs located in the lower level (this benefits the Heating, Ventilation, Air Conditioning and Refrigeration, Welding and Cabinetry programs); and, the waterproofing repair of the campus main plaza area to repair leaks and replace aging infrastructure (benefits all trades on the lower level and campus receiving). Significant and long-standing code violations involving the separation between the atrium and instructional areas will also be redressed by this project. In addition, increased ventilation and the installation of cooling for Bowman Hall will be provided as part of this project (this benefits Physical Education programs, athletics, continuing education and adjacent instructional environments).

Reduced operating and leasing costs based upon the relocation of the Air Traffic Control program from leased facilities to the main campus. This project reduces approximately $7.6 million in deferred maintenance. The project will reduce the buildings FCI from 0.17 to 0.13 and campus FCI from 0.11 to 0.09. FCI reductions may appear to be low; since the total replacement cost of the buildings is $163 million (denominator in FCI calculation). Changes in FCI to such a large building look small in terms of FCI reduction. Project also includes a BACNET compatible building control system to enable MCTC to respond quickly and efficiently to fluctuations in temperature to assure comfortable learning and work environments while reducing energy costs.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - The unique student demographics of MCTC offer a unique opportunity to provide educational opportunities for many historically underserved individuals. This project supports the education of a diverse workforce to fill worker shortages in various technical and professional vocations with more ethnic minorities and persons of color. For example, over half of the current students in Allied Health programs are individuals of African descent.

The Power of You program supported by this project is specifically designed to help retain students who typically have difficulty staying enrolled and to eliminate real and perceived financial barriers to higher education that

prevent many high school students, particularly students at-risk, from considering post-secondary education.

The "Bridge to Success" program is a retention program providing a variety of intensive, individualized support services to help underserved students successfully complete their certificate, diploma or degree program. The "Bridge" program serves students of color, low income students, students who are first in their family to attend college, and English Language Learners (ELL).

*High-quality Learning Programs and Services* - This project will provide instructional space that reflects current workplace environments and matches current pedagogical methodology. Examples are:

- Remodeling the old photography space into a contemporary studio based upon digital imaging rather than chemical based processes. This will be closely aligned with a digital computer lab for seamless integration of editing and digital manipulation.
- Combining dedicated lecture and lab instruction within a single space for the Jewelry Program to provide seamless transition between instruction, lecture and hands on demonstrations for each program. Similar space will be provided for the Gemology Program.
- Updating the Architectural Technology instructional space to reflect a typical open studio of the professional architect's and engineer's offices while providing improved sightlines for instruction, improved work station ergonomics and easier access to drawing layout space.
- Provide a separate wood finishing and storage area for students in the Cabinetmaking program for professional level product preparation and application of finishes as well as improved air quality.

*State and Regional Economic Needs* - Completion of this project will support significant economic benefits for the state and surrounding region. Beyond the current growing market needs, the proposed expansion of the Mall of America along with the potential for three major sport venues and the related spin-off construction will create significant demand for graduates from the HVAC, Welding, Machining and Carpentry programs. The Architectural Technology program continues to provide the architecture and engineering businesses in the region with highly qualified CAD technicians, as well as continuing education opportunities for professionals needing to update and expand their architectural technology skills. Photography and Digital Imaging graduates from MCTC serve the nation's third largest advertising market. Consolidating Allied Health programs on the fifth level of the T-Building with updated instructional labs and classrooms will facilitate the increased demand for medical and dental health care industry workers at the state, regional and national levels. The Federal Aviation Administration predicts job openings of over 11,000 in the next five to eight years. An updated educational and training facility on the downtown campus will help students interested in aviation Air Traffic Control (ATC) careers find employment.

*Innovate to Meet Educational Needs Efficiently* - Completion of this project will enable Minneapolis Community and Technical College to relocate the aviation ATC program from its Eden Prairie facility to the main campus which will provide ATC students the co-curricular benefits of being located on the main campus with other programs and services. This relocation will also enable the college to make more efficient use of facilities and operational funding gained through the closing of the approximately 67,400 GSF facility located in Eden Prairie.

Institution Master Plans and Regional Collaborations:
This project is in close alignment with the master plan completed in 2002 and updated in 2004. This project satisfies top priorities of the master plan and provides for expanding programs; consolidating programs with diminishing enrollment; improving the instructional facilities for programs specifically geared to enhance quality of the region workforce; and reducing deferred maintenance backlog.

Regional collaborations include:

- The co-location with Metropolitan State University which encourages seamless transitions for students with associate degrees to baccalaureate degree programs, and
- Collaboration with Metro-Alliance institutions in the development of baccalaureate degrees for registered nurses - specifically with Anoka-Ramsey Community college and North Hennepin Community college.
- The "Power of You" is a collaborative program between Minneapolis Community and Technical College (MCTC), Saint Paul College, and Metropolitan State University.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 5,220 | 5,329 | 5,600 | 5,650 |

Space utilization will be improved with this project for the following reasons:

- Multi-story educational buildings pose a distinct challenge for space utilization since the large number of students that must be moved over short periods of time is far greater than office building demand. The current arrangement of elevators and stairs move less than half of the potential occupancy of the upper levels thereby reducing space utilization. The installation of additional elevators, stairs and escalators will enable the upper floors of the T-Building to be accessed more easily by a larger number of students.
- Over 12 existing classrooms will be right sized to make more efficient use of space and to update and improve instructional environments.
- Underutilized instructional space totaling 15,790 SF has been right-sized to approximately 9,900 SF for Gemology, Jewelry, Welding, and Barbering programs. This has created additional space for expanding and new programs such as polysomnography and cardiac catheter technician programs and much needed campus receiving space.
- Former circulation space has been claimed for instructional space for the Architectural Technology and Photography/Digital Imaging programs on the 3rd level of the T-Building.
- The ATC program has been relocated from off-campus to an underutilized space on the third floor of the T- Building.
- The Aviation Center in Eden Prairie will be closed, thus eliminating underutilized classroom and instructional lab space from the inventory.

**Project Rationale**

Several long-term goals and objectives will be achieved with this project.

- The need for increased assessment testing is expanding at an alarming rate due to the large immigrant and underserved population that makes up a large majority of the new students at MCTC. This project will provide a vastly improved testing center (located on the 2nd floor of T Building near counseling and advising offices) with multiple testing stations and increased privacy for post-testing counseling that the college is committed to maintain as a matter of policy. This will improve service to students by eliminating long lines and significant time it takes to receive testing services.

- This project will enable programs such as the Architectural Technology and Photography/Digital Imaging programs to create instructional space that more closely resemble industry standards and models. In addition, the Photography/Digital Imaging program space is currently designed for a technology and instructional methodology that is no longer current.

- The Photography/Digital Imaging space currently has accessibility problems and several life-safety issues that will be resolved with the completion of this project. The Welding program needs to improve the safety of the storage of acetylene and oxygen- both highly explosive and flammable fuels necessary for the teaching of welding.

- The lower level of the T-Building has not received any remodeling since the building was completed in the late 1970's.

- In FY06 over 1,900 students indicated on their application that instruction in a health care profession was their intended educational emphasis. This is an increase of over 200 from the previous year, and the expected on-going increase in demand overloads the existing undersized, inadequate, and over utilized Health Science laboratory's and classrooms.

- Due to increased demand for skilled health care workers, MCTC is rapidly expanding Allied Health programs. Examples of new programs include Electroneurodiagnostic Technology, Sterile Instrument Processing, Polysomnographic Technology, and Community Health Worker. Consolidation of skill labs and classrooms on the fifth floor of T Building will promote a rapid and efficient response to the health care industry's demand for workers. The existing primary nursing skills labs are deficient. Improvement of these labs was approved in 2006 but funding was insufficient to complete the "skills" labs. Advances in nursing education have created a distinct need for "high tech" lab space to provide students with more realistic training that simulates a high tech hospital room, to include simulation of medical gasses and electronic patient monitoring.

- The Cabinetmaking program needs to provide for more efficient layout of space to accommodate larger equipment and project finishing space. Modifications to the dust collection system will improve indoor air quality.

- The Air Traffic Control program will benefit from being located on the main campus where students will have access to a wide range of services and activities not currently available "off campus."

- This project provides an opportunity and rationale to right-size programs with lower enrollment to make way for new programs and programs with expanding enrollment.

- Current health profession instructional labs and classrooms are inadequately sized, equipped and organized to accommodate the large increase in projected student population.

- Many of the current allied health instructional labs and classrooms are not designed to accommodate the current pedagogy nor proposed new programs e.g., they do not contain equipment and technology that is consistent with contemporary health care professional environments.

- MCTC currently does not have adequate space in size and quality for the Power of You and the Bridge to Success programs. These programs are the result of recently awarded grants specifically charged with helping retain typically underserved or financially challenged students enrolled in college. In addition, classroom space utilization is at one of the highest levels among MnSCU institutions (in excess of 100 percent). By "right sizing" existing classrooms and instructional spaces, MCTC will add additional classrooms within existing building spaces to address the demand for use of classrooms created by growing enrollment and co-location with Metropolitan State University.

- Repair of the terraced deck waterproofing will benefit the workforce programs on the lower level of the T-Building that are consistently interrupted with water leaks and periodic damage to technical equipment.

- The lower level of the T-Building, which houses most of the college's technical programs, has never been air-conditioned. Extending the air-conditioning to the space will provide the workforce programs located on the lower level with the same environmental quality and comfort that the rest of the campus has enjoyed for years.

- This project will eliminate approximately $7,584,000 from the current and projected backlog for the MCTC campus through the remodeling of outdated instructional and common spaces; waterproofing of landscaped roof terraces and the modernization of the elevators. This project represents a very good investment in helping to address a significant amount of this backlog of deferred maintenance.

- This project will support unique publicly funded programs for gemology, jewelry and barbering, and therefore offering access to students who may lack the necessary funding sources to access typical privately supported programs around the country.

- The multi-story T-Building is inefficiently utilized because the upper levels are not readily accessed by the inadequate vertical transportation between levels. This project creatively addresses this problem by installing strategically located hydraulic elevators, escalators and open stairways between the lower level, plaza level skyway level and third level, thereby reducing long wait times at the elevators and facilitating quick movement of people between the most heavily populated levels.

- This project will address significant life-safety code violations that have plagued the T-Building from its inception. Fire separation between the atrium and instructional areas with draft curtains, fire/smoke dampers and fire rated partition walls will be provided at newly remodeled areas.

Predesign:
90 percent complete 2006 by LHB Inc.

Capacity of Current Utility Infrastructure:
The existing utility infrastructure (service and distribution) is adequately sized to accommodate the work associated with this project. The recently completed expansion to the capacity of the campus cooling and heating plant will accommodate the increased cooling loads associated with the scheduled extension of air-conditioning to the lower levels of T-Building and Bowman Hall.

**Impact on Agency Operating Budgets (Facilities Notes)**

This remodeling project will impact MCTC's operating budget in the following ways:

- Completion of this project will reduce the asset preservation backlog by approximately $7.6 million including deferred maintenance for building shell and interior finishes, life safety and ADA code compliance, HVAC, plumbing and energy efficient lighting.
- Since this is entirely a renovation project there will be no increase in operating expenses except for additional electrical costs associated with the air-conditioning added to the lower levels of Bowman Hall and the T-Building- approximately $28,000 per year.
- No additional staff will be required
- Leasing costs will be reduced by approximately $60,000 per year once the Eden Prairie campus at Flying Cloud Airport is closed and the current programs relocated. This will also reduce operating cost by about $140,000 per year.
- The proposed BACNET compatible building control system will enable MCTC to provide continuous monitoring of the HVAC system to ensure very efficient operation with corresponding energy savings.

Energy Efficiency/Sustainability:
Energy efficient terminal fans, motors and lighting will be installed that are compatible with the existing mechanical and electrical systems in order to comply with the B3 Guidelines (MN Statute 16B.325) developed by the state and the most current best practice for designing energy efficient systems for existing facilities. Finishes and materials will be selected with the following criteria: to provide durable and long lasting environments; to provide materials with high post-consumer recycled material content; and, to provide materials with low-VOC content to maintain a healthy indoor environmental quality. Waste management and selective salvaging of quality materials and systems will be required during demolition and construction to minimize landfill impact and to encourage the wise use of natural resources.

Debt Service:
MCTC can accommodate the average debt load for this project of approximately $190,000 annually, which when added to the total debt load for MCTC is less than 3 percent of MCTC's general operating revenues.

**Other Considerations**

Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for MCTC:

- Compromise quality of instruction for an underserved student population
- Further delay considerable asset preservation work that has direct impact on quality of instruction
- Limit MCTC's efforts at improving space utilization through right-sizing programs that are expanding or currently in decline
- Impede the college's efforts to facilitate co-location with Metropolitan State University;
- Restrict laddering opportunities for associate degree and certificate recipients
- Impede implementation of retention programs for students such as Power of You and Bridge to Success
- Limit MCTC's efforts to control operating costs by reducing the amount of expensive off-campus space
- Restrict the implementation of new programs - at least nine new programs in the Health Sciences alone
- Decrease the colleges ability to accommodate the increased demand for assessment testing
- Without improved elevator/ escalator to upper levels of T-Building, MCTC will be unable to utilize the full potential of this large multi-story facility.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 41 | 0 | 0 | 0 | 41 |
| 3. Design Fees | 0 | 523 | 343 | 280 | 1,146 |
| 4. Project Management | 0 | 83 | 306 | 114 | 503 |
| 5. Construction Costs | 0 | 25 | 8,808 | 2,265 | 11,098 |
| 6. One Percent for Art | 0 | 0 | 80 | 20 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 787 | 228 | 1,015 |
| 9. Inflation | 0 | 69 | 2,426 | 1,093 | 3,588 |
| **TOTAL** | **41** | **700** | **12,750** | **4,000** | **17,491** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 700 | 12,750 | 4,000 | 17,450 |
| **State Funds Subtotal** | 0 | 700 | 12,750 | 4,000 | 17,450 |
| Agency Operating Budget Funds | 41 | 0 | 0 | 0 | 41 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **41** | **700** | **12,750** | **4,000** | **17,491** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 469 | 67.0% |
| User Financing | 231 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $3,500,000

**AGENCY PROJECT PRIORITY:** 25 of 37

**PROJECT LOCATION:** Ridgewater College, Willmar campus

**Project At A Glance**

- Phase I will design and construct approximately 10,000 gross square feet (GSF) of new instructional space, demolish an 8,250 GSF 1950's era facility, and remodel approximately 5,500 GSF of outdated and inefficient space.
- Phase I will eliminate $1.2 million in deferred maintenance backlog.
- Phase II will request $14.5 million in 2010 to construct, demolish and renovate facilities to maximize space utilization.
- Phase II will eliminate $3.55 million in deferred maintenance.

**Project Description**

This project at Willmar campus is the first major renovation since the merger to assist in appropriately rightsizing class space for optimum efficiency and utilization. Demolishing outdated structures is critical to the vitality of this community based college and will significantly improve the overall Facilities Condition Index (FCI) of the campus. This two-phase project will demolish approximately 33,500 square feet, remodel approximately 75,500 square feet and construct 19,500 new square feet, resulting in a net reduction of 14,000 square feet of facilities at Ridgewater College's Willmar campus.

*Phase I will:*

- Demolish an 8,250 GSF 1950's era facility housing the Cosmetology and Massage Therapy programs.
- Remodel approximately 5,500 GSF of outdated and inefficient instructional space for the Cosmetology and Massage Therapy programs.
- Construct approximately 10,000 GSF of new instructional space for the Insurance Claim Rep program and Customized Training as well as general use "smart" classrooms.

*Phase II will:*

- Demolish the 8,500 GSF Administrative Building. This poorly constructed building has an FCI value of .22.
- Demolish approximately 16,750 GSF of outdated 1940's era and poorly constructed facilities.
- Remodel approximately 20,000 GSF for the Agriculture, Veterinary Technology, Carpentry, and Sales/Marketing programs.
- Remodel approximately 50,000 GSF of outdated and inefficient space to improve delivery of Student and Administrative services, food service functions, and create a community outreach area.
- Construct approximately 9,500 GSF for a redesigned Student Services area and updated campus entry.
- Result in a total reduction of campus size between Phase I and II of approximately 14,000 GSF.

The Technical Instruction and Student Services Project will reduce the deferred maintenance backlog by a significant factor.

*In Phase I:*
Deferred maintenance backlog ($15.1 million) will be reduced by approximately $1.2 million. This includes approximately $500,000 in backlog from the building proposed to be demolished.

*In Phase II:*
Deferred maintenance backlog will be further reduced by approximately $3.55 million. This includes approximately $500,000 in backlog from the buildings proposed to be demolished.

The FCI for all Willmar campus buildings currently averages 0.14. The buildings proposed for demolition alone have an average FCI of 0.23. After the completion of the second phase, this project reduces the campus FCI to slightly more than 0.11, which significantly reduces the campus average FCI to below the MnSCU system average FCI of 0.13.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - This project will improve physical access to education by eliminating four distinct outbuildings used by the Farm and Small Business Management (FBM and SBM), Customized Training, Electrician, and Emergency Medical Services programs. The demolition of these structures provides the opportunity to correct violations of the Americans with Disabilities Act, such as instructional space located on a non-accessible mezzanine in the EMS/Electrician building. The technical programs that are directly affected by this project (Agriculture, Veterinary Technology, Electrician, Cosmetology, Massage Therapy, Carpentry, Insurance Claim Rep, Marketing and Sales Mgmt, SBM, FBM and Electronics) account for 684 FYE or 56 percent of all technical program students. The Carpentry, Cosmetology, Massage Therapy, Electrician, Insurance Claim Rep and Veterinary Technology programs routinely have waiting lists, some as high as 20-40 students by the start of fall semester.

*High-quality Learning Programs and Services* **-** The remodeled instructional spaces will create efficient and right-sized labs and classrooms with enhanced functionality and the technological infrastructure needed to prepare students for the workforce of the 21st century while significantly improving the space utilization across the campus. New facilities, such as the creation of an Agriculture Lab, will enable advanced instruction in agronomy and ag-related biotechnology while larger facilities for the Electrician program will allow for the expansion into emerging technologies and trends, such as fiber optics, power limited low voltage and wind energy.

In addition, remodeling will create a higher quality delivery of services by creating a "one-stop shop" that locates key student services including counseling, admissions and registration, financial aid, and business office in the same area, resulting in a coherent service delivery point for students.

*State and Regional Economic Needs* - Professions and industries affected by the Technical Instruction and Student Services Project are among the strongest in the state. The average placement rate of graduates from the programs benefiting from this project was 98 percent over the last three years, with placement rates at 100 percent for many of these programs every year.

According to DEED, the employment outlook in Central Minnesota between the years 2002-2012 continues to be excellent in these career fields:

- DEED states that agriculture is a distinguishing industry of our region, reporting that Region 6E has 16.5 percent of the state's animal production jobs, 10.8 percent of the agriculture jobs, 7.7 percent of the food manufacturing jobs and 5.3 percent of crop production employment. Ridgewater's Ag program is the largest in the MnSCU system with 130 FYE, educating over 22 percent of MnSCU's two-year agriculture college students. These students are essential to Minnesota's agricultural production and processing infrastructure, which accounts for 17 percent of the gross state product.
- Projected increase of 20.7 percent in jobs in the carpenter and construction laborer categories.
- Projected increase of 30.5 percent in the electrician field. Most Ridgewater graduates obtain positions within a 60-75 mile radius of Willmar.
- Projected increase of 50.0 percent in the field of veterinary technicians.
- Projected increase of 37.5 percent in the claims adjuster field.
- Projected increase of 28.6 percent in the emergency medical technician field.
- Projected increase of 14.6 percent in the fields of massage therapists, cosmetologists and skin care specialists.

*Innovate to Meet Educational Needs Efficiently* - This strategic direction stresses efficiency and capacity to meet future needs. The project accomplishes this goal primarily by reducing the number of program dedicated classrooms and increasing the technological and instructional quality of general classrooms. Also, programs will be located next to related trades or professions to benefit from potential shared facilities. For instance, the Marketing Management program moving near the Administrative Support program is a logical efficiency allowing for the shared use of computer labs. Another example is locating the Electrician program adjacent to the Carpentry program, as these trades work closely in the field and share instructional projects such as electricians wiring the first-year Carpentry house and mock-ups. Additionally, as noted above, the project reduces the deferred maintenance backlog by approximately $5.19 million.

Institution Master Plans and Regional Collaborations:
The College's Master Facility Plan was updated and presented to the Office of the Chancellor in the fall of 2005. This master plan identified this project as the College's number one facility priority. This project will support several objectives identified in the Master Facility Plan. It will improve space utilization and life safety conditions, and it will improve instructional space for technical programs and the delivery of student services.

The technical programs impacted by this project are active partners in several regional collaborations. All technical programs at Ridgewater College maintain a close relationship with business and industry through their advisory committees. It is impossible to list all of the collaborations here, but what follows attempts to highlight some key collaborations.

- The Customized Training Center has a heavy equipment training partnership with several private businesses to provide training in heavy equipment operation using high cost heavy equipment owned by the business partners.
- The Ag Agronomy program collaborates with agriculture businesses to train students as custom chemical applicators. Again, the private businesses provide the use of high cost, state-of-the-art applicator equipment and also agree to hire the trained students after graduation.
- The Vet Tech program collaborates with local humane societies to provide medical treatment to pets waiting for adoption. The program also collaborates with the University of Minnesota through the use of large animal facilities on the U of M-Morris campus.
- The Electrician program collaborates with local electrical parts suppliers for donations of equipment and supplies for training purposes, and the program provides a regular flow of trained electricians to the industry.
- As the only program of its type in MnSCU, the Insurance Claim Rep program collaborates with several regional businesses for off-site learning experiences and donations of crash manuals, computer software and even a "cut-away" 2004 model automobile training aid valued at $17,000.

Enrollment and Space Utilization:
After Ridgewater College enjoyed a 15 percent growth in enrollment in FY2002-FY2004, the College experienced two years of enrollment decline, but is again realizing moderate growth and is projected to continue growing.

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 3,384 | 3,145 | 3,161 | 3,200 |

This project will create high quality and right-sized classroom and lab space and relocate related programs to allow for sharing of facilities, thus improving space utilization:

- The overall gross square footage on the Willmar campus will be reduced by 14,000 square feet through the demolition of outdated and inadequate facilities. This enables programs to be relocated into previously underutilized space in the main buildings.
- The Electronics program is scheduled to be consolidated at the Hutchinson Campus. This will allow programs currently located in buildings proposed to be demolished to be re-located into the main buildings on the Willmar campus.
- The total number of classrooms will be reduced by two, with a corresponding reduction in allocated area by 500 SF. This will improve space utilization through right-sizing of classrooms and improved scheduling efficiency.
- The total number of classrooms previously identified as dedicated classrooms will be reduced by four, with a corresponding reduction in allocated area by 600 SF. This will improve space utilization by allowing more general classrooms with open scheduling to be available to the college and right-sizing to improve efficiency; e.g., a classroom previously dedicated for Insurance Claim Rep and a classroom previously dedicated for Cosmetology will now be available for other classes when not in use.
- Many programs will be right-sized to reflect enrollment and actual space needs. For example, the Carpentry and Electrician programs will be increased in size to accommodate storage needs, and Insurance Claim Rep and Dairy Management will be downsized to reflect actual scheduling of dedicated space or enrollment figures.

**Project Rationale**

This two-phase project demolishes 33,500 square feet of outdated facilities, remodels another 75,500 square feet, and constructs 19,500 square feet of new, high quality instructional and student support space for the students at

Ridgewater College. The project supports student achievement and improved resource use in the following ways:

- Expands instructional opportunities and improves the quality of the Electrician program by creating facilities that allow for the teaching of complete equipment or systems, such as complete furnaces or air conditioning systems, rather than just smaller components.
- Provides adequate space in the Carpentry lab so more than one class can utilize the lab environment at once.
- Creates a thoughtful layout of clinic/salon facilities for Cosmetology and Massage Therapy that closely simulates the professional environment.
- Expands the space of the Agriculture department and moves the Dairy Management program, resulting in an efficiently run department.
- Relocates Farm and Small Business Management from outdated facilities to an area near the Agriculture area to provide an opportunity for a logical sharing of space, resources, and expertise between Agriculture, Veterinary Technology, and the Management Programs.
- Locates "smart" classrooms near the Veterinary Technology program, leading to efficiencies for that program while keeping those classrooms open for use by others.
- Relocating the Insurance Claim Rep program allows for the right-sizing of facilities for that department and eliminates one dedicated classroom.

Pre-design:
The predesign by LHB Architects is complete.

Capacity of Current Utility Infrastructure:
The capacity of the current utility infrastructure is adequate for the project given the net reduction in square footage, existing electrical and mechanical equipment will be replaced due to age and mechanical condition and to reduce the deferred maintenance backlog. Project components related to remodeled space should reduce energy consumption by 5-10 percent over current energy usage due to improved controls and re-commissioning activities. New construction areas are intended to use 30 percent less energy than Code, resulting in an estimated 25 percent reduction in current energy consumption rates.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
This project results in a net reduction of 14,000 square feet of building space. The demolition of 33,500 of mostly energy inefficient and obsolete space, much of which was built in the early 1950's, along with the construction of a newer energy efficient building, will save approximately $15,000 in electrical, natural gas and water/sewer costs annually. There is no anticipated decrease or increase in facility staff labor costs.

All buildings on the Willmar campus are compliant with regard to fire safety requirements, except for three of the buildings proposed for demolition, which are not sprinkled. Elimination of these buildings will further improve life/fire safety for students and staff.

Energy Efficiency/Sustainability:
Reduction in campus size and replacement of selected facilities creates a great opportunity for energy conservation and sustainable design. The demolition of approximately 33,500 square feet of predominately 1950's era buildings will eliminate a number of issues, from outdated windows and HVAC systems, to poorly designed storm water management strategies and ventilation systems.

The project has an opportunity to improve storm water management and introduce native and adaptive plantings. Also, the installation of high efficiency heating, cooling, ventilation and lighting systems will reduce energy consumption and long term costs. Indoor air quality will be improved by using low VOC sealants, carpets and paints.

Debt Service:
Together with the debt service payments from past capital projects, this two-phase project will increase Ridgewater College's debt service obligation to about 1.6 percent of its annual operating budget. College Administration considers this a serious obligation, but has the ability to reallocate resources as this project is critical to present and future student success and the vitality of the entire Willmar campus.

**Other Considerations**

Consequences of Delayed Funding:
From a student/learner perspective, the most significant impacts of delaying this project would be:

- The negative impact on students of continuing to house programs in inadequate and outmoded facilities. Ultimately, remodeling, right sizing, and modernizing instructional space will result in a significantly improved learning experience for students and improved program quality.
- With a growing demand for veterinary technicians, emergency medical technicians, carpenters, and electricians, the need for quality instructional facilities to train the future workforce is critical.
- Efforts to improve access and opportunity, to provide high quality programs, and to improve retention and success for students would be significantly hampered, along with efforts to meet regional and state economic goals; it would prevent efforts to innovate for increased efficiency—all identified as key goals of the Board of Trustees and Ridgewater College.
- From a fiscal and facility perspective, $5.19 million in deferred maintenance backlog would continue to exist and grow, as a number of the buildings proposed for demolition in this project would require significant investment in the coming years (est. $1.04 million as noted above).
- Outmoded and decentralized HVAC systems would continue to incur high operation and maintenance costs and eliminate the opportunity for significant savings and efficiencies.
- The continued lack of a coherent and unified approach to student services, poor space utilization and the absence of a clear “front door” for students.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45 | 0 | 0 | 0 | 45 |
| 3. Design Fees | 200 | 166 | 628 | 0 | 994 |
| 4. Project Management | 0 | 132 | 532 | 0 | 664 |
| 5. Construction Costs | 0 | 2,536 | 9,407 | 0 | 11,943 |
| 6. One Percent for Art | 0 | 22 | 83 | 0 | 105 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 201 | 749 | 0 | 950 |
| 9. Inflation | 0 | 443 | 3,101 | 0 | 3,544 |
| **TOTAL** | **245** | **3,500** | **14,500** | **0** | **18,245** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,500 | 14,500 | 0 | 18,000 |
| **State Funds Subtotal** | 0 | 3,500 | 14,500 | 0 | 18,000 |
| Agency Operating Budget Funds | 245 | 0 | 0 | 0 | 245 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **245** | **3,500** | **14,500** | **0** | **18,245** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,345 | 67.0% |
| User Financing | 1155 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition

**2008 STATE APPROPRIATION REQUEST:** $4,000,000

**AGENCY PROJECT PRIORITY:** 26 of 37

**PROJECT LOCATION:** Mn West Comm & Tech College, Worthington

**Project At A Glance**

- Design and construct the renovation of and addition to a 1968 Fieldhouse
- Renovation will resolve ADA compliance issues
- Project will eliminate $2 million in deferred maintenance backlog

**Project Description**

Design and construct the renovation of and addition to a 1968 Fieldhouse:

- Minnesota West Community and Technical College (MnWest) and MnSCU have a tremendous opportunity to create value added synergy with local private investment on the campus that supports the overall master plan and strategic goals of the College. The Worthington YMCA has signed a letter of intent with contingencies to relocate, from its downtown location, to a site on the Worthington campus directly north of the existing field house facility, known as the Center for Sports and Fitness.

- The 19,650 square foot field house has been identified in the previous and current College Facilities Master Plan as the number one priority for renovation and additions. This project was submitted through the MnSCU 2006 bonding process. The current project is a reduced version of the 2006 submission. The pre-design has been completed by Hay-Dobbs.

- The capital project seeks to resolve ADA compliance issues, deferred maintenance issues and right size and relocate men's and women's locker rooms and training room facilities to become compliant with Federal Title IX requirements. The project seeks to complete the physical education portion of the 1968 facility by adding a performance lab and classroom to support the existing and proposed academic programs at the campus where currently none exist. The project seeks to complete the gym performance floor as intended under the scope of the 1968 original construction. As part of the remodel and expansion a relocation of the entry way will occur to facilitate a separation of the general public from student areas.

- When completed, the field house backlog and all future renewal needs through 2008 will be eliminated. The 2008 Facilities Condition Index (FCI) of the field house will drop from .30 to 0. The 2008 campus FCI will be reduced from .09 to .04. In addition to the backlog, the project will address crucial ADA and Title IX compliance issues. The dollar value of backlog and compliance issues is $2 million. This represents approximately 60 percent of the construction costs. The total square footage of new construction including the completion of the gym performance floor is 10,000 square feet.

**Relationship to Strategic Plan**

*Increase Access and Opportunity* - The community of Worthington has been classified by the state demographer as one of the top five ethnically and racially diverse communities in the state of Minnesota. The renovation and additions to this facility in conjunction with the Worthington YMCA relocation on campus will provide the College with an unprecedented opportunity to provide programs that will assist young people of diverse backgrounds to see the value in education and create opportunities for learning that do not currently exist with in the current facility.

An example of an academic program that uses this facility is the Law Enforcement. The program makes significant use of the space for its coursework and this program has 30 percent of its students in a protected class.

*High Quality Learning Programs and Services* - Minnesota West Community and Technical College prescribes to the teaching and learning approach described by ancient Greek philosophers. Plato in *The Republic* prescribed the physical actions of the human along side of the mental challenges of Philosophy. Plato's goal was the development of self-directed, life long activity for both men and women.

The College believes in the development of the total individual - an understanding of the mind and body prescribed by the ancient Greeks. All of the College's associate of art students are required to complete one activity course within the physical education curriculum and one health and wellness course. Within associate of science programs students are required to take either a physical education activity course or a health and wellness course.

For forty years they have had this belief yet suffered through the use of a facility that weakens the ability of the College to full fill one of its' core institutional requirements. The existing structure has no classroom/lab components, the gym performance floor was built to minimum size for athletic events and adequate meeting areas for consultation with students by faculty are non-existent.

Additionally, the College has a Physical Education track within the AA degree which has inferior facilities relative to all other programs, a Health program that is moved from place to place as other renovations take place on campus and a Law Enforcement program that within a normal physical education facility would have a place to teach various physically active courses in an ecologically sound environment.

The College was forced to discontinue a Physical Therapy Technician program over a decade ago due to facilities issues. With the addition of the YMCA on campus and the Worthington Regional Hospital and Sioux Valley Regional Health Services providing physical therapy (PT) and occupational therapy (OT) at the new YMCA, they believe the requested restart of the program by the two health care providers is crucial to the well being of the region. The multi-use classroom and physical education lab will be the location for the physical therapy technician and occupational therapy program with actual clinical opportunities down the hall in the YMCA with physicians and therapist. The College believes this to be a unique and innovative learning environment in MnSCU.

The College believes that the physical aspect of humanity is a key link to student learning. In a society plagued by obesity or severely overweight individuals the College strongly maintains that its curriculum track is the correct one. In an aging society they believe that the decision to reinstate the therapy programs is the correct one. This project request recognizes and supports the need for the therapy programs at the Worthington campus of Minnesota West Community and Technical College to be appropriately housed in a modern facility.

*State and Regional Economic Needs* - The development of a comprehensive community college is a vital part of economic development of a region. The inclusion of the YMCA on the same College campus multiplies the impact. In a rural setting the hardest thing to do is attract citizens to your community and to keep young people in your community. The most pressing problem to economic development in the region is a glaring labor shortage. The completion of the YMCA and the College's capital project creates a synergy that promotes mental and physical learning along with human activity that promotes economic growth in the community, whether it is the ability to retain a physician in the community or encourage a research scientist to come work for one of the bioscience research companies.

Additionally, there is a shortage of health care professionals in all fields. This project will enable the College to restart two programs closed over a decade ago due to facility issues. The restart is at the request of the two primary health care providers in southwest Minnesota. The ability to make Worthington a regional health care hub instead of going to Sioux Falls betters the lives of all citizens in the region and provides part of the required economic engine for the community.

*Innovate to Meet Educational Needs Efficiently* **-** The capital request is one which demonstrates the use of collaboration as a method of reaching educational needs efficiently. The College invited the YMCA to be a part of the campus environment. While each is a separate entity the partnerships that have been and will be forged between the YMCA, health care providers and the College save state dollars, community dollars and health care providers dollars which all in turn reduce the costs to citizens.

The integration of the College capital project with the YMCA project specifically will create education efficiencies in the providing of physical education programming and in the two new therapy technician programs. A specific example is the PT and OT programs will have a unique setting for students to move back and forth between theory classroom/lab settings and clinical settings with a physician or therapist.

*Institution Master Plans and Regional Collaborations* - The facility master plan completed in 2006 identified the gymnasium building as a resource to accommodate continued increases in student population, new programs and demands for updated student and public amenities. The Minnesota West Worthington campus continues to be the growth campus of its five campuses. Facilities Master Plan Goals:

- Provide facilities and a campus that support recruiting and retention of students.
- Transform the image and ambiance of the campus from a "high school" look to a collegiate stature.
- Encourage students to remain on campus to participate in academic and co-curricular activities.

The College's Academic and Strategic Plan identify as a set of goals the need to work with various partners to welcome the changing population into the community culture. These partnerships include the need to have facilities that are inviting and useful.

The College is a partner with Nobles County, the City of Worthington, and School District 518 in creating this environment. The addition of the YMCA to the Worthington campus is another example of broadening partnerships. The current facility is not user friendly nor environmentally friendly. This project will provide amenities such as restrooms that are 2006 code compliant instead of 1968 code compliant.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 819 | 873 | 878 | 883 |

**Project Rationale**

The Worthington campus of Minnesota West has a strong history dating back to 1936 of providing a total liberal arts education to its students. The College has worked around a facility that does not meet its academic master plan and student service goals since construction in 1968. The facility was built to meet the needs of the 1968 white male athlete. The campus population today is comprised of over fifty percent female and a growing Hispanic, Asian, African American and Somalian population. The local school district currently is 30 percent Hispanic with another ten percent of ethnic and racial backgrounds other than Caucasian. The current facility limits the College's ability to offer the diverse range of health and wellness courses and programs associated with a modern facility. The College will integrate their programs with the new $5 million YMCA where feasible, but the need for a base of operation independent of the YMCA is imperative.

Predesign:
Pre-design, completed by Hay-Dobbs, was submitted to MnSCU in December 2006.

Capacity of Current Utility Infrastructure:
Electric utility is near capacity. The city electric utility has agreed to upgrade the electric transformer to a size appropriate to meet the future needs. The cost of the upgrade will be shared between the campus and the utility with the campus share offset by a utility rebate. The natural gas utility was upgraded in 2004 as a result of the installation of a new high (97 percent) efficiency boiler plant in the gym. The campus has applied for an energy efficiency rebate from the gas utility of up to $24,000. Sanitary sewer, storm sewer and water supply utilities were upgraded in 2004.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1 percent Renewal account, etc): There is an anticipated annual increase of $36,300 for campus operating expenses in FY 08. With limited additional square footage, there will no additional general maintenance staffing needs.

Energy Efficiency/Sustainability:
HVAC system will be energy efficient. Design shall include all appropriate measures to ensure energy efficiency and building sustainability. The boiler system installed in 2004 is rated at 97 percent efficient.

Debt Service:
Debt service has been evaluated by the College CFO and Administration and determined to be within the College's ability.

**Other Considerations**

Consequences of Delayed Funding:

- The level of age of the existing facility with water usage, large volumes of air movement and constant student usage is reaching a critical failure.
- Due to inflation the college is now reaching a critical point of replacing parts of the deferred maintenance list in a less than cost effective fashion such as:
  - smaller boilers
  - washers
  - clogged and broken drains
  - gym vapor lights
  - and inferior technology.
- As time grows, the pressure to become ADA compliant and Title IX compliant will only increase until at some point the College will be faced with an actual complaint to either the state or the Federal government.
- The current facility will limit the ability to provide adequate programming space for two new health care programs in southwest Minnesota requested by their primary providers.
- While the amount requested for this capital project is small, the statement it makes to the multicultural community and to the southwest region is huge.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 19 | 0 | 0 | 0 | 19 |
| 3. Design Fees | 65 | 271 | 0 | 0 | 336 |
| 4. Project Management | 0 | 160 | 0 | 0 | 160 |
| 5. Construction Costs | 0 | 2,737 | 0 | 0 | 2,737 |
| 6. One Percent for Art | 0 | 24 | 0 | 0 | 24 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 271 | 0 | 0 | 271 |
| 9. Inflation | 0 | 537 | 0 | 0 | 537 |
| **TOTAL** | **84** | **4,000** | **0** | **0** | **4,084** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,000 | 0 | 0 | 4,000 |
| **State Funds Subtotal** | 0 | 4,000 | 0 | 0 | 4,000 |
| Agency Operating Budget Funds | 84 | 0 | 0 | 0 | 84 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **84** | **4,000** | **0** | **0** | **4,084** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 20 | 20 | 40 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 20 | 20 | 40 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 20 | 20 | 40 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,680 | 67.0% |
| User Financing | 1320 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# South Central College - Classroom Renovation and Addition Design

**2008 STATE APPROPRIATION REQUEST:** $700,000

**AGENCY PROJECT PRIORITY:** 27 of 37

**PROJECT LOCATION:** South Central College, Faribault campus

**Project At A Glance**

- Design funding for demolition of obsolete space, a small addition and the renovation of the 44-year old structure to create a vibrant, sustainable higher education presence.
- Faribault campus has had no significant renovation and there are numerous code issues, obsolete areas creating inefficiency, programmatic outdates and other improvements that are required to maintain the higher education vitality in this active community
.

**Project Description**

Design funding for renovation of approximately 30,000 square feet, an addition of 16,600 square feet (not including an unfinished basement), and the demolition of 13,000 square feet. This project will address site constraints with improved vehicle circulation, modernized classrooms, additional science labs and revitalized technical instructional spaces. This project will update an outdated campus which has a growing FYE and strong community support, and accommodate both new technical programs and the expanded transfer mission of the college. Construction funding of $11,961,000 will be requested in 2010.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
Since late 2005, the communities of Faribault, Owatonna, Northfield and Waseca have been in discussion regarding how to serve the growing population along the I-35 Corridor. A study of the higher education needs of the corridor was commissioned in May 2006 by the Office of the Chancellor, cities of Owatonna and Faribault, and Riverland Community College, South Central College and Minnesota State University Mankato. MGT of America, Inc interviewed and surveyed over 100 students, business and community leaders and examined the higher education profile of the area. MGT's second recommendation said "*MnSCU officials first consider the option to renovate a substantial portion of the existing South Central College (SCC), Faribault campus space in order to enhance the infrastructure, improve distance education options on site, and generally create a modern, collegiate environment.*" Specifically mentioned was modernizing this 1964 campus to current collegiate standards to address the newly expanded community and technical college mission.

The design to correctly right-size and modernize this 1964 structure will address each of the four strategic plan objectives:

*Increase Access and Opportunity* - This project will significantly address the ease of access to the campus and overall development to embrace new and returning learners. Currently, there are insufficient spaces for study or on-site collegiate discourse. Via simple renovation of common spaces, the intent is to enliven the campus for all students at various times of the day.

*High-quality Learning Programs and Services* - The renovation will directly address the outdated classroom spaces, student service area and overall lack of collegiate environment;

- Increase the size of classrooms to allow for lecture and small group discussions that will increase the variety and types of programs that can be offered
- Develop of a computer lab and learning resource center to serve as a hub for advanced learning
- Increase the size of the Health Science spaces to allow for simulation labs
- Recreate classrooms and labs to accommodate the new Center for Construction Technology

*State and Regional Economic Needs* - 62 percent of all jobs in Minnesota are in manufacturing, healthcare/ social assistance, and retail trade according to Department of Employment and Economic Development. The manufacturing sector accounts for 13.4 percent of all jobs and 16.2 percent of payroll wages. In Faribault, the campus is committed to increasing the STEM course work, advancing the commitment to employers and students through the

computer integrated machining program and pre-engineering options. The Faribault campus is also expanding its response to the construction industry by expanding the work of the carpentry program into a Center of Construction Technology including civil technology, field supervision along with customize training certificates for more short term construction training needs. Healthcare and social assistance types of positions account for 12.5 percent of jobs and 10.6 percent of all payrolls in this region. Faribault will continue to provide medical laboratory technician and nursing education through its new Nursing Pathways options. Minnesota's healthcare industry is projected to increase due to turnover, retirements and demand for health care to increase. Faribault will also continue to grow its business programming in the areas of accounting, medical office technology and office technology.

*Innovate to Meet Educational Needs Efficiently* - Faribault has a Medical Laboratory Technologist Lab which is currently the only science lab on the campus and has 100 percent utilization. This lab has minimal ability to deliver transfer science lab programs for the Liberal Arts and Sciences AA degree. The addition of science labs will

- Increase enrollment in the science, technology, engineering and mathematics fields (STEM) to assist in the manufacturing areas and health care workforce in the area
- Increase student opportunities to continue their education at a four-year institution
- Increase college's capacity to provide science courses that are part of the Mn Transfer Curriculum
- Expand the possibilities for new programs and partnerships with business and other education institutions (i.e. hospitals, clinics, engineering firms, construction firms and manufacturing facilities)

Institution Master Plans and Regional Collaborations:
The college and campus Master plan was completed in February 2002, prior to the expansion of the college's mission. The Faribault community involvement in the college's 2015 profile planning process has created a renewed interest in the college and the future higher education opportunities provided to the citizens in the region. South Central is actively engaged in a number of partnerships with MSU, Mankato to offer more courses for 2 + 2 learners in the community. Seventeen major Faribault businesses were interviewed concerning their engagement with the college in the MGT study of the I35 corridor. The results of the study indicated significant involvement. Many of the Faribault businesses that were interviewed are either owned by or employ many of the SCC-Faribault graduates and serve on a variety of committees and advisory teams for the college, including the Foundation. Many of these businesses have financially assisted programs at the college by donating materials or supplies and offering student internships or classroom consultation.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 508 | 507 | 527 | 544 |

From 394 FYE in 2001 to the current 507 FYE in 2006 the campus has grown by 113 FYE or 23 percent. During the same time the Liberal Arts and Sciences grew by 74 percent, or by over 60 FYEs, with the technical programs remaining stable. Faribault's enrollment projections are conservative at only three percent, because without renovation and expansion enrollment growth will be limited. Many students and businesses are also interested in the laddering programs, four-year transfer, and other innovative approaches to delivering higher education.

Campus space utilization is at 87 percent for its 11 classrooms and labs. The growth of the institution is hampered by the inability to offer classrooms at the right size and location. Classroom utilization will be dramatically improved by the right-sizing of classrooms; creating a better mix of large and small classrooms that flexibly respond to the specific program delivery needs. Reusing the existing structure to reconfigure for correct program issues is the ultimate sustainability.

**Project Rationale**

This renovation and addition will position Faribault to maintain its base of services to students. One of the focuses of the renovation will be right-sizing existing classrooms that have less than a 20 percent room usage or less than 15 percent seat usage. Right-sizing of large, underutilized spaces will be transformed to provide a mix of 40, 24 and 18 class sizes that will benefit a variety of teaching types and programs.

This campus has not had a significant capital project since the system was formed in 1995, and it was last expanded in the 1988-89 academic year. There was a small $100,000 project that augmented the science lab in 2003, but that was inadequate for the campus needs. Additional funds have been spent from HEAPR of $600,000 for fire suppression and tuck pointing. Despite very little funding, this campus, built in 1964, maintains an FCI of less than half of one percent. This is substantially under the system average of 0.13. However, if there is not an investment in the next ten years the FCI will climb to 0.32. This project will remove a backlog of $1.1 million in elevator, HVAC and interior finishes, and significantly advance the usefulness of this structure.

Predesign:
Predesign is complete.

Capacity of Current Utility Infrastructure:
Currently there is $600,000 for HVAC upgrades on the five year renewal forecast. South Central College has six classrooms that have the Herman Nelson Univent system for both cooling and heating. Changing the current system to a duct system that connects to the existing hot/cold water system will require approximately $50,000 per classroom. Six labs with 1965 air handing units need updating, at an estimated cost of $50,000 per lab. These funds are included in this overall proposed construction cost to be requested in 2010.

To clearly delineate this campus as a destination and not a subset of the adjacent high school property will require expanded site parking and better circulation planning.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
The overall energy efficiency of remodeled areas will be improved by 5-10 percent over current usage with the replacement of lighting, fans, motors and other energy savings devises. New construction areas are intended to use 30 percent less energy than code requirements. Additional design of the public spaces will allow controlled access so that the parts of the campus can be secured and temperature control zoned to maximize energy efficiency.

Energy Efficiency/Sustainability:
The ultimate sustainability issue is to renovate existing square footage. The community had a strong desire to move the campus away from its adjoining high school neighbor and create a more collegiate environment. The community is anticipating future growth since Rice County has grown by over 6.9 percent and Faribault has grown by over 6.7 percent from 2000-2004. The Faribault campus is adjacent to the local high school. The Faribault community has stated that the high school would be interested in the building if the college was to relocate. However the current MGT study recommended that the college should invest in the existing infrastructure.

Debt Service:
This project, in conjunction with other debt at South Central College, will be below MnSCU's three percent operational budget guideline.

**Other Considerations**

The rationale for the demolition of a portion of the existing building includes:

- The facility is currently inefficient and this proposed demolition section is not suitable for remodeling.
- Eliminating this piece, simplified by its independent structure, will allow for a continuous general education facility on multiple levels without impacting future site solutions.

Consequences of Delayed Funding:

- Built in 1964, the campus has basic infrastructure in place, but suffers from obsolete teaching and learning spaces, inappropriate size of rooms to reflect technology and overall modernization.
- With continued increases in the Liberal Arts and Science offerings it will be difficult to sustain growth given the current space configuration. More efficient classroom spaces will be created from this project.
- The Faribault campus has only one lab space, and that space is inadequate for the development of STEM programs.
- Faribault campus growth in four years was 23 percent; over 113 FYE. The campus at 87 percent room occupancy needs right-sizing to allow for appropriate programming and for additional growth and retention of students.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 45 | 0 | 0 | 0 | 45 |
| 3. Design Fees | 0 | 543 | 225 | 0 | 768 |
| 4. Project Management | 0 | 51 | 446 | 0 | 497 |
| 5. Construction Costs | 0 | 46 | 8,281 | 0 | 8,327 |
| 6. One Percent for Art | 0 | 0 | 79 | 0 | 79 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 600 | 0 | 600 |
| 9. Inflation | 0 | 60 | 2,369 | 0 | 2,429 |
| **TOTAL** | **45** | **700** | **12,000** | **0** | **12,745** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 700 | 12,000 | 0 | 12,700 |
| **State Funds Subtotal** | 0 | 700 | 12,000 | 0 | 12,700 |
| Agency Operating Budget Funds | 45 | 0 | 0 | 0 | 45 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **45** | **700** | **12,000** | **0** | **12,745** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 5 | 5 | 5 | 15 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 5 | 5 | 5 | 15 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 5 | 5 | 5 | 15 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 469 | 67.0% |
| User Financing | 231 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Property Acquisition

**2008 STATE APPROPRIATION REQUEST:** $13,100,000

**AGENCY PROJECT PRIORITY:** 28 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Bemidji State University – Property acquisition of former Bemidji High School
- Dakota County Technical College – Property acquisition of 105 Acres at UMORE park
- Fond du Lac Tribal Community College – Property acquisition of seven residential properties
- Mn State University Moorhead – Property acquisition of Edison school
- Mn State Community Technical College Moorhead – Property acquisition of fire station
- NHED Vermilion Community College – Property acquisition of Northern Terrace Trailer Park
- Mn State College Southeast Technical, Red Wing – Property acquisition of Bergwall Arena
- Metropolitan State University – Property acquisitions on Bates Ave

**Project Description**

Purchase real property for eight MnSCU institutions that is adjacent to land-locked campuses and/or to solve other site issues:

*Bemidji State University* – Bemidji will use $2 million to demolish Bemidji's old high school building and maintenance facility, which offers a strategically contiguous land holding along a major city thoroughfare. The University is landlocked and the acquisition of this property would offer future expansion possibilities for a corporate outreach facility. The acquisition also offers a short term solution to surface parking.

*Dakota County Technical College* – Dakota will use $3.5 million to acquire 105 acres of University of Minnesota land that the College has leased since 1989. This project would improve access by allowing the college to grow the existing programs on the site and make long-range investment decisions based on the ownership of the property. This site will allow the expansion of the railroad conductor and truck driver training programs to meet the needs of growing industry demands from the transportation sector. The extra property would allow for additional parking and serve as a buffer between the college and the surrounding residential neighborhood.

*Fond du Lac Tribal Community College* – Fond du Lac will use $1.81 million to acquire as many as seven residential properties from neighboring sellers, as they become available. Two property owners adjacent to the college's Cultural Center addition along the college's southerly border have expressed a strong desire to sell. The college would demolish the residences after acquisition.

*Minnesota State University Moorhead* – Moorhead will use $1.12 million to purchase the Edison School that has been leased and utilized by the university and college since July 2004. This will provide appropriate spaces for the Speech Language Hearing Science Department and Clinic, and Dental Hygiene and Assisting program and clinic as well as the collaborative efforts between MSUM and MSCTC Nursing Programs.

*Minnesota State Community Technical College Moorhead* – MSCTC Moorhead will use $1.25 million to acquire the City of Moorhead fire station that is currently located on the Minnesota State Technical and Community college campus. The city constructed and maintained the building and has leased the land from the College since the late 1960s. The opportunity to acquire this will offer the College a way to enhance its Fire Science and Criminal Justice programs.

*Vermilion Community College* – Vermilion will use $500,000 to acquire the Northern Terrace Mobile Home park property, adjacent to Vermilion Community College. The college will be purchasing a clean and cleared site. The transaction assumes the seller will close the mobile home park, remove the mobile homes, concrete pads and remediate the site prior to closing. Even if no new academic programs are approved, the raw land can facilitate master planning initiatives for recreational activities for our present students,

and the forested land can be used to enhance academic learning labs for present programs in natural resources technology.

*Minnesota State College Southeast Technical, Red Wing* – Southeast Technical will use $1.72 million to acquire and demolish the Bergwall Ice Arena located within the Red Wing campus. The arena was retained by the school district in 1995, and was not conveyed to the state during merger. The arena is connected to the existing building and share a common wall and infrastructure. The school district intends to sell this property and there is concern from the campus on who would acquire and how it would be maintained. The arena creates a logical acquisition and completes what should have been transferred to the college during the merger in 1995. This acquisition would create space to expand offerings in allied health areas, which is anticipated to have sustained long-term growth.

*Metropolitan State University* – The University will use $1.2 million to acquire and demolish three residential properties surrounded by Metropolitan State University's main parking lot. This will allow the University to expand the parking lot by an additional 200 parking stalls. It will help to consolidate control of nearly the entire block adjacent to Metropolitan State University's St. Paul facilities.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Access and Opportunity* - Improve access by assuring that students in a region will be served by acquiring sufficient land to provide institution programs into the future, either through new building opportunities, parking, or land for training purposes.

*Integrated System* - This is a Chancellor's initiative to assist campuses in meeting academic program needs by assuring safe access and integration of buildings to overall regional strategic planning.

Enrollment and Space Utilization:
Property acquisitions will not change space utilization in existing buildings. Rather, the acquisitions strategically target property that will be needed for future enrollment growth.

Institution Master Plans and Regional Collaborations:
All of the projects are noted within the individual campus master plans for acquisition.

Enrollment:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 22,066 | 22,201 | 22,005 | 21,996 |

**Project Rationale**

Acquisition of land is linked to the overall Strategic Plan and the individual campus Master Facilities Plans prior to negotiations or request for approval. A pooled appropriation provides MnSCU with flexibility in responding quickly to real estate offerings that do not coincide with legislative sessions. In the past, some unique opportunities have been bypassed because the timing of the property offering and the ability to obtain funding from the legislature for the purchase did not coincide.

MnSCU is at a disadvantage during negotiations until funds have been appropriated. Sellers are reluctant to consider MnSCU a viable purchaser until they are assured that we have the financial resources to proceed.

Predesign:
All properties undergo appraisal and stringent due diligence on environmental and real estate issues.

Capacity of Current Utility Infrastructure:
Any impact of the acquisition has been analyzed by the campuses.

**Impact on Agency Operating Budgets (Facilities Notes)**

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each affected campus.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $3.4 million for property acquisition.
Laws 2005, chapter 20, article 1, section 3 appropriated $300,000 for property acquisition.

**Other Considerations**

Consequences of Delayed Funding:
Opportunities to purchase land adjacent to land-locked campuses from willing sellers will be lost. If higher-use development occurs on the land, any future opportunity to purchase the property will be at a premium cost.

Some campuses, such as Vermilion in Ely, have been on the Board-approved list for six years and it is likely the seller will pursue other options that may adversely impact the campus.

Alternatives Analysis:
Other sources for acquisition are in operating funds and thru donors. Campuses have aggressively sought additional funds; but those funds are garnered for academic programs and student reduction of tuition. Legislative funding is urged to provide the base of needed acreage for academic programs.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 13,000 | 0 | 0 | 13,000 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 100 | 0 | 0 | 100 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,100** | **0** | **0** | **13,100** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 13,100 | 0 | 0 | 13,100 |
| **State Funds Subtotal** | 0 | 13,100 | 0 | 0 | 13,100 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **13,100** | **0** | **0** | **13,100** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 8,777 | 67.0% |
| User Financing | 4323 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Demolition

**2008 STATE APPROPRIATION REQUEST:** $2,830,000

**AGENCY PROJECT PRIORITY:** 29 of 37

**PROJECT LOCATION:** Systemwide

**Project At A Glance**

- Demolish outdated and obsolete structures of academic, support and revenue buildings on three campuses
- Systemwide initiative to demolish obsolete space
- Campus-initiated demolition requests
- Demolition of a total of 96,635 gross square feet (GSF) of buildings
- Project will eliminate $2.63 in deferred maintenance backlog

**Project Description**

*Bemidji State University* – Bemidji will use $2.275 million to demolish the Maple residence hall to reduce the overall capacity of on-campus residence halls by 94,635 gross square feet. The current deferred maintenance is $2.21 million. The University would then be able to dedicate more funds toward maintaining the remaining residence halls by reducing the overall capacity. Quality of residences will benefit the students.

*Hennepin Technical College* – Hennepin TC will use $400,000 to demolish the greenhouse structure and restore the exterior wall connection to the existing building. The structure was originally built for a landscape program that has since been discontinued. Removal of the greenhouse will better enable temperature control in the remaining spaces, creating a more comfortable space for students. It will eliminate $13,000 in deferred maintenance and reduce the campus gross square feet by 1,000.

*NHED Vermilion Community College* – Vermilion plans to use $159,000 to demolish 1300 square feet of an aging modular building and then remodel 1700 square feet of existing spaces to accommodate displaced programs. The building is of low quality construction and has suffered from water penetration through the roof and walls. The demolition will lower the deferred maintenance by $29,000.

MnSCU's Strategic Plan:
*Access and Opportunity* - The academic buildings must be minimally maintained and heated, costing their respective campuses financial resources that could be reallocated to improving teaching and learning. The housing is to be demolished to improve access to safe, high-quality on-campus college-experience housing for all interested students by removal of housing that is outdated and inadequate. At present, on-campus housing is limited to freshmen and sophomores at most campuses.

*High-Quality Learning Options and Services* - Improve instructional technology by allowing maintenance funds to be used on practical and appropriate program spaces. These spaces are inefficient and do not work as program spaces.

*Innovate to Meet Educational Needs Efficiently* **-** This is an Office of the Chancellor initiative to assist campuses in their stewardship of physical assets and to right-size spaces, while simultaneously reducing the deferred maintenance. This project directly supports the long-time Board focus on renewal and preservation, maximizing functionality, and utilizing future-oriented technology.

*State and Regional Economic Needs* – The state benefits from the proper disposal of obsolete space, allowing maintenance and operational dollars to be spent on viable and useable space.

Institution Master Plans and Regional Collaborations:
All of the projects are noted in the individual campus master plans.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 6,622 | 6,475 | 6,427 | 6,461 |

Predesign:
No predesigns were completed, but environmental assessments were conducted, and local contractors provided cost estimates on demolitions.

Capacity of Current Utility Infrastructure:
Utility infrastructure will be improved by not providing utilities to these unused spaces.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Building operations will improve to not maintain or operate these obsolete spaces. Demolition of obsolete and inefficient buildings will remove over $2.25 million from the Revenue Fund deferred maintenance backlog:

Energy Efficiency/Sustainability:
General campus energy efficiency will improve by the reduction of this obsolete square footage. Additional efforts will be made to recycle or otherwise salvage or appropriately dispose of these structures to prevent unnecessary landfill.

Debt Service:
Debt service has been analyzed by each campus and can be assumed by each affected campus. In all three of these campuses the debt service is less than the upkeep and maintenance of these outdated structures.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $1.660 million for demolition.

Laws 2005, chapter 20, article 1, section 3 appropriated $1.625 million for demolition.

**Other Considerations**

Alternatives Analysis:
For the state university housing demolition, the revenue fund was thoroughly examined by outside bond consultants. The revenue funds was rejected as a source of funding for this demolition because it will cause room rental rates to be set too far above local market rates and students' ability to pay. There are no economically feasible alternatives other than to use state funding for this purpose. State funding was successfully used in 2005 and 2006.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 50 | 0 | 0 | 50 |
| 4. Project Management | 0 | 73 | 0 | 0 | 73 |
| 5. Construction Costs | 0 | 2,464 | 0 | 0 | 2,464 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 243 | 0 | 0 | 243 |
| **TOTAL** | **0** | **2,830** | **0** | **0** | **2,830** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 2,830 | 0 | 0 | 2,830 |
| **State Funds Subtotal** | 0 | 2,830 | 0 | 0 | 2,830 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **2,830** | **0** | **0** | **2,830** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,896 | 67.0% |
| User Financing | 934 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Owatonna College and University Center - Property Acquisition

**2008 STATE APPROPRIATION REQUEST:** $3,500,000

**AGENCY PROJECT PRIORITY:** 30 of 37

**PROJECT LOCATION:** Owatonna

**Project At A Glance**

- Acquisition of 25,000 GSF building and associated land
- Project will provide 13 classrooms, seven offices, a reception area, two conference rooms, a gathering area, support areas, opportunity for growth and 159 parking spaces.

**Project Description**

This project is for acquisition of the 25,000 gross square foot (GSF) Owatonna College and University Center building in Steele County, including 9 acres and an adjacent 18 acres of vacant land.

This acquisition will provide: 13 classrooms, seven offices, a reception area, two conference rooms, a gathering area with vending, a copy room, and other support areas, as well as opportunity for growth and 159 associated parking spaces.

The Owatonna College and University Center currently houses programs from Riverland Community College, MSU Mankato and two private colleges. The intended use is as a collaborative Center offering a combination of two-year and four-year offerings by MSU Mankato, Riverland Community College and South Central College. Specifically, acquisition will support expansion of 2+2 arrangements, lower division and an associate of arts degree, additional offerings in liberal arts and sciences, potential growth in technical offerings. It will also allow for a greater presence of targeted upper division and graduate level courses in such areas as social work, engineering, and business and other areas of demand.

Riverland Community College has leased the facility from the Economic Development Authority of the City of Owatonna (EDA) since November 1, 2000. The EDA financed the construction of the Owatonna College and University Center building using Lease Revenue Bonds with the expectation that public and private colleges and universities would offer courses at the site. During the course of the lease since 2002, Riverland Community College has coordinated scheduling of the facility, absorbed the facility operating and renewal costs, and reorganized the enrollment in the allocation process.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
This project reaffirms the strategic goals and directions of MnSCU's strategic plans. It is the mission and statutory responsibility of the system to provide access for all Minnesota citizens and enhance local economies by providing a highly qualified workforce. Absent a MnSCU system presence in Owatonna, the community invested significant resources to make the Owatonna College and University Center a reality. The community and Riverland Community College are asking MnSCU to acquire the facility. The current system action plan goal to provide innovative programming and delivery models to meet the changing higher education needs of rural communities and the five-year history of demand supports a continuing commitment of the system in the region. The following factors also support this request:

- A longstanding and fiscally challenging lease between Riverland and the city of Owatonna.
- The increasingly evident need for a more regionally coordinated approach to higher education in a community that has been historically underserved by public higher education.

A recently completed market study performed by MGT of America resulted in four recommendations:

1. Continue the current level of effort to deliver regional lower division programming through Riverland Community College and South Central College;

2. Consider the option to renovate a substantial portion of the existing South Central College, Faribault campus space;
3. Establish a more permanent presence in Steele County; and
4. Assign Minnesota State University, Mankato the lead responsibility for baccalaureate and graduate degree programming in the four-county region.

The key findings from the MGT analysis that contributed to this request are highlighted in each of the relevant MnSCU System strategic directions.

*Increase Access and Opportunity* - Acquisition of the Center represents a comparatively low-cost way of assuring continuing access in this community and a region experiencing the need for skilled workers. The analysis of current and projected demand for higher education by MGT of America contributed to the following findings:

- A small but significant proportion of current MnSCU students that left the region would consider staying in the region if more educational options were available.
- Employers surveyed during the study indicated that the most significant barriers to pursuing higher education in the region were limited offerings and inconvenient location.
- Employers' delivery preferences were traditional classroom instruction at a local educational campus or center and instruction via the internet.
- A non-traditional learner segment that typically cannot or is not willing to travel long distances for access to higher education.
- Acquisition of the Center would give MnSCU institutions control of an established regional higher education facility to provide expanded access to learners.

*High-quality Learning Programs and Services* - The Owatonna College and University Center has provided higher education under an innovative and collaborative approach building on the distinctive strengths of the public and private higher education partners. Programming has in part been guided by a local advisory council under a demand-driven approach to a limited set of offerings. Acquisition of the space by the system would contribute to better coordination of offerings by MnSCU institutions. The MGT analysis revealed the predominant need is for technical skills, 2-year programming, and job-specific training. There is also some demand for upper division and graduate programs, which is expected to increase as the lower division programs continue to grow.

The existing facility would accommodate most of the types of programming identified during the MGT study. There may be a need for space reconfiguration after acquisition to accommodate expanded programming. Currently there are 13 classroom spaces including four classrooms with 36 seats, two computer rooms that seat 24, two other spaces that seat 24, one small computer lab that seats 16 and a nursing lab that holds 16. The building, which was built in 2001-02, is of relatively modern design and upkeep. Since there has not been a Facilities Condition Assessment completed, the overall Facilities Condition Index (FCI) is unknown at this time. Given the relatively recent construction, there is not expected to be a need for significant renovation of major building systems, such as HVAC or roofing.

*State and Regional Economic Needs* - The study by MGT affirmed strategies revealed across the state. Namely, that higher education provides a significant and critical means for economic and workforce development in local communities. The primary communities involved in the study, Owatonna and Faribault, contended that a local MnSCU presence in their respective communities is needed for the future growth and strategic goals of their locale. The presence of Riverland Community College and South Central College and the growing interest of MSU Mankato would provide for a full-spectrum of course offerings at the Owatonna College and University Center. The collaboration between the three proposed institutions will broaden the center's reach and meet the needs identified by the community and the region as expressed in the MGT analysis of the I-35 corridor.

This is a region predominantly driven by manufacturing and finance and insurance, with growth in education and health professions similar to other regions. The expanded system presence in the Owatonna community will increase strategies to deliver graduate, upper, and lower division programming based on academic strengths of the three partner institutions and their ability to respond to industry needs.

*Innovate to Meet Educational Needs Efficiently* - Nationwide, centers such as the Ardmore Higher Education Center (OK), the Southwest Virginia Higher Education Center (VA), and the Great Falls Higher Education Center (MT) have proven successful in delivering courses to rural areas and regional hubs via a combination of delivery methods and collaboration among multiple higher education providers. Riverland Community College has successfully

delivered programs with other higher education providers since the center's opening and would like to create a higher education collaboration that combines the strengths and diversity of the Minnesota State Colleges and Universities offerings to the Owatonna community.

Innovative technological delivery methods will be utilized to deliver programming at this facility. Drawing from multiple institutions located in the region will require coordinated classroom instruction, distance delivery, and blended programming at the center. The current space provides the flexibility and basis for possible reconfiguration and shared use.

A collaborative center represents a significant opportunity to promote innovation and collaboration. A shared facility that draws upon the programming of multiple providers will challenge current system academic, funding, and management models. The ability of the MnSCU system to leverage the breadth of knowledge at institutions and bring it to bear on a local community is essential to the ability of state and local communities to compete in the 21st Century.

Institution Master Plans and Regional Collaborations:
The acquisition of the Owatonna site was included in Riverland Community College's master plan presentation in 2005. The MGT study completed in 2006 at the request of the local communities and MnSCU supports acquisition of this facility. The multiple provider approach at this facility represents a high level of collaboration and joint planning and programming for the system. This synergistic higher education center model represents an opportunity to pursue greater efficiencies and new levels of regional collaboration.

Enrollment and Space Utilization:

| | FY2004 | FY2006* | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 473 | 483 | 468 | 474 |

* Numbers are the overall general college from Riverland Community College and may contain some FYE that is part of the on-line components. Space utilization in this building, with two classrooms for the private colleges, is not fully captured. However, the space data that has been captured indicated:

- Fall 2005 – eight classrooms used 75 percent of the time with seat usage 52 percent
- Fall 2006 – nine classrooms used 57 percent of the time with seat usage 41 percent

Note: Utilization is based on a 32-hour week; so there is room for growth of classroom space above 32 hours and if the two classrooms for the private colleges are added to the system. The primary usage is in the evenings with significantly less usage during the day, between the hours of 10 am – 3 pm. In fall 2005, Crown College and Concordia operated in rooms 102 and 133, and had about 50 FYE in the classes being taught at the Center. As of 2005, Riverland was generating approximately $37,000 from sublease/usage agreements at the Center. Assuming a student paid a Riverland full-time tuition rate of $4,427 (as of 2006-07), adding an extra 50 FYE students to the Center could result in gross tuition receipts of $221,350 annually.

**Project Rationale**

The addition of these classroom spaces under system-wide management will allow for greater collaborative opportunities. The current lease is structured so that the rent covers the debt service on the existing municipal lease revenue bonds. The current rent is $260,000 per year with Riverland Community College responsible for all operating costs of the facility. The recent operating costs have amounted to approximately $206,000 per year. The property is currently exempt from property taxes.

The lease term expires in 2016 with a final lease payment of $516,069. The EDA has approached Riverland about purchasing the property for $2.25 million (or approximately the outstanding payoff of the bond). An assumption is made that the EDA would sell the adjacent 18 acres for $25,000 an acre for a total land cost of $450,000. Combined purchase price would total $2.7 million with $800,000 attributable to due diligence, design and reconfiguration required to optimize the space, and contingency.

Predesign:
Pre-design has not started. A Facilities Condition Assessment and other due diligence are required prior to purchase.

Capacity of Current Utility Infrastructure:
The utility infrastructure should be adequate as it was constructed in 2001.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
All operating costs are paid by Riverland Community College, although it does recoup some of its expenses. The operating expenses are not expected to change significantly after Minnesota State Colleges and Universities takes ownership of the facility.

Operating costs have averaged about $206,000 for utilities, janitorial, repairs and maintenance, insurance and staffing costs. The property is exempt from real estate taxes.

Energy Efficiency/Sustainability:
The facility was not built to MnSCU design standards, so there may be additional energy-saving components to be retrofitted in the future to conserve energy.

Debt Service:
Assuming a $3.5 million appropriation and five percent interest rate, MnSCU's total share of debt service would be $96,616, and the institution's share of debt service would be about $46,800 annually. This compares to the annual lease obligation of $260,000. That $46,800 would be split proportionally to the institutional users of the facility.

**Previous Appropriations for this Project**

Laws 2006, chapter 258, section 3 appropriated $3.4 million for other property acquisitions by MnSCU campuses.

Laws 2005, chapter 20, article 1, section 3 appropriated $300,000 for other property acquisitions by MnSCU campuses.

**Other Considerations**

Current Users of Facility:
Crown and Concordia College currently sublease the facility from Riverland Community College and have approximately 50 FYE students attending classes at the Owatonna College and University Center site. It would be expected that with these private colleges not at the center, there will be additional classroom space available for MnSCU use.

Consequences of Delayed Funding:
If the acquisition is not authorized, then Riverland will continue to lease and pay the full costs of the debt. Neither Riverland nor MnSCU will own the property when the lease expires, and the agreement does not include a bargain purchase option.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 3,500 | 0 | 0 | 3,500 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 0 | 0 | 0 | 0 | 0 |
| 4. Project Management | 0 | 0 | 0 | 0 | 0 |
| 5. Construction Costs | 0 | 0 | 0 | 0 | 0 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,500** | **0** | **0** | **3,500** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 3,500 | 0 | 0 | 3,500 |
| **State Funds Subtotal** | 0 | 3,500 | 0 | 0 | 3,500 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **0** | **3,500** | **0** | **0** | **3,500** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 2,345 | 67.0% |
| User Financing | 1155 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| Yes | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health

**2008 STATE APPROPRIATION REQUEST:** $1,900,000

**AGENCY PROJECT PRIORITY:** 31 of 37

**PROJECT LOCATION:** Location not yet determined

**Project at a Glance**

- Project will design space at both campuses to serve Minnesota and the northwest metro area's demand for STEM (Science, Technology, Engineering, Math) and health careers education and will add classroom and lab capacity for enrollment growth, new program development and 4-year university programs.
- Develop analyses to allow for renovation and new construction at both campuses to fulfill upper division programs and academic course offerings to advance existing bioscience and medical industries and business.
- The two colleges will work together to identify workforce and related academic programming and create an efficient and effective plan for collaboratively meeting identified needs.

**Project Description**

Predesign and schematic design for Anoka Ramsey Community College (ARCC) and North Hennepin Community College (NHCC), for facilities to collaboratively expand bioscience and health careers education, including increased access to 4-year university programs.

**Relationship to Strategic Plan**

MnSCU's Strategic plan:
*Increase Access and Opportunity* - The projects at both campuses will increase access and opportunity for preparation in health or STEM related careers.

- Respond to high demand existing health career programs such as nursing. Expand the curriculum and increase sections of high demand STEM classes such as biology and chemistry.
- Provide more students the opportunity to complete a four year degree in STEM and health careers.
- Create flexible lab and lecture space to allow for rapid response to the changing needs of students and employers in the region for both credit and non credit instruction.
- Both colleges serve a large number of students of color and first generation, low income students as well as place bound working adults whose options for education are often limited to the metropolitan area. ARCC has 1,079 and NHCC has 2,550 students of color.

*High Quality Learning Programs and Services* - Due to capacity constraints, both campuses are unable to meet the growing demand for programs in STEM and health related fields. This addition will allow for expanded course offerings of direct importance to current and future employers in the region.

The combination of high quality programs and niche courses offer options to serve both the traditional degree-seeking student wishing to work in the bioscience, biomedical engineering, or environmental science industry as well as the experienced degree-holder who needs retooling. Upper division programs allow increased opportunities to obtain a bachelor's degree.

- Both ARCC and NHCC have large nursing programs. Each college receives over 400 applications for nursing each year and has space to admit less than half. Nursing enrollments are approximately 250 students a year at each college. Nearly one fourth of NHCC's nursing students are multicultural. Both colleges currently collaborate with Metropolitan State University to offer the BSN (Baccalaureate of Science in Nursing) at their campuses.
- ARCC has been a three year partner in a national Department of Education grant where colleges from around the country design curriculum for the medical device industry. Recently ARCC received an NSF ATE (Advanced Technology Education) grant in partnership with three other colleges to develop three new certificate programs to serve the medical device industry. ARCC's share is $201,000 over three years.
- ARCC and partner companies in the medical device and health care industries have been awarded over $6.3 million dollars in Minnesota Job Skills Partnership grants to provide training to company employees and to expand college capacity. Companies include: Possis Medical, Inc.;

Mercy and Unity Hospitals; East Central Allied Health Consortium; Transoma/Data Sciences, International; Boston Scientific SCIMED; American Medical Systems; MedSource Technologies; OakRiver Technology; E & O Tool & Plastics, Inc; CIMA LABS, Inc.; Synovis Interventional Solutions; Cambridge Medical Center and Grandview Christian Ministries; Incisive Surgical; Minco Products, Inc.; Acorn Cardiovascular; rms; ev3; and NeoMetrics, Inc.

- ARCC's grant partnerships have resulted in the development of unique biomedical device industry education programs, including Biomedical Technology A.S. Degree and Certificate, Clinical Research Professional Certificate credit programs, and a Medical Device Assembly and Manufacturing non-credit certificate program.
- ARCC is developing a new Associate in Science degree in Medical Device Engineering Technology that will require highly specialized lab and lecture space. Lab space is needed for manufacturing equipment, a test bed (donated by Boston Scientific), simulation equipment, measurement tools, and space for an R & D lab.
- NHCC is partnering with Minnesota State University Moorhead (MSUM) to make available a B.A. in Biology with emphases available in Biochemistry and Bioscience and Health and Medical Sciences. The B.A. in Biology from MSUM incorporates research throughout the curriculum as well as opportunities to become involved in mentored research projects outside of the classroom.
- NHCC, in partnership with St. Cloud State University, Allina Hospitals and Clinics, Centracare and Viromed received a $347,000 Minnesota Job Skills Partnership grant to expand medical laboratory technician and technologist programs and training. The two schools are building a single system of courses to provide ongoing training, increase the pool of new clinical laboratory professionals, and develop an easier career ladder.
- NHCC hosts a Masters Degree program in Regulatory Affairs from St. Cloud State University on its campus.
- NHCC offers a non credit certificate in Regulatory Affairs to serve the bioscience industry.

*State and Regional Economic Needs* - Minnesota is home to some of the world's largest biomedical device manufacturing companies and is also home to research and development operations for other industry leaders, as well as multiple small to mid-sized bioscience and biotechnology companies that range from genetic engineering processes to the nanotechnology industry. According to the Minnesota Department of Employment and Economic Development (DEED) (2004) there are more than 520 FDA approved medical device establishments in Minnesota. Between 1992 and 2002 employment in the medical technology industry increased 31% to over 21,300 people.

The northwest nine-county service area is growing rapidly. A shortage of employees with traditional health care skills and employees with converged skills in both health care and biosciences exists today and will no doubt increase as the population ages. A significant and growing segment of our economy requires employees with STEM degrees.

Students in the metro area have limited options to earn a four year STEM degree. The largest public STEM degree-granting institution in the Twin Cities, the University of Minnesota, is increasingly selective, limiting opportunities for undergraduate enrollment. Cost of attending the University of Minnesota or metro area private colleges is higher than at MnSCU institutions and these schools do not usually offer STEM programs and courses at times and in formats tailored to meet the needs of working adults. As a result, a large potential market for students in the STEM fields is not being served. This has negative consequences for the workforce, industry and the state's economy.

Minnesota has a shortage of nurses, particularly nurses with BSN degrees. DEED estimates that by 2020 Minnesota could face a shortage as high as 28% of demand. The overall nursing shortage is compounded by growing employer preference for baccalaureate prepared nurses. New facilities will enable ARCC and NHCC, in partnership with Metropolitan State University, to expand BSN programs. A critical component is addition of quality simulations labs to reduce reliance on limited clinical sites.

The allied health workforce represents the largest group of healthcare professionals at more than twice the size of the nursing profession. In Minnesota, the shortage of clinical laboratory professionals has become a matter of critical concern. Biotechnology companies also need the skills that clinical laboratory scientists obtain during their education.

The growth in science and nursing facilities at ARCC and NHCC will:

- Enable more metro students to receive research-based baccalaureate degrees in the biosciences as well as four year degrees in the health sciences while continuing to live and work in the metro area,
- Serve the needs of area bioscience industries, such as PDL BioPharma, Medtronic and Boston Scientific,
- Serve the needs of the new hospital being built in Maple Grove and numerous new clinics in addition to existing ones,
- Serve the growing population in the northwest quadrant of the Twin Cities, and
- Provide additional education and degrees to people currently employed in the biosciences and health industries.

*Innovate to Meet Educational Needs Efficiently* - This collaboration between ARCC and NHCC in partnership with MnSCU universities represents a significant commitment to meet the needs of students and industry in a manner which minimizes unnecessary duplication and focuses on the unique strengths and abilities of each institution. By working together to identify and design specific facilities to meet the programming needs of each school's programs, students will gain access to a wide array of excellent programs as the specialized needs of business and industry are being met.

New technology and the melding of STEM/Bioscience disciplines require constant training and retraining for those currently employed in the bioscience industry. This project at both campuses will better serve the needs of students and industries and accommodate the rapid pace of technological change.

Institution Master Plans & Regional Collaborations:
Both campuses have recognized the need for expansion in these areas.

- Create new and/or enhanced bioscience and health programs, of which two or more will be interdisciplinary in Allied Health.
- Establish institutional distinction for biomedical technology with new programs and national initiatives that serve the breadth of needs within the industry.
- Expand current allied health programs.
- Strengthen community, business, and economic development involvement and relationships.
- Partnering opportunities with universities in the biosciences and health careers.

Enrollment and Space Utilization:
At both campuses there is a critical need for new space for these programs and enrollment justifies the additional space. Additional evaluation of renovation to correctly 'right size' existing spaces will also be done. Area population growth, industry interest and needs, space constraints, and collaborative arrangements (discussed above) all support the need and viability of this proposal.

Enrollment as measured by full year equivalent students (FYE) has grown substantially in recent years.

| | FY2000 | FY2006 | FY2007 | FY2008* |
|---|---|---|---|---|
| ARCC (Coon Rapids) | 2837 | 3589 | 3775 | 3888 |
| NHCC | 3135 | 4165 | 4150 | 4235 |

*projected

ARCC has had no new space constructed on the Coon Rapids campus since 1997. As identified on MnSCU space use reports, allied health and science lab space is reflected at over 100% room usage. The ability to accommodate growth is contingent on new space. Space for new programs and flexible space is virtually non existent. Coon Rapids campus is nearing capacity which limits access to rooms that provide opportunities to apply student centered pedagogical approaches.

NHCC has identified space needs since the 2003 Facilities Master plan and additional space for science instruction was identified in the September 2004 Facilities Master Plan as a long term building project. As reflected in the MnSCU space use reports room usage in science labs frequently exceeds 150%. Room usage campus wide of 125% in fall 2006 and 122% in fall 2005 reflects the decisions made by NHCC to provide access to students who are unable to attend college during week-day hours. Classes are offered beginning at 7 a.m. and end at 10:00 p.m. during the week, and are offered on Saturdays and Sundays.

**Project Rationale**

Designing and building new space for Bioscience and Health Careers at both ARCC and NHCC will accomplish the following objectives:

- Provide additional capacity for existing science programs
- Expand Nursing program capacity
- Expand other Health Career program capacity
- Enable increased grant participation
- Increase opportunity for Bioscience Baccalaureate degrees in metro area
- Serve the needs of industry and an expanding metropolitan area
- Offer continuing education and training to those currently employed in the biosciences and health careers, many of whom are place bound by jobs and family responsibilities
- Expand educational opportunities for underrepresented students
- Free up classrooms and space in existing buildings to address current capacity problems

Predesign:
A Predesign was done for both campuses by separate architects for these issues. The decision to evaluate academic programs and workforce needs for enhanced planning in this quadrant will be executed in the summer and fall of 2007, with firmer building plan analysis done prior to the 2008 legislative session.

Capacity of Current Utility Infrastructure:
*At ARCC:*
Heating: The three dual fuel (gas/oil) boiler/burner units are in good working order and have sufficient capacity to heat the new building areas.
Cooling: The two water-cooled centrifugal Chillers installed in 1997 have sufficient capacity to cool the new building areas.
Electrical: The existing 15 KV loop system, which distributes power throughout the campus with 15 KV loop switches located within each of the buildings, is in good order and of sufficient capacity for the new building areas.

*At NHCC:* The current systems will be close to maximized once the new addition is built to the Center for Business and Technology, projected for early 2010. Any new structure will have its own self contained energy efficient new system.

**Impact on Agency Operating Budgets (Facilities Notes)**

Energy Efficiency/Sustainability:
The new construction and renovations will emphasize energy efficiency and minimize operations costs. Sustainability design strategies are proposed for the project related to energy usage, recycled content, low embodied energy material use, heightened indoor air quality and sustainable material selections. In addition to energy standards, the building should also take sustainability into consideration, including but not limited to site design, indoor environmental quality, energy and water conservation, utilization of resource-efficient materials, minimization of construction waste, and optimization of maintenance and operations through the use of new technologies and materials.

Debt Service:
Both campuses have the ability to pay debt service. Projected debt service between 2010 and 2013 will be less than 1% of campus annual operating expenses.

**Other Considerations**

Consequences of Delayed Funding:
The most profound impact of delayed funding is the loss of opportunity for Minnesota State Colleges and University students seeking degrees and training in the biosciences and health careers:

- Continued turning away of applicants to multiple programs
- Space needs on both campuses will severely backlog capital project requests
- Lack of capacity to respond to industry development and degree needs unique to northwest metro region
- Lack of capacity to respond to workforce retooling and preparation needs in high demand areas

- Loss of competitive advantage to educate students seeking bioscience, math, technology or allied health careers
- Likelihood that the colleges will need to relocate programs or start new programs in leased space

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 72 | 436 | 0 | 0 | 508 |
| 3. Design Fees | 0 | 1,032 | 1,296 | 0 | 2,328 |
| 4. Project Management | 0 | 199 | 866 | 0 | 1,065 |
| 5. Construction Costs | 0 | 0 | 28,489 | 0 | 28,489 |
| 6. One Percent for Art | 0 | 0 | 200 | 0 | 200 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 2,202 | 0 | 2,202 |
| 9. Inflation | 0 | 233 | 8,627 | 0 | 8,860 |
| **TOTAL** | **72** | **1,900** | **41,680** | **0** | **43,652** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,900 | 41,680 | 0 | 43,580 |
| **State Funds Subtotal** | 0 | 1,900 | 41,680 | 0 | 43,580 |
| Agency Operating Budget Funds | 72 | 0 | 0 | 0 | 72 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **72** | **1,900** | **41,680** | **0** | **43,652** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 90 | 90 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 90 | 90 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 90 | 90 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 1.0 | 1.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,273 | 67.0% |
| User Financing | 627 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Mn State Univ Moorhead - Livingston Lord Library Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $700,000

**AGENCY PROJECT PRIORITY:** 32 of 37

**PROJECT LOCATION:** Minnesota State University, Moorhead

**Project At A Glance**

- Design to renovate over 120,000 gross square feet (GSF)
- Renovation will address deferred maintenance issues
- Code compliance issues will be addressed

**Project Description**

Develop design and construction documents for the renovation of Livingston Lord Library. The facility has 129,083 square feet, including the original construction in 1960 and the addition in 1987. This comprehensive renovation will completely replace the HVAC, electrical, plumbing, and fire detection systems. In addition, appropriate fire suppressions systems will be installed with due care for the Library's inventory of books, periodicals and campus artifacts. There are a number of code compliance issues and accessibility issues that will be resolved in the renovation.

Currently, this facility has over $10 million of deferred maintenance. The existing FCI is .34, and with the remodeling it will be lowered to an FCI of .07. This renovation will remove a backlog of deferred maintenance and considerable renewal deferred maintenance. For example, the current list of deferred maintenance and FCI does not include approximately $1 million of electrical work that will be added to the facilities module in 2007. This project will significantly reduce the deferred maintenance on campus and improve the campus FCI by reducing it from .24 to .22.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Initiative 1.3 states: "...prepare young people to graduate from high school..." A redesigned Library will allow staff to conduct workshops and better integrate college research experience into high school. The college will continue to partner with area high-schools and provide information literacy and library research instruction and introduce them to college-level research. The college will expand their services to area high schools and include study spaces and services to meet their needs.

*High-quality Learning Programs and Services* - Initiative 2.3 states: "multiple delivery options": The library needs updated spaces for collaborative learning, social networking, and more digital media-based curriculum in order to meet the needs of today's technology-savvy yet socially-motivated learners. The library needs to adapt to become more of a technology help-center, study skills, writing and reading tutoring, and digitally-information rich space. The library will become a "learning commons" and essential space for academic services that are flexible, innovative, and open to students when they need them (not the 8:00 a.m. - 4:30 p.m. model). There is a need for less print collections and more space for interactive learning and research. This will also provide an opportunity to finally make the library building a learning space that truly accommodates students with disabilities and special needs.

The Library's Reading Aloud program is growing by leaps and bounds. This service learning project needs a defined space for reading aloud to children, which could also double as a community outreach space for underserved middle and high school students.

*State and Regional Economic Needs* - Initiative 3.2 states: "regional vitality… cultural, artistic assets." The library needs to offer more space that is open to the community for learning, research, and cultural/artistic events. More space for student and community created artistic and other projects. Initiative 3.3 requests that the Library must become a center for information sources for the campus and region.

*Innovate to Meet Educational Needs Efficiently* - The current Minnesota State University Moorhead (MSUM) Strategic Plan quotes the following core values of "environment focused on the student," "effecting teaching and learning," and the "communities we serve." The library must become more student-focused, adaptive, and flexible to change with students learning styles and needs. Updates would include modular furniture that can be moved into

collaborative configurations, a variety of study spaces, and more digital technology and collections.

Long-Term Institutional Goals for MSUM include:
1.4: "Provide resources that support a teaching and learning environment in and outside the classroom." and 2.1: "Provide supportive programs and services that are accessible… respond proactively to student needs." The current facilities are not disabilities-accessible in many areas. The Circulation desk does not accommodate wheelchairs. Collection shelving on 2nd-4th floor is not wide enough to accommodate wheelchairs. Study spaces do not accommodate a variety of disabilities.

Institution Master Plans & Regional Collaborations:
MSUM's facilities have been characterized with terms such as extensive deferred maintenance, tired, out-of-date, worn out, etc. The University has worked with MnSCU personnel and legislators to secure funding to renovate and update its facilities.

Most of the facilities now have adequate envelope protection, and with the renovation of Owens Hall, Frick Hall, Hagen Hall, MacLean Hall and proposed renovations of Lommen Hall, considerable progress has been made in decreasing the level of deferred maintenance on campus.

However, there has been a glaring oversight for several years, and that is addressing the deferred maintenance of the Livingston Lord Library. When previous emphasis was placed on renovating libraries in the 80's, Livingston Lord Library was renovated to include 3rd and 4th floors, with some asbestos abatement on the 1st and 2nd floors. While the carpet was replaced, the original mechanical system was left in place. Consequently, the deferred maintenance now amounts to $10.07 million and FCI is .34. This facility is the most used facility on campus and includes three general computer labs that are open 24 hours a day, seven days a week.

MSUM's strategic plan to address the renovation of its facilities prioritized life and safety issues first, then renovation of classrooms and offices, and finally the level of deferred maintenance. Livingston Lord Library's level of deferred maintenance is unusually high, at approximately $80 per square foot.

It is also time to provide a facility that meets the current and future needs of a University Library. The Library director and staff agree that the facility, in its renovation, be converted to a student-centered learning commons. This concept is presented in the predesign for the renovation of the facility.

Enrollment and Space Utilization:

| | FY2004 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| FYE | 7,008 | 6,818 | 6,695 | 6,681 |

**Project Rationale**

The renovation of Livingston Lord Library has been delayed as MSUM placed its emphasis on health and safety issues and then renovating the two oldest classroom buildings on campus. The facility not only has extensive levels of deferred maintenance, but also needs redesigning to provide a student-centered learning environment that is not possible with the current interior design.

Predesign:
Cost Planning & Management Inc. (CPMI) and the Library staff have completed predesign.

Capacity of Current Utility Infrastructure:
The current utility infrastructure will be replaced. There will be adequate HVAC and plumbing systems, plus a new electrical distribution system including fire detection and suppression systems. Updated student learning possibilities will require superb state-of-the-art technology systems.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
All exterior windows and doors will be replaced with energy efficient models. The most significant affect on energy efficiency will result from appropriate design of the mechanical and electrical systems. This facility has over 120,000 square feet, and they will employ a commissioning consultant in the initial design stages. They are not prepared to present an estimate regarding the energy savings that will occur when the renovation is completed. (Please

note that based on a similar analysis for Lommen Hall, there would be a minimal yearly savings of $42,000.)

Energy Efficiency/Sustainability:
See above.

Debt Service:
The university has the ability to cover the debt of this renovation.

**Other Considerations**

Consequences of Delayed Funding:
This is a very significant project to MSU Moorhead, and annual inflationary costs will most likely be between $700,000 and $1 million per year to address this renovation. Inadequate mechanical systems will continue to provide poor air quality.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 10 | 0 | 0 | 0 | 10 |
| 3. Design Fees | 0 | 521 | 375 | 0 | 896 |
| 4. Project Management | 0 | 119 | 630 | 0 | 749 |
| 5. Construction Costs | 0 | 0 | 8,050 | 0 | 8,050 |
| 6. One Percent for Art | 0 | 0 | 73 | 0 | 73 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 464 | 0 | 464 |
| 9. Inflation | 0 | 60 | 2,408 | 0 | 2,468 |
| **TOTAL** | **10** | **700** | **12,000** | **0** | **12,710** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 700 | 12,000 | 0 | 12,700 |
| **State Funds Subtotal** | 0 | 700 | 12,000 | 0 | 12,700 |
| Agency Operating Budget Funds | 10 | 0 | 0 | 0 | 10 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **10** | **700** | **12,000** | **0** | **12,710** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 0 | 0 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 0 | 0 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 469 | 67.0% |
| User Financing | 231 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Southwest Mn State Univ - Science Lab Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 33 of 37

**PROJECT LOCATION:** Southwest Minn. State University, Marshall

**Project At A Glance**

- Design the renovation of 20,090 gross square feet (GSF) of science labs
- Design a 1,000 GSF addition to the Plant Science Learning Center
- Renovation request in 2010 of up to $5.5 million

**Project Description**

Design, through construction documents, the renovation of science labs in Science & Math, as well as an addition to the Plant Science Learning Center in Science & Math.

The Science & Math (SM) renovations will update agronomy, environmental science, physical science, astronomy, physics and plant science labs. The Plant Science Learning Center addition will provide adequate "headhouse" space for a teaching wet lab, experiment preparation, workroom and storage space for the Center.

*Academic programs impacted are:* Biology, Biology Education, Biology – Medical Technology / Cytotechnology, Chemistry, Chemistry Education, Chemistry – Environmental Emphasis, Environmental Science – Geology, Environmental Science – Natural Science, Environmental Science – Humanity & Environment, Geology, Agronomy, Physics and pre-professional programs. Ten percent of SMSU majors are enrolled in these programs and all students must take 8 credits of biology, chemistry, physics or environmental science as part of the core curriculum.

Construction will be requested in 2010.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Southwest Minnesota State University (SMSU) is the only baccalaureate institution within 20,000 square miles with a mission to provide higher education opportunity and access for all Minnesotans, regardless of financial circumstances. The remodeling and addition also reflects a tradition of distinctive, barrier-free architectural access for students with disabilities.

*High-quality Learning Programs and Services* - Science students need training on up-to-date, state-of-the-industry technology and scientific equipment to better serve regional industry, enhance science active learning and work force preparedness.

*State and Regional Economic Needs* - SMSU supports its mission by giving high priority to the highest quality teaching and learning programs that support regional and state work force skills and work force preparedness needs for graduates in the sciences and science teaching.

*Innovate to Meet Educational Needs Efficiently* - There have been many changes in science pedagogy over the last 34 years since these science labs were built. Science instruction is more open-ended, active inquiry, utilizing measurement and analysis tools that computers and the internet have made available at reduced cost. This renovation and addition will incorporate technology to match the new science pedagogy.

Institution Master Plans & Regional Collaborations:
Southwest MSU's master facilities plan update was presented to the Office of the Chancellor in November 2006. Science Lab remodeling Phase II ties directly to the following master plan principles and initiatives for future campus development:

*Acknowledge current density and compactness and take advantage of existing space* – This project is predominantly renovation of existing space in conformance to the master plan principle for acknowledging compactness and taking advantage of existing space, campus renewal and responsiveness to its constituencies.

*Strengthen and support the University mission* – Renovations respond to MnSCU benchmark and SMSU mission initiatives for increasing science and science teacher education graduates through curricular programs in physics, food science, agronomy, environmental science, physical science, with plant and astronomy lab support.

*Accommodate and support University growth* - Renovations acknowledge current density, compactness and taking advantage of existing space. Renovations and addition will provide space for SMSU's biennial targets and resource needs for science (STEM), science teacher and food science enrollment. SMSU is the fastest growing university in the MnSCU system with science enrollments alone increasing 14% over the past five years without critical renovation to its labs.

*Regional collaborations* – A SMSU partnership with Archer Daniels Midland and Lyon County on soil and water quality, and extensive farm cooperative partnerships, make it possible for SMSU to sustain its mission and strategic commitment to the region.

Enrollment and Space Utilization:
University enrollment has grown continuously since the University was founded in 1967.

| | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| FYE | 3,513 | 3,754 | 3,501 | 3,500 |

Fall Semester 2005, SMSU's overall space utilization rate was 89% of available weekly classroom hours and 54% seat usage.

**Project Rationale**

SMSU's agronomy, environmental science, physical science, astronomy, physics and plant science labs in Science & Math (SM) have not been updated since original construction in 1972. The fume hoods are unsafe, and labs do not meet today's standards for fresh air intake and ventilation. Chemical storage is not vented directly to the outside as current building code requires. Plumbing at the lab benches is overdue for replacement. The linear lab benches do not work for combined lecture/labs, which SMSU faculty now employ, and the more modern pod benches would better support teaching and learning science by doing.

Four physics, three agronomy/environmental/ physical science labs, one astronomy lab and the Plant Science Learning Center will be renovated and updated. Labs will be designed to: accommodate lab activities as well as lecture with movable lab benches; meet current ADA recommendations; meet current safety standards for ventilation and fume hoods; provide adequate and new utilities to meet class needs; and incorporate wireless technology. The astronomy lab will also require Star Projector updates or replacement. The Plant Science Learning Center needs a new roof, heating and cooling control systems, vented storage for chemicals, and wall repairs. The addition will allow the Biology program to include a wet lab in the Plant Science Learning Center and provide adequate plant workroom and storage space.

Asset preservation, including plumbing, ventilation, code-compliant fume hoods and vented chemical storage, electrical, ADA compatible learning spaces, asbestos abatement, and life safety / code improvements, will affect building FCI figures and deferred maintenance (DM) as follows:

| | Current DM Backlog | DM to be Eliminated Ph 2 | Current FCI | FCI After Phase 1 And Phase 2 Projects |
|---|---|---|---|---|
| SM | $ 6,961 | $ 2,729 | .29 | .07 |

Predesign:
A preliminary Science Lab facilities study for the remodeling of all science space in the Science & Math and Science & Tech buildings was completed by Bentz Thompson Rietow in June 2005. Information from this study has been used to prepare this capital request. Design for Phase 1 Science & HRA remodel work was funded by the Legislature in 2006. Phase 1 construction is requested as a separate project for 2008 (Priority #13)..

The predesign for this Phase 2 Science Remodel will be completed September 2007. Construction of Phase 2 will be requested in 2010.

Capacity of Current Utility Infrastructure:
The renovation and small addition will have negligible impact and the existing utilities will be adequate to meet the needs of this remodeling and addition.

New energy management systems will monitor and adjust to peak mechanical system usages.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Since this is predominantly a remodeling project with a very small addition, there will be only a modest $5,000 increase in electricity with 1,000 square feet of additional space and more and newer fume hoods that introduce more code-mandated fresh air into the labs than existing, outdated fume hoods. (SMSU is an all electric campus.)

Energy Efficiency/Sustainability:
To improve energy efficiency and meet goals of the Minnesota sustainable Guidelines, this project will tie equipment into the University's energy management system to provide continuous monitoring of heating, ventilation, and air conditioning, will specify low energy light fixtures, utilize energy saving infrared toilet and sink controls, include the use of motion sensors, and will include the use of green materials in the project design.

Debt Service:
At its high point in 2013, SMSU's annual debt service obligation could be $439,800, which would be 1.37% of its general operating revenues. This is a prudent level of managed debt and will be structured into the SMSU's annual operating budgets.

**Previous Appropriations for this Project**

Design for Phase 1 Science & HRA remodel work was funded by the Legislature in the 2006 bonding bill (Laws 2006, chapter 258, section 3).

**Other Considerations**

Alternatives & Options:
This project is predominantly renovation, demonstrating excellent stewardship of state assets, and removing $2.7 million in deferred maintenance of the total campus backlog of $47 million. Remodeling of existing labs is the best approach because:

- The number and type of existing labs is optimal for SMSU's needs but need to be enlarged to accommodate larger class sizes.
- Adequate space can be better arranged to allow for enlarged labs.
- It would be less expensive than building a new building.
- The Plant Science Learning Center does not have space to expand internally since it is located independently of the SM building via a connecting link.

Consequences of Delayed Funding:
- SMSU science students will continue studying in outdated facilities that do not meet current building codes and air quality requirements, and do not adequately prepare them for the science jobs of tomorrow.
- The renovations / addition are integral to achieving MnSCU System and SMSU established Biennial Targets and Resource needs (2007-2011) for STEM and science teacher licensure enrollment.
- Donor confidence in funding for faculty positions, instructional supplies and professional development and travel may decrease.
- Student access, opportunity and enrollment interest will decrease.
- Deferred maintenance backlog will remain.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 44 | 0 | 0 | 0 | 44 |
| 3. Design Fees | 0 | 208 | 70 | 0 | 278 |
| 4. Project Management | 0 | 62 | 183 | 0 | 245 |
| 5. Construction Costs | 0 | 30 | 3,674 | 0 | 3,704 |
| 6. One Percent for Art | 0 | 0 | 29 | 0 | 29 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 534 | 0 | 534 |
| 9. Inflation | 0 | 0 | 1,010 | 0 | 1,010 |
| **TOTAL** | **44** | **300** | **5,500** | **0** | **5,844** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 300 | 5,500 | 0 | 5,800 |
| **State Funds Subtotal** | 0 | 300 | 5,500 | 0 | 5,800 |
| Agency Operating Budget Funds | 44 | 0 | 0 | 0 | 44 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **44** | **300** | **5,500** | **0** | **5,844** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 5 | 5 | 5 | 15 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 5 | 5 | 5 | 15 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 5 | 5 | 5 | 15 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

**2008 STATE APPROPRIATION REQUEST:** $1,900,000

**AGENCY PROJECT PRIORITY:** 34 of 37

**PROJECT LOCATION:** St. Cloud State University, St. Cloud

**Project At A Glance**

- Design for construction an integrated science and engineering laboratory
- Request of $42 million is anticipated in 2010

**Project Description**

This request is for design funds for an Integrated Science and Engineering Laboratory Facility. The proposed new construction is for teaching and research laboratories, and student academic support spaces based on the model of designing flexible laboratories that can be reconfigured to meet changes in science and engineering needs. The structure will facilitate health science degree programs, integrated work across engineering and the sciences and critical student project design and research programs.

The estimated construction funding request in 2010 would be approximately $42 million for 91,000 gross square feet.

**Relationship to Strategic Plan**

MnSCU Strategic Plan:
This project is a direct response to the strategic plan to develop Science, Technology, Engineering and Mathematics (STEM) and other employer high demand programs to meet the needs of Minnesota. The project will provide space for Project Lead the Way, a high priority for MnSCU, and extend pre-engineering programs to high school.

*Increase Access and Opportunity* - High-quality learning programs and services: The proposed structure provides appropriate laboratory and student support space for integrated instruction and research in optics, robotics, control systems, bio-sciences, and mechanical and manufacturing engineering.

Students and faculty are looking for work environments that promote a sense of community. Universities are discovering that to recruit and retain top quality teaching talent and best prepare students, buildings need to facilitate collaboration. This building will meet these needs for St. Cloud State University (SCSU). In discussions with external stakeholders, primarily medical device companies, the need to develop team and project management skills was repeatedly mentioned; integrated teaching/research facilities are essential to establish these qualities in their students.

*State and Regional Economic Needs* - The anticipated growth in integrated bio-science, engineering and industries shows strong demand for university graduates, as anticipated in the samples below of the growth projected by 2012 for various careers from DEED analysis:

| Occupation | % Change | Occupation | % Change |
|---|---|---|---|
| Engineering | 10 | Chemists | 18 |
| Comp. Eng. | 44 | Sys. Analyst | 37 |
| Life Scientists | 20 | Natural Scientists | 17 |
| Microbiologist | 28 | Biochem./Physics | 22 |

Instruction and research in this facility would prepare students for these careers. This demand in industry in conjunction with the student interest at SCSU is a formula for significant positive economic impact on Minnesota. Currently SCSU has near 100% placement in jobs in the field of study or graduate school for all science and engineering programs.

*Innovate to Meet Educational Needs Efficiently* - At no time in history has the emphasis on interdisciplinary research and collaboration been as great as it is today. Teaching and research as well as practice in the private sector increasingly use knowledge and methodology of multiple disciplines. To this end academic and science buildings need to bring together various departments and foster high levels of collaboration.

*Institution Master Plans & Regional Collaborations* - This development is consistent with the university's Master Plan that identified this site as a

location for expansion of academic facilities. The university has also completed a College of Science and Engineering Master Plan for facilities that anticipate this project.

The site is in the midst of the present science, engineering, technology and mathematics facilities on campus. While these facilities, with the renovation of Brown Hall and the addition to the Wick Science Center are adequate for lower division instruction and much upper division course work, they afford little space for student project work (an increasingly common capstone requirement for undergraduates) and woefully inadequate faculty and faculty/student research space. Recognizing this, the University completed a comprehensive science and engineering master plan that clearly sets out the specific functions to include in this facility and the continuing use of the existing facilities.

This project to primarily serve upper division students and graduate students, dovetails with the University's development of 30 articulation agreements with sister two- year institutions in the sciences and engineering. SCSU is also taking special steps with Anoka Ramsey Community College to enhance lower division basic science offerings and facilities at their Coon Rapids Campus that will encourage additional transfer students to SCSU's baccalaureate programs in sciences and engineering.

Enrollment and Space Utilization:
The University has seen recent increases in enrollment that is projected to continue into the future. The following table illustrates the trend:

| Historic and Projected FYE | FY 2004 | FY 2006 | FY 2007 | FY 2008 |
|---|---|---|---|---|
| | 14,029 | 13,932 | 14,200 | 14,250 |

This growth is most pronounced in the sciences where they saw admitted undergraduate majors in the College of Science and Engineering increased 23% to 873 and graduate students increase 86% to 123 between FY2000 and FY2005.

Utilization of teaching labs continues to be very strong. In FY04 the utilization in the Wick Science Building was calculated at just over 101% of the expected hours per week. This is the same standard applied to classrooms and is quite remarkable for teaching labs that require non-class time for set up.

This project will also allow the University to vacate a 2,500 Net Assignable Square Feet (NASF) of space four miles from campus at a local manufacturing facility. While this has proved a valuable resource for the University the company has decreased its capacity and is not a good long term location. The distance has made use difficult for students and faculty in addition, to the lack of adjacent controls, materials, metrology, CNC laboratory space or open manufacturing prototype space.

The University has a significant short fall in integrated research space. Considering the emphasis placed at SCSU on undergraduate research/capstone experience, the intensity of upper division and graduate use of research space, their ability to serve students, faculty and outside bioscience/engineering stakeholders is limited. A National Science Foundation survey of science and engineering research space in academic institutions in 2003 found that for 20 institutions around the country of similar size and mission to SCSU, the university ranked 15th in net assignable square feet for research space for all fields, at less than 50% of the average. Considering just biological science, engineering, mathematics and physical sciences, SCSU has 27,000 NASF for research compared to an average of 63,000 NASF and 117,000 NASF at MSU Mankato. This project will add about 9,000 NASF for these disciplines bringing the total research space to 36,000 NASF.

**Project Rationale**

There are three basic elements to the rationale for this project.

1. SCSU has seen strong growth in the demand for areas of study this building will accommodate.

Since 2002, there has been a 68% increase in intended undergraduate majors, a 23% increase in admitted undergraduates and an 86% increase in graduate students in sciences and engineering at SCSU. Insufficient capacity is available in upper division programs to meet the aspirations of these students. This facility will help meet those aspirations and allow

students to complete a bachelor's degree in areas identified as important to Minnesota's economic vitality, per DEED projection.

2. The University has insufficient research and project space for students and faculty or collaboration with outside stakeholders.

The University has encouraged faculty to seek more outside funding for sponsored research. While they have seen some success in these efforts they expect enhanced grant support from this flexible research space. The research space will also accommodate undergraduate capstone project work (particularly in engineering) and facilitate graduate student work.

3. Provision for flexible and interdisciplinary laboratories is needed for the facility to maximize usefulness over time.

Academic needs in upper division course work, projects and research change over time. Large, flexible spaces facilitate these transitions more easily than smaller dedicated spaces. Research and education are no longer about individual scientists working in silos to teach the "new" concept or to find the next great discovery; today's science is a very human and interactive endeavor and this is what employers expect graduates to emulate.

Predesign:
Complete by RRTL Architects of St. Paul in November, 2006.

Capacity of Current Utility Infrastructure:
Current electrical, steam, water and sewer utilities are in place in sufficient capacity to accommodate this structure. Piping is in place for service from the central chilled water plant and an anticipated chiller addition to the central plant, in this year's HEAPR request, will provide the cooling capacity needed.

**Impact on Agency Operating Budgets (Facilities Notes)**

The University is prepared to make the necessary increases in the operating budgets that completion of this facility requires. The expected addition of credit hours in the upper division sciences will off set direct instructional expenses.

Building Operations Expenses:
The anticipated utility and renewal expenses will be covered by the University.

Energy Efficiency/Sustainability:
The facility will connect to the University's energy management system to optimize operation. The envelope will be designed to be very energy efficient. The equipment and controls in the building will be selected and installed to assure efficiency.

The nature of the design is for flexible lab spaces and is a fundamental element of the long term utility and, in the end, maximizing sustainability. Current science facilities are designed in a more discipline specific way with limited ability to reconfigure in the future as science, engineering and technology fuse and demand changes.

Debt Service:
The University is prepared to assume the debt service as required by legislation and Board practice. The University manages its total debt load liability well below the 3% of budgeted expenditures Office of the Chancellor guideline. The debt service payment will increase as a result of the project. The sum of all current and proposed projects at the University, if funded on the schedule requested, result in a debt service of less than 1% of the operating expenses.

**Other Considerations**

This project is part of an ongoing renewal and enhancement of the science and engineering facilities at the university that is described in the science facility master plan. The enhancement of the engineering program is consistent with the charge that was given to the University by the legislature in 1985 to provided engineering programs in Central Minnesota to enhance the State's economic development.

This project is third in a series of projects to bring the science and engineering facilities into alignment with mission and professional standards. The first project is a 35,000 gross square feet addition to the existing Wick Science Building to house basic lab space. This project was funded for construction in 2006. The second is the renovation of Brown Hall, a 1958

science facility. Brown Hall is requested as a separate project for 2008 (Priority #3). The labs in Brown would be relocated to the Wick Addition and other non-science programs moved to other facilities on campus. The renovation will allow Brown to serve as a home for the nursing labs (currently in leased space off campus) and Communications Science and Disorders (currently housed in cramped and obsolete labs constructed in 1972 in the Education Building).

In totality these projects will bring science and engineering facilities more closely in alignment with the standards for the various disciplines and more consistent with similar institutions.

Consequences of Delayed Funding:
Delayed funding would translate to increased costs for construction as a result of inflation, but more importantly, continuing difficulty for the University to meet the demand for applied bachelor's and master's degrees in science, and engineering fields. This would manifest itself in limits on students accepted or successfully able to transfer. The lack of research space also compromises the recruitment and retention of students and faculty and limits participation in partnerships with bioscience/engineering businesses.

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 85 | 0 | 0 | 0 | 85 |
| 3. Design Fees | 0 | 1,523 | 730 | 0 | 2,253 |
| 4. Project Management | 0 | 167 | 2,183 | 0 | 2,350 |
| 5. Construction Costs | 0 | 0 | 26,685 | 0 | 26,685 |
| 6. One Percent for Art | 0 | 0 | 100 | 0 | 100 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 3,875 | 0 | 3,875 |
| 9. Inflation | 0 | 210 | 8,427 | 0 | 8,637 |
| **TOTAL** | **85** | **1,900** | **42,000** | **0** | **43,985** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 1,900 | 42,000 | 0 | 43,900 |
| **State Funds Subtotal** | 0 | 1,900 | 42,000 | 0 | 43,900 |
| Agency Operating Budget Funds | 85 | 0 | 0 | 0 | 85 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **85** | **1,900** | **42,000** | **0** | **43,985** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 35 | 70 | 105 |
| Other Program Related Expenses | 0 | 25 | 50 | 75 |
| Building Operating Expenses | 0 | 20 | 45 | 65 |
| Building Repair and Replacement Expenses | 0 | 70 | 140 | 210 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 150 | 305 | 455 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 150 | 305 | 455 |
| Change in F.T.E. Personnel | 0.0 | 1.0 | 2.0 | 3.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 1,273 | 67.0% |
| User Financing | 627 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Dakota County Tech College - Transportation and Emerging Technologies Lab Design

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 35 of 37

**PROJECT LOCATION:** Dakota County Technical College, Rosemount

**Project At A Glance**

- Design for reorganization and renovation of 98,000 GSF to maximize efficiency of current facility.
- Requests of $6.5 million in 2010 and $6.5 million in 2012 are anticipated for renovation
- Renovation will address space utilization issues.
- Renovation will eliminate $3.5 million in deferred maintenance backlog when construction is funded.

**Project Description**

This project is requesting design funding in 2008. Subsequent requests for renovation in 2010 and 2012 are planned to reorganize and renovate Dakota County Technical College's Transportation and Technical Divisions, representing approximately 20 percent of the facility's overall square footage. The project will improve instructional program space in a number of high-wage, high-demand transportation-related program areas, including automotive technician, automotive body collision, heavy construction equipment mechanic, heavy duty truck technology, and railroad conductor training. The project also includes improvements to instructional space dedicated to the emerging technology fields of biomedical equipment technology and nanotechnology. The project will also accommodate future Science, Technology, Engineering, and Math (STEM) programs that Dakota County Technical College is considering such as civil engineering and environmental technology.

The project aims to maximize the efficient use of the facility, through creating common classroom and laboratory spaces to be shared by related academic programs. Sharing common instructional space among multiple programs will eliminate redundancies in specialized equipment needs, thus reducing program expenses and increasing space utilization, while leaving these instructional areas flexible enough to easily adapt to future change. Furthermore, the project will offer the additional benefit of allowing a common core of curriculum across similar programs, which in turn will permit additional entry points into programs by more students than are currently possible.

The project will have a positive impact on the college's deferred maintenance backlog. Approximately $8.2 million of the project's budget will address deferred maintenance. This will reduce the FCI from 0.29 to 0.22 in the Transportation and Technical Divisions (which have not been remodeled since their original construction in 1973) and will decrease the Facilities Renewal and Reinvestment Module by 20 percent.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - Programs within the Transportation and Technical Divisions attract significant numbers of students from underrepresented populations. For example, 88 students of color were enrolled within the College's Transportation Division during the 2005-06 academic year, representing 17 percent of the division's total student headcount. Unfortunately, prospective students in many of these programs must wait for admission. For example, an average of 80 students is on waiting lists each fall for programs in the Transportation Division alone. This project will allow additional points of entry into several of these programs, reduce waiting lists, and increase student access to state-of-the-art laboratories and specialized equipment.

*High-Quality Learning Programs and Services* - The project will enhance the instructional quality of several long-standing transportation programs, as well as newer programs related to emerging technologies. This future-oriented project will support student learning in the high-wage, high-tech fields that support success in a competitive global economy.

*State and Regional Economic Needs* - During the 2005-06 academic year, a total of 356 students earned academic awards from the College's Transportation and Technical Divisions. On average, over 95 percent of these graduates are successful in securing employment in a field related to

their studies. The U.S. Department of Labor estimates that most major transportation-related job categories will experience job growth equivalent to all other occupations throughout 2014. The hourly wages for occupations typically sought by graduates of these programs range from $18.02 to $26.65. In Minnesota, the median monthly income is $3,900 for transportation and technical occupations.

Through this project, Dakota County Technical College will better meet the workforce development needs of its numerous industry partners in both transportation and the emerging fields of biotechnology and nanotechnology. These partners include:

- General Motors
- Raytheon
- Cummins
- Caterpillar
- 3M
- Hysitron
- Entegris
- Cima Nanotech

These and other companies have historically provided the College with specialized, laboratory equipment and materials for instructional purposes. Over the past year, equipment, material and in-kind donations to programs within the Transportation and Technical Divisions have totaled more than $1 million.

Reorganizing, modernizing, and right-sizing classroom and lab spaces within the Transportation and Technical Divisions will allow the College to prepare even more graduates for high-wage, high-tech industries in the Twin Cities area. It is estimated that up to 800 additional students in both traditional and short-term, corporate training programs could be served as a result of this project.

*Innovate to Meet Educational Needs Efficiently* - The completion of this project will provide the College with an innovative strategy that will enable it to efficiently using common classroom and laboratory space across transportation and technology-related program areas. Successful completion will also eliminate the College's dependency on the current transportation fleet maintenance facility it leases from the University of Minnesota. By creating more efficient spaces, the College will be able to decrease program wait lists, right-size both classroom and laboratory spaces, and promote consistent, innovative use of labs across multiple programs.

Institution Master Plans & Regional Collaborations:
This project fits well within the goals set by the College through its mission statement, Strategic Plan, Master Facility Plan, and Master Academic Plan. This project will support the consolidation of curriculum across several programs of study, to more efficiently use specialized equipment and existing shop and laboratory spaces. The new labs will also allow the College to better meet the needs of their current and future industry partners.

Enrollment and Space Utilization:
As reflected in the October 2006 (Term 20073) Space Utilization Analysis, the College has done an excellent job of utilizing its classrooms with the Seat Usage at 66 percent. The Space Utilization Analysis also shows that many rooms in the Transportation Division are being utilized almost twice as many hours per week as average. It also points out that the both Seat Usage Percentage and Hours Usage Percentage for many of the labs in the Transportation and Technical Divisions are well above system average. Remodeling the Transportation and Technical Divisions of the College will allow for more efficient use of the spaces. With this project, programs will be able to core similar courses, which allows for sharing facilities, equipment, and getting more use out of labs and classrooms. More classes can then be offered in the afternoon, a time when some of the labs are currently underutilized. For some programs, such as Welding, right-sizing the space will increase utilization. Budgetary projections tend to be conservative estimates and are historically exceeded by actual enrollments.

| | Actual FY2005 | Actual FY2006 | Projected FY2007 | Projected FY2008 |
|---|---|---|---|---|
| FYE | 2,245 | 2,255 | 2,240 | 2,250 |

**Project Rationale**

Completion of this project will provide Dakota County Technical College the means to accomplish significant components of the master plan: existing spaces will be updated to accommodate growth and need for improvements, specific lab spaces will be relocated to allow for adjacency to other programs

and to adjust program space requirements to specific needs. Repositioning programs will better utilize expensive equipment and allow programs to share facilities, update the college's infrastructure, create on site storage to reduce the need for leased spaces, and continue to provide students with quality technical education needed for employment in an ever changing work environment.

This bonding project will eliminate $8.2 million of deferred maintenance. It will reduce the FCI from 0.29 to 0.22, which brings it closer to the MnSCU average of 0.13. It will correct 20 percent of the deferred maintenance indicated in the FRRM. This project includes but is not limited to: roofs, HVAC, replacing the welding unit, and electrical upgrades.

Health and Safety and Mechanical Improvements**:**
This project will correct related building deficiencies, reducing the deferred maintenance backlog by $8.2 million and improving health and safety concerns, by:

- Replacing HVAC systems and improving indoor air quality
- Upgrading electrical systems
- Upgrading electrical components within the lab spaces
- Improving ventilation in the welding area and improving indoor air quality in adjacent spaces
- Updating 98,000 square feet of the College's 500,000 overall square footage that has not been remodeled since its original construction in 1973, including modern building code compliance
- Creating cost effective and necessary storage solutions for the automotive labs

Predesign:
The planning process for this project began with the need to re-examine several of the high demand programs that were related to each other to evaluate greater delivery options. The programs identified all shared a common connection to transportation and emerging technology careers. The need to provide current technology, efficiency, and suitable space for each program to remain relevant in their respective fields was the basis for the design. College administration developed a conceptual idea for building components and programs to be served, and hired Wold Architects and Engineers as the design consultant to assist in the planning process. An initial kick-off meeting was held to discuss goals, parameters and preliminary thoughts. Meetings were held with potential program faculty and staff to better determine programmatic and physical needs. Preliminary program and plan requirements were formed. College administrative staff met with MnSCU representatives on site to discuss preliminary design concepts and review progress to date.

Capacity of Current Utility Infrastructure:
The additional utility demands of the proposed capital bonding project are well within the capacity of the current utility infrastructure.

**Impact on Agency Operating Budgets (Facilities Notes)**

The college will save 14 percent in maintenance and repairs.

Building Operations Expenses:
Approximately 12.5 percent of the College's utility bills will be saved by replacing the air handling units.

Energy Efficiency/Sustainability:
The existing constant volume air handling systems are being replaced with new variable air volume air handling systems. The new systems, in conjunction with the Johnson Controls Energy Savings project, are expected to reduce energy consumption by twenty to thirty percent.

Debt Service:
The College is able to absorb debt service on both prior capital appropriations and this request. Debt service will peak at $266,200 per year, which is about 0.5 percent of general operating revenues, well within prudent debt management guidelines.

**Other Considerations**

Site Selection:
This project is a renovation, and while other site and space alternatives were examined, this option is the best solution.

Consequences of Delayed Funding:

- Growth of current and future industry partnerships and additional external funding will be hindered due to the conditions of facilities.
- The College will not be able to adequately meet the expectations of its partners in the transportation and emerging technology areas for industry skill standards.
- Program closures in high demand, high wage areas may occur due to facility conditions and health and safety concerns.
- Classrooms and laboratory spaces will be used inefficiently and programmatic coring will be slowed, delaying significant savings in shared equipment and facility cost and the program will continue to deny student entry due to wait lists.
- Deferred maintenance and construction inflation will continue to escalate 6-10 percent per year.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 37 | 0 | 0 | 0 | 37 |
| 3. Design Fees | 0 | 252 | 466 | 127 | 845 |
| 4. Project Management | 0 | 9 | 265 | 298 | 572 |
| 5. Construction Costs | 0 | 0 | 4,293 | 3,898 | 8,191 |
| 6. One Percent for Art | 0 | 0 | 41 | 35 | 76 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 285 | 504 | 789 |
| 9. Inflation | 0 | 39 | 1,150 | 1,638 | 2,827 |
| **TOTAL** | **37** | **300** | **6,500** | **6,500** | **13,337** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 300 | 6,500 | 6,500 | 13,300 |
| **State Funds Subtotal** | 0 | 300 | 6,500 | 6,500 | 13,300 |
| Agency Operating Budget Funds | 37 | 0 | 0 | 0 | 37 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **37** | **300** | **6,500** | **6,500** | **13,337** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | <21> | 0 | 0 | <21> |
| Building Repair and Replacement Expenses | 27 | 0 | 0 | 27 |
| State-Owned Lease Expenses | <42> | 0 | 0 | <42> |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | -36 | 0 | 0 | -36 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | -36 | 0 | 0 | -36 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# St. Cloud Tech College - Allied Health Building Renovation Design

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 36 of 37

**PROJECT LOCATION:** St. Cloud Technical College, St. Cloud

**Project At A Glance**

- Design for renovation of Allied Health Center building purchased in 2006 with Legislative funding.
- Renovation will provide the opportunity to expand enrollment in existing allied health programs and expand allied health program offerings.
- Request of $5 million is anticipated in 2010 for renovation.

**Project Description**

Design in 2008 for $300,000 to renovate the recently purchased 53,000 gross square foot (GSF) Allied Health Center. The purpose of the project is to create a state of the art medical training facility which will accommodate the growing regional demand for skilled allied health care professionals. St. Cloud Technical College currently has no existing space to expand allied health care programs or to create labs necessary for career-laddering nursing and allied health associate degrees. Renovating the interior of this facility will provide the college with the opportunity to expand allied health programs in a facility that will emulate real-world working health care labs, create a dental clinic for low income citizens, and create virtual simulation labs that mirror situations students will encounter in the allied health fields.

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase Access and Opportunity* - St. Cloud Technical College currently suffers from classroom and science lab space deficiencies in addition to space constraints and inadequacies in existing science labs. All college classrooms are being utilized and classroom space is not available for conversion to the science labs necessary for program expansion. This severely limits accessibility to a number of students wishing to pursue careers in the medical field. Waiting lists for the college's allied health programs average about 40 students for each program. For the last academic year, there were 622 prospective students that indicated interest in the Sonography program. There are approximately 400 students vying for 100 openings in the Nursing program. Students that are required to take Chemistry and Microbiology for their program requirements must register as special students for these courses at St. Cloud State University. St. Cloud Technical College does not have microbiology or chemistry science labs available to offer these courses. St. Cloud State's courses are sometimes closed before St. Cloud Technical College students can become registered. This delays the fulfillment of the students' course requirements and, in turn, delays their graduation date. Renovation of the Allied Health Center will provide the space and the means to improve and expand access and retention to science and health care opportunities and careers as well as increase access to other programs by alleviating general space deficiencies.

*High-quality Learning Programs and Services* - Up-to-date science laboratories and classrooms that meet current pedagogy needs will enhance the quality of teaching and learning. Critical science lab adjacencies will create synergy between all health care and STEM degree programs. Allied health students need functional labs equipped with current industry equipment and modeled after the real-world medical settings to be adequately trained to provide the standards of care expected by health care consumers.

*State and Regional Economic Needs* - The health care industry in St. Cloud serves a large and growing region with increasing demands for high quality medical care. This has created a workforce demand for highly trained health care specialists in the region. As an example, employment for Sonographers is expected to grow faster than average for all occupations through 2012 as the population grows and ages. Placement for Sonography graduates has been 100 percent over the past three years and starting wages have averaged $23.63 per hour. St. Cloud Technical College's overall placement rate for allied health programs has averaged 98 precent. According to Minnesota State Colleges and Universities Business and Industry services report, Minnesota will need more than 7,000 new nurses by 2008, again due to the aging population. There's a current need for a two-year associate degree program for vascular technology specialists accredited by the Commission of Allied Health Education Programs (CAAHEP). The college

could not accommodate an additional program at this time, but renovation of the Allied Health Center would provide the opportunity for program expansion to meet this and other workforce needs in the region.

St. Cloud Technical College has also developed several industry partnerships with local health care providers to help address the need for a highly skilled and trained workforce in the health care industry.

- The college is currently working with the local Chamber of Commerce, area businesses, and St. Cloud State University through the Science Initiative for Central Minnesota to attract bio-science industries to the St. Cloud area.
- A federal grant funded the Nursing Education Consortium with St. Cloud Technical College, St. Cloud State University, the College of St. Benedict, and CentraCare Clinic where funds were used to improve and expand nursing programs in a concerted effort to increase the number of skilled graduates entering the health care workforce.
- St. Cloud Technical College is working with local nursing homes in a program called the Long Term Connection where student cohorts work on an accelerated program to receive their nursing degree.
- The college was recently awarded a grant through the Minnesota Department of Health to establish a dental clinic where students provide dental cleaning services to low income citizens.
- Regional health care providers frequently donate equipment to ensure that the students are being trained in an environment that simulates "real-world" conditions. Unfortunately, the college does not always have physical lab space available to accommodate some of the equipment available.

Renovation of the Allied Health Center would provide the college with the opportunity to maximize federal grant funding, community support, and equipment donations. This would enhance the college's ability to provide training and education to future and incumbent allied health care employees which, in turn, will help to address the critical workforce shortage.

*Innovate to Meet Educational Needs Efficiently* - The Allied Health Center is currently a fully functional medical clinic. It is not designed or equipped as a training center for allied health programs. St. Cloud Technical College has the unique opportunity to utilize portions of the existing setting to maintain an actual clinical environment while efficiently enhancing the building layout to provide the needed educational focus and space.

Virtual simulation labs will simulate settings and situations in a real medical setting. This involves creating stations that promote hands-on "real life" applications of skills. Stations will be equipped with virtual reality simulation models, equipment, materials, and supplies to create scenarios of actual patient care, treatment, and management based on the discipline. Faculty will have the ability to view interactions from an observation area and to create various situations and "patient" reactions based on the students' interaction with the simulation models. Video cameras mounted on the ceiling of each station will allow students to watch "live broadcasts" from the virtual lab stations via LCD monitors and HD televisions. Live simulation broadcasts will be recorded for future use and be available to students through video-streaming on the college intranet. Students will have unlimited 24/7 access to SIM broadcasts and learn firsthand the inter-disciplinary approach to health care delivery.

Other areas that will be integrated into the current design of the existing facility include smart classrooms that will utilize up-to-date technology to provide classroom instruction. The existing reception area will be maintained to welcome and direct clients from the community to health care services provided by students. Existing offices will also be maintained and utilized as faculty offices to significantly reduce renovation costs.

Institution Master Plans & Regional Collaborations:

Acquisition and renovation of the Allied Health Center for use as a medical training facility is a key and critical component of St. Cloud Technical College's Master Plan. The Master Plan was presented in June of 2006. At that time, funding was secured and negotiations were taking place to acquire the building for use as an allied health care training facility as addressed in the Master Facility Plan.

St. Cloud Technical College has developed several partnerships to enhance and expand allied health programs and to increase access and opportunities for those pursuing a career in the allied health field. Regional collaborations include partnerships with long term care facilities, Adult Basic Education/ELL, Sauk Rapids/Rice K-12, St. Cloud School District #742, and rural community outreach programs such as ELL/Nursing Assistant Education. St. Cloud

Hospital serves as one of the college's major clinical sites and has provided in-kind donations for many of the allied health programs. Health care professionals from the community serve on several of the college's health program advisory committees. The college is also seeking community involvement in this project through a recently launched capital campaign. The intent of the campaign is to leverage legislative funding received through the capital bonding request. There has been considerable community interest and endorsements to support this campaign as evidenced by this quote from Terry Pladson, M.D., President, CentraCare Health System:

*"We employ well-educated, highly skilled professionals who work to improve the health of every patient, every day. St. Cloud Technical College is an exceptional partner in ensuring that we have competent, compassionate employees. I support the Invest in a Vision campaign and I urge you to do so, too."*

Enrollment and Space Utilization:
St. Cloud Technical College has one of the lowest Square Footage per Student FYE ratios in comparison to all technical colleges in the MnSCU system. The last space utilization report indicates that St. Cloud Technical College's Hours Usage Percent is 98 percent. The college has experienced rapid growth exceeding 43 percent over the past decade. Fiscal year 2006 was the first year that the college actually experienced a decline in enrollment growth. This is attributed to lack of physical space to accommodate growth and remodeling of existing space which limited "swing space" for transition from newly constructed areas to renovated areas within the existing facility.

With the completion of the new addition in January, 2007, St. Cloud Technical College will gain seven additional classrooms. However, the gross additional square footage is only 24,000 GSF. The remaining additional square footage will be absorbed by co-location with the Stearns Benton Workforce Center. The college has assigned general education and accounting classes to the new classrooms and there's no room for additional allied health program expansion.

Renovation of the Allied Health Center will provide the college with the physical space to expand and enhance allied health care programs while also providing growth opportunities for other academic programs by backfilling vacated space. Allied Health programs that would relocate and occupy the renovated facility include Dental Hygiene, Dental Assisting, Paramedicine, Nursing Assistants, Practical Nursing, Surgical Technology, Cardiovascular Technology, Sonography, and Echocardiology. These programs currently generate approximately 20 percent (545 FYEs) of the college's overall enrollment.

| | FY2005 | FY2006 | FY2007 | FY2008 |
|---|---|---|---|---|
| **FYE** | 2,738 | 2,666 | 2,778 | 2,834 |

**Project Rationale**

Renovation of the Allied Health Center will enable St. Cloud Technical College to help address the priority needs of science and technology in the community. The 2006 legislature funded the acquisition of this medical office building located adjacent to the college's existing property, enabling the college to develop a state of the art medical training facility needed to meet regional demand for highly skilled and trained health care professionals. This includes creating an Allied Health Center with virtual simulation science labs, technologically "smart" classrooms, program adjacencies that create synergy between the allied health programs, and open reception and waiting areas that welcome low income citizens to utilize health care services provided by students, as well as providing a "home-grown" clinical experience to nursing students. An Allied Health Center incorporating these components will provide St. Cloud Technical College with the means to meet the demands for a workforce educated in allied health programs in the most up-to-date fashion on the standard of equipment and facilities currently used in industry.

St. Cloud Technical College has added several health care programs that require students to take general science courses thereby raising the bar on A.A. and A.A.S. degree preparation. These requirements are in place to meet the demand for highly skilled and trained health care professionals. The addition of these programs has caused science labs to be needed where previously no labs were necessary. Renovating of the Allied Health Center will provide St. Cloud Technical College with the science lab and classroom space necessary to maintain and grow the allied health care programs. Funds have currently been reallocated to hire additional faculty (3.75 FTE) for expansion of the Nursing, Nursing Assistant, and Paramedicine programs to meet the existing demand for enrollment into these programs. The college

needs increased facility space that includes science labs and classrooms to meet this demand.

Predesign:
St. Cloud Technical College commissioned Grooters, Leapaldt, Tidemann Architects to complete a predesign.

Capacity of Current Utility Infrastructure:
Renovation of this property will have no impact on the utility infrastructure of St. Cloud Technical College's main campus building. A Condition Assessment study was commissioned prior to acquiring the property. That report indicates that the overall utility infrastructure of the facility is in good overall condition and has been well maintained. There would be no significant upgrades to the building's utility infrastructure for use as an allied health training facility.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
There will be additional operational expenses of approximately $265,000 for this 53,000 GSF building. St. Cloud Technical College recognizes the commitment needed for these obligations and will budget accordingly.

Energy Efficiency/Sustainability:
The utility infrastructure of the Allied Health Center facility was designed for energy efficiency. The building was designed to incorporate natural sunlight and earthen berms into the structure of the building.

Debt Service:
This project, along with previously funded projects, will have an average impact of approximately 2.2 percent on the college's operating budget which is well within the three percent guideline. Based on past enrollment growth, demographics, the increasing need for health care services, and increased facility space to accommodate additional growth, St. Cloud Technical College anticipates that additional FYEs will be generated with the completion of this project. As a direct result, tuition revenues will also increase and should exceed the debt service incurred for this project.

**Previous Appropriations For This Project**

Laws 2006, chapter 258, section 3 appropriated $3.4 million for the acquisition of this property.

**Other Considerations**

Consequences of Delayed Funding:

- Without additional funding to renovate the existing building, the college cannot maximize the potential to utilize the building as a training center for nursing and allied health programs in the manner intended.
- St. Cloud Technical College will be critically short of laboratory spaces in which to teach basic requirements to students pursuing nursing, allied health and dental professions, as well as many other growing STEM careers requiring a foundation in the sciences.
- Program expansion will not be realized, students will continue to wait to enter allied health programs or leave for other options, enrollment and graduation rates will not increase in the medical programs, and the college will be unable to address industry needs for new program development.

**Project Contact Person**

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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 3,570 | 0 | 0 | 0 | 3,570 |
| 2. Predesign Fees | 34 | 0 | 0 | 0 | 34 |
| 3. Design Fees | 0 | 210 | 0 | 0 | 210 |
| 4. Project Management | 0 | 58 | 207 | 0 | 265 |
| 5. Construction Costs | 0 | 0 | 3,400 | 0 | 3,400 |
| 6. One Percent for Art | 0 | 0 | 28 | 0 | 28 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 430 | 0 | 430 |
| 9. Inflation | 0 | 32 | 935 | 0 | 967 |
| **TOTAL** | **3,604** | **300** | **5,000** | **0** | **8,904** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 3,400 | 300 | 5,000 | 0 | 8,700 |
| **State Funds Subtotal** | 3,400 | 300 | 5,000 | 0 | 8,700 |
| Agency Operating Budget Funds | 204 | 0 | 0 | 0 | 204 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **3,604** | **300** | **5,000** | **0** | **8,904** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 265 | 265 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 265 | 265 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 265 | 265 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 1.5 | 1.5 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech

**2008 STATE APPROPRIATION REQUEST:** $300,000

**AGENCY PROJECT PRIORITY:** 37 of 37

**PROJECT LOCATION:** Rochester Comm & Tech College, Rochester

**Project At A Glance**

- Design for an addition for workforce center, classroom renovation and space for K-12 for a Career and Technical Education Center at the Heintz Center (CTECH)
- Space will also include the regional area learning center (ALC) for K-12
- Project will be joint partnership in development, ownership and maintenance
- Request for $3 million is anticipated in 2010 for construction
- Project will eliminate $1.6 million in deferred maintenance backlog

**Project Description**

Design an addition to the Heintz Center building at Rochester Community & Technical College (RCTC), on the University Center Rochester (UCR) campus, for Workforce Center Collocation and Secondary Technical Education Program The project will design an addition to the northeast corner of the Heintz Center building to house three unique partners to improve the workforce in southeastern Minnesota.

- The addition will house offices and shared resource/reception space for the Minnesota Workforce Center - Rochester. A separate visible entrance to the building will direct Workforce customers to the new reception area. The new space will link to the academic building via classrooms and conference spaces shared with the College.
- Addition will also house the local school districts activities for career and technical education - CTECH.
- The project also includes upgrades to the HVAC system for the entire Heintz center building. This will allow the building to use steam generated by the Olmsted County waste to energy facility (a renewable energy source).

**Relationship to Strategic Plan**

MnSCU's Strategic Plan:
*Increase access and opportunity* - Supports access and opportunity by bringing a diverse community to the college. Directly supports the Chancellor's work plan statement: "Support innovation – The system will be innovative in developing and implementing its programs and services to meet the current and emerging learning, citizenship and workforce development needs of students and communities." By bringing in secondary educational students into the higher education system there will be greater efficiencies in capital operations and advancement for academic technical programs. Bringing the K-12 Area Learning Center and secondary Technical Education Program to the college will expose a diverse group of high school students to a college campus and the opportunities a college education has to offer.

*Promote and measure high-quality learning programs and services* - The academic resources of the college would be used to serve the needs of the Workforce Center customers and for the secondary students. Customized training courses would be developed to serve the individual needs of the Centers customers. Upper division courses in social work or child development could use the Workforce Center as internship opportunities.

*Provide programs and services integral to state and regional economic needs* - The project addresses RCTC's goal of "engaging internal and external partners" by developing a partnership that focuses on local markets and fosters community building. Costs for the predesign and debt will be built into the financial structure, thus assuring fiscal partnership, as well as academic partnerships.

Although currently in close proximity to each other, bringing the Workforce Center to campus would bring programs together in one location and would allow for comprehensive, integrated, and individualized services for employers, job seekers, or those seeking economic independence.

Bringing the Center to the college campus would leverage the college's academic and facility resources to serve the Center's customers. All groups will share conference rooms and classrooms. In addition, students at the College would have access to job placement services from the Center.

*Innovate to meet current and future educational needs efficiently* - The Workforce Center engages an underserved portion of the population. Bringing the center to the campus will allow for innovative methods of integration of this population into the campus programs. A statement from one study of Workforce centers can best describe this. *"Workforce Centers are portals for service employer and job-seeking customers. They should be designed and operated to maximize the resources and opportunities available in a community and should complement and leverage other portals for service, not compete with them."*

Institution Master Plans & Regional Collaborations:
The Facilities Master Site Plan was submitted to the Chancellor's office in November 2004. The University Center Rochester (UCR) Master Facilities Plan Steering Task Force was made up of all three partner institutions (RCTC, Winona State University, and University of Minnesota Rochester), UCR's local advocacy group, the Greater Rochester Advocates for Universities and Colleges (GRAUC), and several representatives from the Rochester community. Collocation of the Workforce Center onto the campus was identified as one of the next projects to be requested for funding.

This project also addresses the College's strategic goal #1 and #3:
1. Position RCTC as the college of choice
3. Cultivate strategic partnerships

Enrollment and Space Utilization:

| | FY2003 | FY2004 | FY2005 | FY2006 |
|---|---|---|---|---|
| RCTC | 4,011 | 4,230 | 4,383 | 4,388 |
| WSU-RC | 627 | 567 | 575 | 584 |
| UMR | 176 | 184 | 200 | 250 |
| **Total FYE** | **4,814** | **4,981** | **5,158** | **5,222** |

With the above numbers UCR has no space that could be remodeled to accommodate the Workforce Center. Currently at the Heintz Center there is one conference room space available for open use. The cafeteria space and student commons areas are adequate to support the additional traffic from a Workforce Center and the additional students from the CTECH program. Currently the high school through collaboration with the college, shares use of technical labs in auto mechanics. Future shared labs include, electronics, horticulture, carpentry, and Project Lead the Way. (PLTW) There is no space to offer the general education courses needed by these technical high school students.

**Project Rationale**

*Accelerate the Entry of More Minnesotans with More Skills into the Workforce* - Governor Pawlenty has directed state agencies and programs to encourage, promote, and ultimately ensure that all Minnesotans have the opportunity to advance their skills sufficiently to ultimately ensure that all Minnesotans have the opportunity to advance their skills sufficiently to make meaningful contributions to the economic vitality of the state. This will include, but is not limited to, participants in the Minnesota Family Investment Program, in-school youth, out-of-school youth, people with disabilities, and new Americans. The collocated workforce portion of this project will bring together providers for all these various programs which serve tradition workforce centers. Locating the CTECH program at the site will allow high school age students access to these services also, as well as assisting development of the K-12 partners.

Currently the Workforce Center partners are in close proximity to each other, but by bringing programs together in one location it would allow for comprehensive, integrated, and individualized services for employers, job seekers, or those seeking economic independence. Bringing the Center to the college campus would leverage the College's academic and facility resources to serve the Center's customers. All groups will share conference rooms, classrooms, technical laboratories, and the cafeteria/commons space. In addition, students at the College would have access on-sight to career planning and job placement services offered at the Center.

The essence of this collocation would be to create a one-stop approach to service delivery creating a "magnet effect" where the sum of the whole is greater than its parts. The collocation would facilitate collaboration. The Center and the College would be able to conduct strategic planning to tackle mutual goals, find synergies and common purpose, and build a new more mutual relationship based on respect and appreciation of the contributions made by each player.

Both former and current Department of Employment and Economic Development commissioners have shown support for this project. At a recent school board meeting ISD 535 expressed their support also. It has been noted at the May 2007 Board meeting that the MnSCU Board of Trustees will not allow this project to be in the priority listing if both partners do not advance design funding and agree to cover the full one-third of the debt obligation of their corresponding spaces.

Predesign:
Original predesign for the Workforce only was submitted to Chancellor's office. However; since the addition of the secondary education system partnership, this predesign will be reevaluated. ISD 535 has committed funding for a portion of the expanded predesign document. Additional funding for the design will be secured from the partners based on the completed pre-design document.

Capacity of Current Utility Infrastructure:
Currently the Heintz Center building uses energy from the Olmsted County waste to energy facility. The permitting process is underway to expand to a third burner at the plant. This expansion would meet the needs of this addition. This project would increase use of this renewable resource to include cooling of the facility.

**Impact on Agency Operating Budgets (Facilities Notes)**

Building Operations Expenses:
Facilities cost increases on the addition will be covered by lease revenue from the WorkForce Center Inc. No additional operations costs will be incurred in the remodeled areas.

Energy Efficiency/Sustainability:
UCR will continue to advance goes of sound facilities management. UCR and its consultant are defining sustainable buildings as buildings that enhance the well being and productivity of the inhabitants, cost less to own and operate, and use the earth's resources efficiently. To achieve this UCR will use the Minnesota Sustainable Design Guide in design and construction.

Debt Service:
Lease revenue will cover the debt proportional to the WorkForce Center Inc and to the school district square footage of the one-third debt requirement.

Deferred Maintenance:
This project will address approximately $1.6 million of deferred maintenance in the remodeled sections of the Heintz Center building and the adjacent roads, pathways and other exterior spaces. Campus FCI for Rochester Community & Technical College is 0.13 and will grow to 0.17 in 5 years. This project will lower the campus 5 year FCI to 0.16. The Heintz center building itself has an FCI of .42 currently which will grow to 0.48 in 5 years. This project will lower the current FCI to 0.34 and the 5 year

**Other Considerations**

Consequences of Delayed Funding:
- This project addresses the unique partnership and strategic plans of the Minnesota State Colleges and Universities system, the WorkForce Center Inc. and embraces the new partnership of educating the workforce with the secondary school district system.
- Project will allow for increased collaborations between these three dynamic systems to better serve, and create greater efficiencies, to the citizens of this region and the state.
- This project assumes that both local school district funding and State funding will be used to complete the project.

**Project Contact Person**
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**Governor's Recommendations**

The governor does not recommend capital funds for this request.

| TOTAL PROJECT COSTS<br>All Years and Funding Sources | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 30 | 0 | 0 | 0 | 30 |
| 3. Design Fees | 0 | 200 | 228 | 0 | 428 |
| 4. Project Management | 0 | 67 | 54 | 0 | 121 |
| 5. Construction Costs | 0 | 0 | 2,160 | 0 | 2,160 |
| 6. One Percent for Art | 0 | 0 | 17 | 0 | 17 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 33 | 541 | 0 | 574 |
| **TOTAL** | **30** | **300** | **3,000** | **0** | **3,330** |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
|---|---|---|---|---|---|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 300 | 3,000 | 0 | 3,300 |
| **State Funds Subtotal** | 0 | 300 | 3,000 | 0 | 3,300 |
| Agency Operating Budget Funds | 30 | 0 | 0 | 0 | 30 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **30** | **300** | **3,000** | **0** | **3,330** |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|---|---|---|---|---|
| | FY 2008-09 | FY 2010-11 | FY 2012-13 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 60 | 60 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 222 | 222 |
| Building Repair and Replacement Expenses | 0 | 0 | 0 | 0 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 0 | 282 | 282 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| **TOTAL** | 0 | 0 | 282 | 282 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 2.0 | 2.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---|---|
| General Fund | 201 | 67.0% |
| User Financing | 99 | 33.0% |

| STATUTORY AND OTHER REQUIREMENTS<br>Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
|---|---|
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| No | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2013 |

# Finance, Department of

## Project Funding Summary

## ($ in Thousands)

| Project Title | Agency Priority | Funding Source | Agency Request 2008 | Agency Request 2010 | Agency Request 2012 | Governor's Rec 2008 | Governor's Planning Estimates 2010 | Governor's Planning Estimates 2012 |
|---|---|---|---|---|---|---|---|---|
| Bond Sale Expenses | | GO | $977 | $0 | $0 | $977 | $0 | $0 |
| | | THB | 73 | 0 | 0 | 73 | 0 | 0 |
| Project Total | | | $1,050 | $0 | $0 | $1,050 | $0 | $0 |
| General Obligation Bonding (GO) | | | $977 | $0 | $0 | $977 | $0 | $0 |
| Trunk Hwy Fund Bonding (THB) | | | $73 | $0 | $0 | $73 | $0 | $0 |

| Funding Sources: | | | |
|---|---|---|---|
| | GF = General Fund | THF = Trunk Highway Fund | OTH = Other Funding Sources |
| | GO = General Obligation Bonds | THB = Trunk Highway Fund Bonding | UF = User Financed Bonding |