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	$13,686	$0	$0	$13,686			
Property Acquisition	2	2,325	0	0	2,325			
Statewide CAPRA	3	5,000	6,000	6,000	17,000			
State Capitol Building Restoration	4	0	0	0	0			
Capitol Complex Security Upgrades	5	2,050	0	0	2,050			
Agency Relocation	6	0	0	0	0			
Governor's Residence Predesign	7	75	0	0	75			
LRT Impact Study	8	350	0	0	350			
Environmental Campus Planning & Predesign	9	0	0	0	0			
OET Data Center Consolidation Predesign & Design	10	0	0	0	0			
History Center Window Replacement	11	0	0	0	0			
Ford Building Renovation		0	17,100	0	17,100			
Predesign for Public Safety		0	650	0	650			
Total Project Requests		$23,486	$23,750	$6,000	$53,236			

Administration, Department of | Project Narrative

Agency Relocation

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 6 of 12

PROJECT LOCATION:

Project At A Glance

$(TBD) in general fund dollars for agency relocation funding is needed 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

$200,000

Funds are needed to relocate agencies where an unanticipated situation occurs that requires relocation such as a landlord not renewing an agency's lease at its expiration, a facility is sold, an agency needs to reduce space, a reorganization needs to be implemented, remodeling needs to be accomplished or an agency can substantially reduce its rent.

$TBD

The Department of Administration's Travel Management Division and Surplus Services Unit will combine to form one division to streamline operations and strengthen administrative and business office support. Funds are needed to relocate the Travel Management Division from a nonstate owned leased facility to the State owned Surplus Property Building in Arden Hills to facilitate the merger.

Relocation funding is used to move furniture, equipment, voice and data.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

None

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Environmental Campus Planning & Predesign

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 9 of 12

PROJECT LOCATION:

Project At A Glance

- Planning and predesign of a facility housing DNR, PCA, BWSR, and DLI
- 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 (DLI), are seeking to demonstrate their environmental leadership by headquartering together in a highly energy efficient building sited in a way to take advantage of existing infrastructure while preserving the natural landscape.

Living each mission to protect, reflect the values of, and conserve natural resources is of high importance to all of the agencies. Opportunities for sharing space will minimize the footprint of the building; pursuing B3 (Buildings, Benchmarks, and Beyond) and LEED (Leadership in Energy and Environmental Design) certification will maximize energy savings; and planting a sustainable landscape and managing storm water will showcase good site management and carbon sequestration.

Having the Department of Labor and Industry (DLI) 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.

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 BWSR, 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 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.

DLI 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 Minnesota Sustainable Building Guidelines (B3) 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.

In additional to the critical alignment with their missions, it is anticipated that moving from leased space to owned space will provide significant cost savings to the agencies and hence the state.

Impact on Agency Operating Budgets (Facilities Notes)

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 agency operating budgets will be a reduction in costs over time.

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

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.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

OET Data Center Consolidation Predesign & Design

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 10 of 12

PROJECT LOCATION: .

Project At A Glance

Predesign and design of two data centers to:

- Provide high security, redundant data centers for state operations
- 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

OET will develop two Tier III or Tier IV data centers servicing 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.

One of the data centers will be located in greater Minnesota and the other, which will replace the current Centennial Office Building data center, will be located in the extended metropolitan metro area.

This separation of the sites from one another and from the Capitol Complex will enhance security and reduce the impact of a catastrophic event on operations. The specific site requirements and possible locations will be developed in the course of this predesign. The sites will replace the current contracted "hot", "warm" and "cold" sites used by various agencies and other entities, and will provide economical disaster recovery capability for agencies currently lacking that function.

Authority for this disaster recovery responsibility is provided by M.S. chapter 16E and Executive Order 05-04.

The argument for consolidation of many small data centers was made in the Drive to Excellence business case (2004), advanced in the Enterprise Master Plan for Information Management (2007) and affirmed by national public and private sector best practices in this area. Preliminary discussions with higher education systems and with county governments have indicated support for contractual arrangements that will allow these organizations to use the sites for their own disaster recovery purposes.

Objectives of this project:

- Improved reliability and access on 7x24 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 security for data centers, equipment and information
- Creation of a "hotsite" for business continuity
- Improved interoperability of applications and data
- Availability for sharing with other jurisdictions and levels of government

The state will need a staged implementation and migration plan over multiple years. It is likely that the two centers will have nearly identical requirements and capabilities, reducing design costs. For other entities using the facilities for their own disaster recovery purposes, service level agreements and use contracts will govern the costs and services.

Impact on Agency Operating Budgets (Facilities Notes)

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.

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

In addition to the security, business continuation, capacity and data center consolidation benefits, this initiative will allow for conversion of a significant amount of space in Centennial Office Building 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

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

DOT Building Exterior Restoration

2008 STATE APPROPRIATION REQUEST: $13,686,000

AGENCY PROJECT PRIORITY: 1 of 11

PROJECT LOCATION: 395 John Ireland Boulevard, St. Paul

Project At A Glance

$13.686 million in trunk highway funds 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

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, and the upward force is 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% 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.

Monitoring continued 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 December 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 would be 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 (Facilities Notes)

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 cost of the DOT exterior stabilization, based upon a bond-financed appropriation backed by the trunk highway fund, would be paid directly by Mn/DOT and would not impact the Lease rate.

Previous Appropriations for this Project

There has been considerable renovation work done to the interior of the DOT Building. Between the years 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 the latest in 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 this 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 May 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

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Property Acquisition

2008 STATE APPROPRIATION REQUEST: $2,325,000

AGENCY PROJECT PRIORITY: 2 of 11

PROJECT LOCATION:

Project At A Glance

$2,325,000, 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 of funding during the 2007 Legislative session. The bonding bill was not passed during the 2007 Legislative session. The State of Minnesota was able to obtain an extension of the purchase agreement in order to seek funding during the 2008 Legislative session.

The Office of Administrative Hearings will relocate 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. The acquisition of the entire property at 639 Jackson Street will provide approximately 90 additional parking stalls for customers served by these agencies.

This funding would also allow the state to perform due diligence activities (i.e. environmental, title, inspections, etc.), demolish the building and develop temporary parking.

Impact on Agency Operating Budgets (Facilities Notes)

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 the purchase agreement and other related contracts. All other funds under these appropriations have been expended.

Other Considerations

Land available for development in and surrounding the Capitol Area is limited, with 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, the property will likely be sold to a third party.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Administration, Department of | Project Narrative

Statewide CAPRA

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 3 of 11

PROJECT LOCATION: State-owned facilities throughout Minnesota

Project At A Glance

- Capital Asset Preservation and Replacement Account (CAPRA): $5 million in general obligation bond funds to support emergency repairs and unanticipated hazardous material abatement needs for State Agency facilities.
- CAPRA funds previously requested by the Department of Administration (Admin) for known agency renewal projects are now included in each individual agency's asset preservation capital budget requests.

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.

(Note: Asset preservation capital budget requests are made by individual state agencies to address known facility repair and maintenance needs of the facilities under their custodial control, and 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 should also not be confused with this request.)

Projects that received CAPRA funding when the program started fell into three categories:

1. Emergencies of all kinds
2. Hazardous material abatement
3. 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 FY 2004 to limit the types of projects funded by CAPRA to only emergency and immediate need, 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 Administration, Perpich Center for Arts Education, Corrections, Employment and Economic Development, Minnesota Historical Society, Human Services, Military Affairs, Minnesota State Academies, Natural Resources, Veterans Home Board, and the Minnesota Zoological Gardens.

Impact on Agency Operating Budgets (Facilities Notes)

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 through state bonding bills.

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.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Capitol Complex Security Upgrades

2008 STATE APPROPRIATION REQUEST: $2,050,000

AGENCY PROJECT PRIORITY: 5 of 11

PROJECT LOCATION: 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 Minnesota National Guard and the Department of Public Safety/Capitol Security.

Project Description

The Department of Administration is requesting funds to support the design and implementation of various "high vulnerability" risks at Capitol Complex facilities as identified by the Minnesota National Guard in their recently completed Vulnerability Assessment reports.

BACKGROUND

Following the events of September 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 recommendation is 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. Those findings, which are common to virtually all buildings, include the following:

- Creation of accurate exclusive and non-exclusive standoff zones for each building.

- Restriction/control of vehicular access within and near standoff and other critical zones.

  Work scope includes provision of vehicular security gates at all parking lots, ramps and loading docks that are located within 25 meters (82 feet) of occupied buildings. Access to these facilities will be controlled by use of the employee's identification badge. In addition, where access to such facilities is required by non-state employee vehicles (van pool vehicles, delivery vehicles, buses, etc.) a guard shack will also be provided. Staffing costs related to these positions will be requested by Capitol Security separately from this request.

- Comprehensive and immediate control capability for access to all Capitol complex buildings and their associated pedestrian and utility tunnels. Gaps have been identified in the Judicial Center, State Capitol, Administration, State Office, DOT, Veterans Services and Centennial buildings.

  Work scope includes provision and installation of additional security system control panels, electric door strikes and card readers.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

No Previous Appropriations

Other Considerations

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Administration, Department of | Project Narrative

Governor's Residence Predesign

2008 STATE APPROPRIATION REQUEST: $75,000

AGENCY PROJECT PRIORITY: 7 of 11

PROJECT LOCATION: St. Paul

Project At A Glance

The Department of Administration (Admin) is requesting funds for a formal review through 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 analyze the costs of continuing to maintain the existing residence compared to other alternatives.

Project Description

Admin is submitting this request to address the facility's 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:

- create a second exit stairway from the 3rd floor to meet code requirements;
- extend the existing elevator from 1st floor to 3rd floor to provide required accessibility;
- improve the mechanical, electrical , technical and security systems;
- remodel the kitchen to commercial use;
- provide a separation between public (ceremonial meeting rooms) and private (residential areas);
- restore masonry on the Residence and Carriage House
- repair/replace perimeter fence and stone balusters;
- repair/replace the front walkway; and
- install energy efficient windows.

The Governor's Residence Council (GRC) updated the master plan for the residence in 1997 with input from architects versed in historical preservation, and 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 2 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 existing bedrooms to create guest suite for visiting dignitaries;
- Separation of public and private areas; and
- Addressing security needs.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

In 2006, Admin received asset preservation funds; $105,000 was dedicated to upgrading the fire alarm system at the Governor's Residence.

Other Considerations

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Administration, Department of | Project Narrative

LRT Impact Study

2008 STATE APPROPRIATION REQUEST: $350,000

AGENCY PROJECT PRIORITY: 8 of 11

PROJECT LOCATION:

Project At A Glance

Study the impact and implications of the proposed LRT system and associated land-use plans on access and real estate the Capitol complex (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 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 OPPORTUNTIES

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 University Avenue Light Rail Transit (LRT) which will link downtown St. Paul 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.

- The Legislature is being asked to fund a major restoration project for the State Capitol which will be taking place concurrently with the construction of the LRT system.

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.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

Project Contact Person

Department of Administration

LRT Impact Study

Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

DOT Building Exterior Restoration

2008 STATE APPROPRIATION REQUEST: $13,686,000

AGENCY PROJECT PRIORITY: 1 of 11

PROJECT LOCATION: 395 John Ireland Boulevard, St. Paul

Project At A Glance

$13.686 million in trunk highway funds 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

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, and the upward force is 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% 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.

Monitoring continued 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 December 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 would be 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 (Facilities Notes)

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 cost of the DOT exterior stabilization, based upon a bond-financed appropriation backed by the trunk highway fund, would be paid directly by Mn/DOT and would not impact the Lease rate.

Previous Appropriations for this Project

There has been considerable renovation work done to the interior of the DOT Building. Between the years 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 the latest in 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 this 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 May 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

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Property Acquisition

2008 STATE APPROPRIATION REQUEST: $2,325,000

AGENCY PROJECT PRIORITY: 2 of 11

PROJECT LOCATION:

Project At A Glance

$2,325,000, 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 of funding during the 2007 Legislative session. The bonding bill was not passed during the 2007 Legislative session. The State of Minnesota was able to obtain an extension of the purchase agreement in order to seek funding during the 2008 Legislative session.

The Office of Administrative Hearings will relocate 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. The acquisition of the entire property at 639 Jackson Street will provide approximately 90 additional parking stalls for customers served by these agencies.

This funding would also allow the state to perform due diligence activities (i.e. environmental, title, inspections, etc.), demolish the building and develop temporary parking.

Impact on Agency Operating Budgets (Facilities Notes)

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 the purchase agreement and other related contracts. All other funds under these appropriations have been expended.

Other Considerations

Land available for development in and surrounding the Capitol Area is limited, with 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, the property will likely be sold to a third party.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Statewide CAPRA

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 3 of 11

PROJECT LOCATION: State-owned facilities throughout Minnesota

Project At A Glance

- Capital Asset Preservation and Replacement Account (CAPRA): $5 million in general obligation bond funds to support emergency repairs and unanticipated hazardous material abatement needs for State Agency facilities.
- CAPRA funds previously requested by the Department of Administration (Admin) for known agency renewal projects are now included in each individual agency's asset preservation capital budget requests.

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.

(Note: Asset preservation capital budget requests are made by individual state agencies to address known facility repair and maintenance needs of the facilities under their custodial control, and 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 should also not be confused with this request.)

Projects that received CAPRA funding when the program started fell into three categories:

1. Emergencies of all kinds
2. Hazardous material abatement
3. 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 FY 2004 to limit the types of projects funded by CAPRA to only emergency and immediate need, 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 Administration, Perpich Center for Arts Education, Corrections, Employment and Economic Development, Minnesota Historical Society, Human Services, Military Affairs, Minnesota State Academies, Natural Resources, Veterans Home Board, and the Minnesota Zoological Gardens.

Impact on Agency Operating Budgets (Facilities Notes)

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 through state bonding bills.

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.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

State Capitol Building Restoration

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 4 of 11

PROJECT LOCATION: Capitol Complex

Project At A Glance

Project Description

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Capitol Complex Security Upgrades

2008 STATE APPROPRIATION REQUEST: $2,050,000

AGENCY PROJECT PRIORITY: 5 of 11

PROJECT LOCATION: 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 Minnesota National Guard and the Department of Public Safety/Capitol Security.

Project Description

The Department of Administration is requesting funds to support the design and implementation of various "high vulnerability" risks at Capitol Complex facilities as identified by the Minnesota National Guard in their recently completed Vulnerability Assessment reports.

BACKGROUND

Following the events of September 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 recommendation is 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. Those findings, which are common to virtually all buildings, include the following:

- Creation of accurate exclusive and non-exclusive standoff zones for each building.

- Restriction/control of vehicular access within and near standoff and other critical zones.

  Work scope includes provision of vehicular security gates at all parking lots, ramps and loading docks that are located within 25 meters (82 feet) of occupied buildings. Access to these facilities will be controlled by use of the employee's identification badge. In addition, where access to such facilities is required by non-state employee vehicles (van pool vehicles, delivery vehicles, buses, etc.) a guard shack will also be provided. Staffing costs related to these positions will be requested by Capitol Security separately from this request.

- Comprehensive and immediate control capability for access to all Capitol complex buildings and their associated pedestrian and utility tunnels. Gaps have been identified in the Judicial Center, State Capitol, Administration, State Office, DOT, Veterans Services and Centennial buildings.

  Work scope includes provision and installation of additional security system control panels, electric door strikes and card readers.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

No Previous Appropriations

Other Considerations

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Agency Relocation

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 6 of 11

PROJECT LOCATION:

Project At A Glance

$(TBD) in general fund dollars for agency relocation funding is needed 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

$200,000
Funds are needed to relocate agencies where an unanticipated situation occurs that requires relocation such as a landlord not renewing an agency's lease at its expiration, a facility is sold, an agency needs to reduce space, a reorganization needs to be implemented, remodeling needs to be accomplished or an agency can substantially reduce its rent.

$TBD
The Department of Administration's Travel Management Division and Surplus Services Unit will combine to form one division to streamline operations and strengthen administrative and business office support. Funds are needed to relocate the Travel Management Division from a nonstate owned leased facility to the State owned Surplus Property Building in Arden Hills to facilitate the merger.

Relocation funding is used to move furniture, equipment, voice and data.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

None

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Governor's Residence Predesign

2008 STATE APPROPRIATION REQUEST: $75,000

AGENCY PROJECT PRIORITY: 7 of 11

PROJECT LOCATION: St. Paul

Project At A Glance

The Department of Administration (Admin) is requesting funds for a formal review through 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 analyze the costs of continuing to maintain the existing residence compared to other alternatives.

Project Description

Admin is submitting this request to address the facility's 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:

- create a second exit stairway from the 3rd floor to meet code requirements;
- extend the existing elevator from 1st floor to 3rd floor to provide required accessibility;
- improve the mechanical, electrical , technical and security systems;
- remodel the kitchen to commercial use;
- provide a separation between public (ceremonial meeting rooms) and private (residential areas);
- restore masonry on the Residence and Carriage House
- repair/replace perimeter fence and stone balusters;
- repair/replace the front walkway; and
- install energy efficient windows.

The Governor's Residence Council (GRC) updated the master plan for the residence in 1997 with input from architects versed in historical preservation, and 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 2 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 existing bedrooms to create guest suite for visiting dignitaries;
- Separation of public and private areas; and
- Addressing security needs.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

In 2006, Admin received asset preservation funds; $105,000 was dedicated to upgrading the fire alarm system at the Governor's Residence.

Other Considerations

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

LRT Impact Study

2008 STATE APPROPRIATION REQUEST: $350,000

AGENCY PROJECT PRIORITY: 8 of 11

PROJECT LOCATION:

Project At A Glance

Study the impact and implications of the proposed LRT system and associated land-use plans on access and real estate the Capitol complex (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 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 OPPORTUNTIES

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 University Avenue Light Rail Transit (LRT) which will link downtown St. Paul 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.

- The Legislature is being asked to fund a major restoration project for the State Capitol which will be taking place concurrently with the construction of the LRT system.

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.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

Project Contact Person

Department of Administration

LRT Impact Study

Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Environmental Campus Planning & Predesign

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 9 of 11

PROJECT LOCATION:

Project At A Glance

- Planning and predesign of a facility housing DNR, PCA, BWSR, and DLI
- 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 (DLI), are seeking to demonstrate their environmental leadership by headquartering together in a highly energy efficient building sited in a way to take advantage of existing infrastructure while preserving the natural landscape.

Living each mission to protect, reflect the values of, and conserve natural resources is of high importance to all of the agencies. Opportunities for sharing space will minimize the footprint of the building; pursuing B3 (Buildings, Benchmarks, and Beyond) and LEED (Leadership in Energy and Environmental Design) certification will maximize energy savings; and planting a sustainable landscape and managing storm water will showcase good site management and carbon sequestration.

Having the Department of Labor and Industry (DLI) 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.

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 BWSR, 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 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.

DLI 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 Minnesota Sustainable Building Guidelines (B3) 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.

In additional to the critical alignment with their missions, it is anticipated that moving from leased space to owned space will provide significant cost savings to the agencies and hence the state.

Impact on Agency Operating Budgets (Facilities Notes)

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 agency operating budgets will be a reduction in costs over time.

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

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.

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

OET Data Center Consolidation Predesign & Design

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 10 of 11

PROJECT LOCATION: .

Project At A Glance

Predesign and design of two data centers to:

- Provide high security, redundant data centers for state operations
- 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

OET will develop two Tier III or Tier IV data centers servicing 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.

One of the data centers will be located in greater Minnesota and the other, which will replace the current Centennial Office Building data center, will be located in the extended metropolitan metro area.

This separation of the sites from one another and from the Capitol Complex will enhance security and reduce the impact of a catastrophic event on operations. The specific site requirements and possible locations will be developed in the course of this predesign. The sites will replace the current contracted "hot", "warm" and "cold" sites used by various agencies and other entities, and will provide economical disaster recovery capability for agencies currently lacking that function.

Authority for this disaster recovery responsibility is provided by M.S. chapter 16E and Executive Order 05-04.

The argument for consolidation of many small data centers was made in the Drive to Excellence business case (2004), advanced in the Enterprise Master Plan for Information Management (2007) and affirmed by national public and private sector best practices in this area. Preliminary discussions with higher education systems and with county governments have indicated support for contractual arrangements that will allow these organizations to use the sites for their own disaster recovery purposes.

Objectives of this project:

- Improved reliability and access on 7x24 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 security for data centers, equipment and information
- Creation of a "hotsite" for business continuity
- Improved interoperability of applications and data
- Availability for sharing with other jurisdictions and levels of government

The state will need a staged implementation and migration plan over multiple years. It is likely that the two centers will have nearly identical requirements and capabilities, reducing design costs. For other entities using the facilities for their own disaster recovery purposes, service level agreements and use contracts will govern the costs and services.

Impact on Agency Operating Budgets (Facilities Notes)

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.

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

In addition to the security, business continuation, capacity and data center consolidation benefits, this initiative will allow for conversion of a significant amount of space in Centennial Office Building 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

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

History Center Window Replacement

2008 STATE APPROPRIATION REQUEST: $0

AGENCY PROJECT PRIORITY: 11 of 11

PROJECT LOCATION: St. Paul

Project At A Glance

Since its opening in 1992, the Minnesota History Center has experienced continuing problems with the exterior glazing. Failure of seal between the glass panels has resulted in fogging and water leaks inside the building. The state has spent in excess of $300,000 over the years in replacing individual panels that have failed. And in many cases those panels have also failed. The unique glass panels are no longer available from the manufacturer.

Project Description

The Department of Administration is requesting funds to support the redesign, procurement and installation of replacement glass panels for the Minnesota History Center.

BACKGROUND

Since opening in 1992, the Minnesota History Center has experienced continuing problems with the exterior glazing. Failure of the seal between the glass panels has resulted in fogging and water leaks inside the building. Once the seal has failed, the only corrective action is to replace the entire panel.

Over the years, the state has expended in excess of $300,000 to replace individual failed panels. And many of those panels have subsequently failed as well.

The manufacturer of the glass panels is no longer producing the product.

An alternative design solution and product source needs to be identified.

In May 2007, Howard R. Green Company was retained to study the problem and to develop a recommended solution. Their study will be complete by August 2007.

Rather than replacing individual panels as they fail, we need to develop a comprehensive plan to address the problem. The need to proceed without further delay is enhanced by the fact that the Minnesota History Center will be a prime events venue during the Republican National Convention in the late summer of 2008. We believe that we can complete the work prior to the Convention if we receive approval of the requested funding no later than May 2008.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

No previous appropriations.

Other Considerations

Project Contact Person

Department of Administration
Nicky Giancola, Assistant Commissioner
200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
Phone: (651) 201.2555
E-mail: Nicky.Giancola@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
National Sport Center Capital Replacement - Blaine	2	1,400	0	0	1,400			
NW Regional Sports Center - Moorhead	3	4,000	0	0	4,000			
SW Regional Sports Center - Marshall	4	100	0	0	100			
N Metro Regional Sports Center - Arden Hills	5	125	0	0	125			
Mighty Ducks Ice Arena Grants - Statewide	6	5,000	0	0	5,000			
Total Project Requests		$14,625	$0	$0	$14,625			

Amateur Sports Commission | Project Narrative

National Volleyball Center - Rochester

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 1 of 6

PROJECT LOCATION: Rochester

Project At A Glance
Phase II completion of the National Volleyball Center adds courts and support facilities to this important state sports facility.

Project Description
The National Volleyball Center opened in 2002. This request is for the Phase II completion of the Center. The project includes the following:

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

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
$2.3 million in 2002

Other Considerations
Not applicable

Project Contact Person
Ron Bastian
Director of Sports Facilities

City of Rochester, Parks and Recreation Department
507-281-6040 phone
507-281-6165 fax
rbastian@ci.rochester.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Amateur Sports Commission | Project Narrative

National Sport Center Capital Replacement - Blaine

2008 STATE APPROPRIATION REQUEST: $1,400,000

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 the customary 20-year capital replacement.

Project Description
The 20-year capital replacement projects include:

- Roof replacement of the Sports Hall
- New overlay for the parking lots
- Other related major repairs

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
$14.7 million in 1987

Other Considerations
Not applicable

Project Contact Person
Chris Bjerkness
National Sports Center
763-785-5610

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 NW regional field complex for soccer, lacrosse and other sports.

Project Description
The project consists of a 16-field complex for soccer, lacrosse, rugby, etc. Indoor facilities include: event administration; concessions; and bathroom facilities.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
None

Other Considerations
Not applicable

Project Contact Person
Scott Hutchins
City of Moorhead
218-299-5376
scott.hutchins@ci.moorhead.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 SW regional amateur sports facility.

Project Description
The project will have an outdoor amateur sports field complex of a minimum of 10 fields for soccer, lacrosse, football, etc.

It will also have a flexible indoor facility with two ice sheets that can be converted to 6 volleyball and/or 6 basketball courts or indoor field turf.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
None

Other Considerations
Not applicable

Project Contact Person
Harry Weilage
Community Education
City of Marshall
(507) 537-6767
hweilage@marshallmn.com

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Amateur Sports Commission | Project Narrative

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
This project calls for the predesign for an existing building to be used for amateur sports programs, and event administration and staging, in the north metro region.

Project Description
The North Metro Regional Sports Center will facilitate major amateur sports programs and events for mountain bikes, cycle-cross, cross-country skiing and more. Funds will be utilized to do the predesign for an existing building received from the Federal government on the Twin Cities Army Ammunition Plant property. The project is in collaboration with Ramsey County Parks and Recreation Department.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
None

Other Considerations
None

Project Contact Person
Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
763-785-5632
perickson@mnsports.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Amateur Sports Commission | Project Narrative

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 $50,000 for the renovation of an existing arena.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
$18,405,000 during the period from 1995 – 2000

Other Considerations
Not applicable

Project Contact Person
Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
763-785-5632
perickson@mnsports.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
National Sport Center Capital Replacement - Blaine	2	1,400	0	0	1,400			
NW Regional Sports Center - Moorhead	3	4,000	0	0	4,000			
SW Regional Sports Center - Marshall	4	100	0	0	100			
N Metro Regional Sports Center - Arden Hills	5	125	0	0	125			
Mighty Ducks Ice Arena Grants - Statewide	6	5,000	0	0	5,000			
Total Project Requests		$14,625	$0	$0	$14,625			

National Volleyball Center - Rochester

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 1 of 6

PROJECT LOCATION: Rochester

Project At A Glance
Phase II completion of the National Volleyball Center adds courts and support facilities to this important state sports facility.

Project Description
The National Volleyball Center opened in 2002. This request is for the Phase II completion of the Center. The project includes the following:

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

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
$2.3 million in 2002

Other Considerations
Not applicable

Project Contact Person
Ron Bastian
Director of Sports Facilities
City of Rochester, Parks and Recreation Department
507-281-6040 phone
507-281-6165 fax
rbastian@ci.rochester.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

National Sport Center Capital Replacement - Blaine

2008 STATE APPROPRIATION REQUEST: $1,400,000

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 the customary 20-year capital replacement.

Project Description
The 20-year capital replacement projects include:

- Roof replacement of the Sports Hall
- New overlay for the parking lots
- Other related major repairs

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
$14.7 million in 1987

Other Considerations
Not applicable

Project Contact Person
Chris Bjerkness
National Sports Center
763-785-5610

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 NW regional field complex for soccer, lacrosse and other sports.

Project Description
The project consists of a 16-field complex for soccer, lacrosse, rugby, etc. Indoor facilities include: event administration; concessions; and bathroom facilities.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
None

Other Considerations
Not applicable

Project Contact Person
Scott Hutchins
City of Moorhead
218-299-5376
scott.hutchins@ci.moorhead.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan Council | Project Narrative

Renewable Fuel/Pollution Reduction Demonstration

2008 STATE APPROPRIATION REQUEST: $990,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $990,000 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

The Metropolitan Council and the University of Minnesota 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 biooils. The Council's 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. 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 $215k.

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 $500k. 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 $75k. Finally the U of M will procure equipment to characterize the products that are produced at an estimated cost of $200k.

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)

Metropolitan Council (Environmental Services) 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.

Previous Appropriations for this Project

None

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. PCA, DNR, Agriculture, Economic Development and Housing Finance also participate in the Group.

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 SW regional amateur sports facility.

Project Description
The project will have an outdoor amateur sports field complex of a minimum of 10 fields for soccer, lacrosse, football, etc.

It will also have a flexible indoor facility with two ice sheets that can be converted to 6 volleyball and/or 6 basketball courts or indoor field turf.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
None

Other Considerations
Not applicable

Project Contact Person
Harry Weilage
Community Education
City of Marshall
(507) 537-6767
hweilage@marshallmn.com

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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
This project calls for the predesign for an existing building to be used for amateur sports programs, and event administration and staging, in the north metro region.

Project Description
The North Metro Regional Sports Center will facilitate major amateur sports programs and events for mountain bikes, cycle-cross, cross-country skiing and more. Funds will be utilized to do the predesign for an existing building received from the Federal government on the Twin Cities Army Ammunition Plant property. The project is in collaboration with Ramsey County Parks and Recreation Department.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
None

Other Considerations
None

Project Contact Person
Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
763-785-5632
perickson@mnsports.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 $50,000 for the renovation of an existing arena.

Impact on Agency Operating Budgets (Facilities Notes)
None

Previous Appropriations for this Project
$18,405,000 during the period from 1995 – 2000

Other Considerations
Not applicable

Project Contact Person
Paul Erickson
Executive Director
Minnesota Amateur Sports Commission
763-785-5632
perickson@mnsports.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Corrections, 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
MCF-Faribault Expansion	1	$44,889	$0	$0	$44,889			
Department-wide - Asset Preservation	2	40,525	40,000	40,000	120,525			
MCF-Shakopee - Perimeter Security Fence	3	6,963	0	0	6,963			
MCF-St. Cloud - Perimeter Security Fence	4	3,071	0	0	3,071			
MCF-Red Wing - Vocational Building	5	6,230	0	0	6,230			
Department-wide - 800 MHz Radio System	6	5,000	0	0	5,000			
Level 3 TCU Predesign	7	500	0	0	500			
MCF-Shakopee Expansion Design	8	443	0	0	443			
Total Project Requests		$107,621	$40,000	$40,000	$187,621			

Corrections, Department of | Project Narrative

MCF-Faribault Expansion

2008 STATE APPROPRIATION REQUEST: $44,889,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION:

Project At A Glance

Design, construct, and equip Phase 3 expansion at the Minnesota Correctional Facility-Faribault (MCF-FRB) to include one 416 bed, double-bunked wet-cell lockable living unit with one wing (104 beds) beds designed to house senior offenders, an intake/receiving/warehouse/security center building, add program space, and demolition of one building.

Project Description

- Increase the net capacity of the MCF-FRB from 2,108 to 2,289
- One wing of the new housing unit (104 beds) constructed to house the department's aging offender population
- Reduce the per diem of housing offenders through increases in capacity and improvement in operating efficiency
- Improve security and safety of staff, the public, and offenders by housing offenders in new buildings that are designed for more effective efficient supervision, i.e. wet cells that can be locked down during the night shift and at other times when necessary
  - ◊ Offenders will be moved from two existing living units to the new security units
  - ◊ One living unit converted to program buildings, two living units demolished
- Construct an intake/receiving/warehouse/watch center building
  - ◊ Secured building to receive and release offenders
  - ◊ Receiving/distribution area to process and search incoming supplies
  - ◊ Security center to manage facility security operation
- Internal infrastructure completed, roadways, utilities, communications, etc.

Impact on Agency Operating Budgets (Facilities Notes) Operating costs will increase for staff salaries and current expense for the additional offender population. Average marginal per diem will be reduced and forecast expenditures would also be reduced accordingly.

Previous Appropriations for this Project

$84.844 million in the 2005 bonding bill
$27.993 million in the 2006 bonding bill

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
Pager 651-339-1440
Fax 651-632-5066

jmiller@co.doc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Department-wide - Asset Preservation

2008 STATE APPROPRIATION REQUEST: $40,525,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION:

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 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.

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
Pager 651-339-1440
Fax 651-632-5066

jmiller@co.doc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

MCF-Shakopee - Perimeter Security Fence

2008 STATE APPROPRIATION REQUEST: $6,963,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION:

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 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.

<u>Increased Risk Factors</u>

- 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

- 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.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200

St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
Pager 651-339-1440
Fax 651-632-5066

jmiller@co.doc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Corrections, Department of | Project Narrative

MCF-St. Cloud - Perimeter Security Fence

2008 STATE APPROPRIATION REQUEST: $3,071,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION:

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 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 observation of 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.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
Pager 651-339-1440
Fax 651-632-5066

jmiller@co.doc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Corrections, Department of | Project Narrative

MCF-Red Wing - Vocational Building

2008 STATE APPROPRIATION REQUEST: $6,230,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION:

Project At A Glance

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 MCF-RW. A new combined classroom and shop complex in close proximity to the academic school building will greatly assist the 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 additional costs for utilities and maintenance.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
Pager 651-339-1440
Fax 651-632-5066

jmiller@co.doc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Department-wide - 800 MHz Radio System

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 6 of 8

PROJECT LOCATION:

Project At A Glance

The purpose of this project is to design and construct a 700/800 MHz radio communication system for all state Department of Corrections' (DOC) facilities to:

- Enhance staff and offender safety by increasing interoperability of our own SORT and SOG teams as well as outside emergency management systems
- Improve radio communication between staffs at each facility and minimize the opportunity for incident failure due to current radio capacity.
- Enhance public safety and reduce the risk of walk-a-ways and escapes.
- Comply with Dept. of Homeland Security initiatives, National Incident Management System (NIMS) mandates and FCC requirements.

Project Description: The current DOC radio system is antiquated, does not meet future FCC requirements and is not capable of being facility interoperable. Consultant research has identified that a 700/800 MHz radio communications system will provide the best interoperability between facilities, staff, special tactical teams, and transportation staff and outside public safety, which will lead to increased safety to staffs, offenders, and the general public.

Future FCC regulations, current Homeland Security mandates and requirements from the NIMS will require the DOC's radio system to become narrow band compliant by 2013. The radio communications system should currently be interoperable to be fully NIMS compliant.

Currently the DOC's radio system is comprised of a combination of UHS and VHS wide band radio frequencies. One facility uses 800 MHz technology but is not compatible with the state's new 800 MHz backbone. The DOC had identified the following risk factors that indicate a need for a new radio communications system in an effort to continue to protect the public and keep staffs and offenders safe:

Increased Risk Factors

- Interoperability with local EMS and public safety support agencies is difficult and often requires the use of three different radios
- There is currently no interoperability between facilities making communication during major incidents difficult and, at times, impossible
- There is currently no standard means of communication during prisoner transfer
- Some level of digital or encryption to create secure channels is needed
- Many facility radio systems are currently designed without any redundancy of critical equipment, thus making them potentially unreliable in cases where critical equipment might fail or be intentionally disabled
- All but one system has operational channel capacity limitations as a result of too few repeated channels being available for use. This results in the potential for channel contention, which can cause missed or garbled communication
- Increased incidents of attempted walk-a-ways and escapes over the past years mandates immediate communication with outside law enforcement and the DOC's Fugitive Unit who currently do not have immediate radio access to the facilities
- Increasing offender populations will continue to increase the amount of offender transports between facilities and also in the public sector for medical appointments

Impact on Agency Operating Budgets (Facilities Notes)

Maintenance and upkeep on the radio communication system will be on-going. Initial non-bonded purchasing of hand-held radios and software will also impact the operating budgets.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

The DOC has had discussion with the Minnesota Department of Transportation (Mn/DOT), at the operational level, and there is some chance of using existing 800 MHz towers for metro facility implementation.

The Department of Public Safety (DPS) has been given funding to proceed with the 800 MHz backbone and there may be an opportunity to share tower sites as new towers are built. Even if towers are shared, it is important to articulate that the DOC will be using 700 MHz technology for our daily operational radio communication; Mn/DOT has acknowledged that the amount of daily radio communication created by the DOC would be overwhelming on the 800 MHz system. The DOC would use 800 MHz for public safety communication only.

The Department of Human Services (DHS) may be interested in sharing a tower site between the MCF-WR/ML and the DHS Moose Lake facility.

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
Pager 651-339-1440
Fax 651-632-5066

jmiller@co.doc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Corrections, Department of | Project Narrative

Level 3 TCU Predesign

2008 STATE APPROPRIATION REQUEST: $500,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION:

Project At A Glance

Request 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 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, 7 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 8 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)

This project will increase the operating budget beginning in FY2010. Estimates costs are for the staffing and operating costs for the new 30-bed TCU.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
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Governor's Recommendations (To be completed by the Department of Finance at a later date)

Corrections, Department of | Project Narrative

MCF-Shakopee Expansion Design

2008 STATE APPROPRIATION REQUEST: $443,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION:

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 9-bed Transitional Care Unit (TCU), Intake/Transportation Unit, and Offender Property Control.

Project Description

Only one six-bed section of the Higbee Unit 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 site 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 drain. 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 “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)

Staffing for the Segregation Unit will require an additional five correctional officers. To provide 24-hour coverage in the TCU, five additional registered nurses are needed. There would also be an increase in marginal cost for the added beds and in building operating expenses for energy and maintenance of the additional square footage.

Previous Appropriations for this Project

Other Considerations

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Governor's Recommendations (To be completed by the Department of Finance at a later date)

Corrections, 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
MCF-Faribault Expansion	1	$44,889	$0	$0	$44,889			
Department-wide - Asset Preservation	2	40,525	40,000	40,000	120,525			
MCF-Shakopee - Perimeter Security Fence	3	6,963	0	0	6,963			
MCF-St. Cloud - Perimeter Security Fence	4	3,071	0	0	3,071			
MCF-Red Wing - Vocational Building	5	6,230	0	0	6,230			
Department-wide - 800 MHz Radio System	6	5,000	0	0	5,000			
Level 3 TCU Predesign	7	500	0	0	500			
MCF-Shakopee Expansion Design	8	443	0	0	443			
Total Project Requests		$107,621	$40,000	$40,000	$187,621			

MCF-Faribault Expansion

2008 STATE APPROPRIATION REQUEST: $44,889,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION:

Project At A Glance

Design, construct, and equip Phase 3 expansion at the Minnesota Correctional Facility-Faribault (MCF-FRB) to include one 416 bed, double-bunked wet-cell lockable living unit with one wing (104 beds) beds designed to house senior offenders, an intake/receiving/warehouse/security center building, add program space, and demolition of one building.

Project Description

- Increase the net capacity of the MCF-FRB from 2,108 to 2,289
- One wing of the new housing unit (104 beds) constructed to house the department's aging offender population
- Reduce the per diem of housing offenders through increases in capacity and improvement in operating efficiency
- Improve security and safety of staff, the public, and offenders by housing offenders in new buildings that are designed for more effective efficient supervision, i.e. wet cells that can be locked down during the night shift and at other times when necessary
  - ◊ Offenders will be moved from two existing living units to the new security units
  - ◊ One living unit converted to program buildings, two living units demolished
- Construct an intake/receiving/warehouse/watch center building
  - ◊ Secured building to receive and release offenders
  - ◊ Receiving/distribution area to process and search incoming supplies
  - ◊ Security center to manage facility security operation
- Internal infrastructure completed, roadways, utilities, communications, etc.

Impact on Agency Operating Budgets (Facilities Notes) Operating costs will increase for staff salaries and current expense for the additional offender population. Average marginal per diem will be reduced and forecast expenditures would also be reduced accordingly.

Previous Appropriations for this Project

$84.844 million in the 2005 bonding bill
$27.993 million in the 2006 bonding bill

Other Considerations

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Minnesota Department of Corrections
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St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
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Governor's Recommendations (To be completed by the Department of Finance at a later date)

Department-wide - Asset Preservation

2008 STATE APPROPRIATION REQUEST: $40,525,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION:

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 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 (To be completed by the Department of Finance at a later date)

MCF-Shakopee - Perimeter Security Fence

2008 STATE APPROPRIATION REQUEST: $6,963,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION:

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 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.

<u>Increased Risk Factors</u>

- 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

- 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.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200

St. Paul, MN 55108-5219

PH 651-361-7251
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Governor's Recommendations (To be completed by the Department of Finance at a later date)

MCF-St. Cloud - Perimeter Security Fence

2008 STATE APPROPRIATION REQUEST: $3,071,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION:

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 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 observation of 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.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219

PH 651-361-7251
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Governor's Recommendations (To be completed by the Department of Finance at a later date)

MCF-Red Wing - Vocational Building

2008 STATE APPROPRIATION REQUEST: $6,230,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION:

Project At A Glance

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 MCF-RW. A new combined classroom and shop complex in close proximity to the academic school building will greatly assist the 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 additional costs for utilities and maintenance.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
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St. Paul, MN 55108-5219

PH 651-361-7251
Cell 651-398-5208
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Governor's Recommendations (To be completed by the Department of Finance at a later date)

Department-wide - 800 MHz Radio System

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 6 of 8

PROJECT LOCATION:

Project At A Glance

The purpose of this project is to design and construct a 700/800 MHz radio communication system for all state Department of Corrections' (DOC) facilities to:

- Enhance staff and offender safety by increasing interoperability of our own SORT and SOG teams as well as outside emergency management systems
- Improve radio communication between staffs at each facility and minimize the opportunity for incident failure due to current radio capacity.
- Enhance public safety and reduce the risk of walk-a-ways and escapes.
- Comply with Dept. of Homeland Security initiatives, National Incident Management System (NIMS) mandates and FCC requirements.

Project Description: The current DOC radio system is antiquated, does not meet future FCC requirements and is not capable of being facility interoperable. Consultant research has identified that a 700/800 MHz radio communications system will provide the best interoperability between facilities, staff, special tactical teams, and transportation staff and outside public safety, which will lead to increased safety to staffs, offenders, and the general public.

Future FCC regulations, current Homeland Security mandates and requirements from the NIMS will require the DOC's radio system to become narrow band compliant by 2013. The radio communications system should currently be interoperable to be fully NIMS compliant.

Currently the DOC's radio system is comprised of a combination of UHS and VHS wide band radio frequencies. One facility uses 800 MHz technology but is not compatible with the state's new 800 MHz backbone. The DOC had identified the following risk factors that indicate a need for a new radio communications system in an effort to continue to protect the public and keep staffs and offenders safe:

Increased Risk Factors

- Interoperability with local EMS and public safety support agencies is difficult and often requires the use of three different radios
- There is currently no interoperability between facilities making communication during major incidents difficult and, at times, impossible
- There is currently no standard means of communication during prisoner transfer
- Some level of digital or encryption to create secure channels is needed
- Many facility radio systems are currently designed without any redundancy of critical equipment, thus making them potentially unreliable in cases where critical equipment might fail or be intentionally disabled
- All but one system has operational channel capacity limitations as a result of too few repeated channels being available for use. This results in the potential for channel contention, which can cause missed or garbled communication
- Increased incidents of attempted walk-a-ways and escapes over the past years mandates immediate communication with outside law enforcement and the DOC's Fugitive Unit who currently do not have immediate radio access to the facilities
- Increasing offender populations will continue to increase the amount of offender transports between facilities and also in the public sector for medical appointments

Impact on Agency Operating Budgets (Facilities Notes)

Maintenance and upkeep on the radio communication system will be on-going. Initial non-bonded purchasing of hand-held radios and software will also impact the operating budgets.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

The DOC has had discussion with the Minnesota Department of Transportation (Mn/DOT), at the operational level, and there is some chance of using existing 800 MHz towers for metro facility implementation.

The Department of Public Safety (DPS) has been given funding to proceed with the 800 MHz backbone and there may be an opportunity to share tower sites as new towers are built. Even if towers are shared, it is important to articulate that the DOC will be using 700 MHz technology for our daily operational radio communication; Mn/DOT has acknowledged that the amount of daily radio communication created by the DOC would be overwhelming on the 800 MHz system. The DOC would use 800 MHz for public safety communication only.

The Department of Human Services (DHS) may be interested in sharing a tower site between the MCF-WR/ML and the DHS Moose Lake facility.

Project Contact Person

Joseph Miller, Capital Resources Administrator
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St. Paul, MN 55108-5219

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Governor's Recommendations (To be completed by the Department of Finance at a later date)

Level 3 TCU Predesign

2008 STATE APPROPRIATION REQUEST: $500,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION:

Project At A Glance

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Project Description

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Impact on Agency Operating Budgets (Facilities Notes)

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Previous Appropriations for this Project

Other Considerations

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MCF-Shakopee Expansion Design

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AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION:

Project At A Glance

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Impact on Agency Operating Budgets (Facilities Notes)

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Previous Appropriations for this Project

Other Considerations

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Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Library Accessibility and Improvement Grants	2	10,000	0	0	10,000			
Total Project Requests		$69,211	$0	$0	$69,211			

Education, Department of | Project Narrative

Red Lake Capital Loan

2008 STATE APPROPRIATION REQUEST: $59,211,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION:

Project At A Glance

- $59.211 million to fund additions and renovations to Red Lake 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 January 1, 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 3% in the last 10 years. Kindergarten through grade 5 enrollment has increased by approximately 26% 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% 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
E-mail: audrey.bomstad@state.mn.us

Library Accessibility and Improvement Grants

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION:

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% 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 January 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

Suzanne Miller
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

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			
Library Accessibility and Improvement Grants	2	10,000	0	0	10,000			
Total Project Requests		$69,211	$0	$0	$69,211			

Red Lake Capital Loan

2008 STATE APPROPRIATION REQUEST: $59,211,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION:

Project At A Glance

- $59.211 million to fund additions and renovations to Red Lake 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 January 1, 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
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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.

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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
E-mail: audrey.bomstad@state.mn.us

Library Accessibility and Improvement Grants

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION:

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% 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 January 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

Suzanne Miller
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

Employment & Economic Development

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
Redevelopment Grant Program	1	$20,000	$20,000	$20,000	$60,000			
Bioscience Business Dev. Public Infras. Grant Program	2	10,000	10,000	10,000	30,000			
Greater MN Business Dev. Public Infras. Grant Pro	3	20,000	20,000	20,000	60,000			
Total Project Requests		$50,000	$50,000	$50,000	$150,000			

Employment & Economic Development | Project Narrative

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 MN 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.

Impact on Agency Operating Budgets (Facilities Notes)

DEED administers the Program in the Business and Community Development Division. All operation and maintenance activities will be conducted by the local communities.

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 Mn 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 Funding	Projects		Private Investment	Tax Base Increase	Job Creation
		Awarded	Applications Received			
1999-2007	$30 million	70	148	$770 million	$13 million	8,000+

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 148 applications to date and has only been able to award 70 grants with the available dollars.

Project Contact Person

Meredith Udoibok, Director
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
Saint Paul, Minnesota 55101
Phone: (651) 297-4132

Fax: (651) 296-1290
E-mail: meredith.udoibok@state.mn.us
Web-Site: www,deed.state.mn.us

Governor's Recommendations

Bioscience Business Dev. Public Infras. Grant Program

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 3

PROJECT LOCATION:

Project At A Glance

BBDI Grants provide funding – up to 50% 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 at least 1:1 from non-state sources and are used to fund eligible publicly owned infrastructure including, traditional public infrastructure such as roads, sewer and water lines. In addition, because of the unique needs of the industry the BBDI program is also eligible to fund other public costs that are not eligible under other state programs such as: telecommunications infrastructure, bridges, parking ramps, business incubators facilities and laboratories that support basic science and clinical research infrastructure.

The goal of the 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, and to encourage significant private investment, business expansion and relocation in the med-tech and bioscience industries The Program is available through a competitive application process for projects throughout the state.

Providing adequate infrastructure is a critical component in stimulating private investment and maintaining healthy, vital communities throughout Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

The Program is administered by Business and Community Development Division staff. For the FY08 legislative session, DEED requests $10 million. Past appropriations have leveraged an additional local match of more than $2 dollars for every $1 dollar of state investment, and nearly $8 dollars of private investment.

Previous Appropriations for this Project

The previous appropriations for this activity have been $10 million in FY06 and $18.5 in FY05. The part of the FY05 allocation 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 FY05 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 FY06 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
FY05	4	$ 28,500,000	4	$18,500,000	$31,115,488	$199,000,000
FY06	7	$ 11,500,000	3	$9,256,250	$29,932,198	$20,000,000

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

Kevin McKinnon, BioBusiness Coordinator
Business and Community Development
1st National Bank Building
332 Minnesota St., Suite E 200
St. Paul, MN 55101-1351
Phone: 651.297-1303
Fax: 651.297.1290
E-mail: kevin.mckinnon@state.mn.us
Web Site: www.positivelyminnesota.com/biozone

Governor's Recommendations

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Greater MN Business Dev. Public Infras. Grant Pro

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 3 of 3

PROJECT LOCATION: Greater MN Communities

Project At A Glance

- **BDPI Grants** provide funding – up to 50% of eligible capital costs - to cities in Greater MN to assist them in funding public infrastructure for both industrial parks and business expansion.

Project Description

MN Statute 116J.431, The Greater MN 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 Program pays up to 50% of eligible capital costs, not to exceed $1 million in a two year funding period.

The goal of the Greater MN 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. DEED currently delivers the Program to Greater Minnesota communities (those outside of the seven county metropolitan area) 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.

Impact on Agency Operating Budgets (Facilities Notes)

The Program is administered by Business and Community Development Division staff. For the FY08 legislative session, DEED requests $20 million for the Greater MN Business Development Public Infrastructure Program as there has been increasing demand for the program since it's inception in FY04. Program funds have leveraged an additional $4 dollars for every $1 dollar 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 for FY08, 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 3 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 MN (see chart below).

	Number of Applications	Total Amount Requested	Number of Applications Funded	Amount Funded	Number of Jobs created*	Total Investment*
FY04	40	14,422,043	27	7,500,000	478	38,063,039
FY05	32	13,968,457	26	10,000,000	1158	23,667,726
FY06	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 MN 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

Reed Erickson
Director, Small Cities Programs
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
Saint Paul, Minnesota 55101-1351
Phone: (651) 297-1980
Fax: (651) 296-1290
E-mail: Reed.Erickson@state.mn.us

Governor's Recommendations

Employment & Economic Development

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
Redevelopment Grant Program	1	$20,000	$20,000	$20,000	$60,000			
Bioscience Business Dev. Public Infras. Grant Program	2	10,000	10,000	10,000	30,000			
Greater MN Business Dev. Public Infras. Grant Pro	3	20,000	20,000	20,000	60,000			
Total Project Requests		$50,000	$50,000	$50,000	$150,000			

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 MN 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.

Impact on Agency Operating Budgets (Facilities Notes)

DEED administers the Program in the Business and Community Development Division. All operation and maintenance activities will be conducted by the local communities.

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 Mn 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 Funding	Projects		Private Investment	Tax Base Increase	Job Creation
		Awarded	Applications Received			
1999-2007	$30 million	70	148	$770 million	$13 million	8,000+

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 148 applications to date and has only been able to award 70 grants with the available dollars.

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Meredith Udoibok, Director
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
Saint Paul, Minnesota 55101
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Fax: (651) 296-1290
E-mail: meredith.udoibok@state.mn.us
Web-Site: www,deed.state.mn.us

Governor's Recommendations

Bioscience Business Dev. Public Infras. Grant Program

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 3

PROJECT LOCATION:

Project At A Glance

BBDI Grants provide funding – up to 50% 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 at least 1:1 from non-state sources and are used to fund eligible publicly owned infrastructure including, traditional public infrastructure such as roads, sewer and water lines. In addition, because of the unique needs of the industry the BBDI program is also eligible to fund other public costs that are not eligible under other state programs such as: telecommunications infrastructure, bridges, parking ramps, business incubators facilities and laboratories that support basic science and clinical research infrastructure.

The goal of the 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, and to encourage significant private investment, business expansion and relocation in the med-tech and bioscience industries The Program is available through a competitive application process for projects throughout the state.

Providing adequate infrastructure is a critical component in stimulating private investment and maintaining healthy, vital communities throughout Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

The Program is administered by Business and Community Development Division staff. For the FY08 legislative session, DEED requests $10 million. Past appropriations have leveraged an additional local match of more than $2 dollars for every $1 dollar of state investment, and nearly $8 dollars of private investment.

Previous Appropriations for this Project

The previous appropriations for this activity have been $10 million in FY06 and $18.5 in FY05. The part of the FY05 allocation 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 FY05 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 FY06 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
FY05	4	$ 28,500,000	4	$18,500,000	$31,115,488	$199,000,000
FY06	7	$ 11,500,000	3	$9,256,250	$29,932,198	$20,000,000

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

Kevin McKinnon, BioBusiness Coordinator
Business and Community Development
1st National Bank Building
332 Minnesota St., Suite E 200
St. Paul, MN 55101-1351
Phone: 651.297-1303
Fax: 651.297.1290
E-mail: kevin.mckinnon@state.mn.us
Web Site: www.positivelyminnesota.com/biozone

Governor's Recommendations

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Greater MN Business Dev. Public Infras. Grant Pro

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 3 of 3

PROJECT LOCATION: Greater MN Communities

Project At A Glance

- **BDPI Grants** provide funding – up to 50% of eligible capital costs - to cities in Greater MN to assist them in funding public infrastructure for both industrial parks and business expansion.

Project Description

MN Statute 116J.431, The Greater MN 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 Program pays up to 50% of eligible capital costs, not to exceed $1 million in a two year funding period.

The goal of the Greater MN 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. DEED currently delivers the Program to Greater Minnesota communities (those outside of the seven county metropolitan area) 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.

Impact on Agency Operating Budgets (Facilities Notes)

The Program is administered by Business and Community Development Division staff. For the FY08 legislative session, DEED requests $20 million for the Greater MN Business Development Public Infrastructure Program as there has been increasing demand for the program since it's inception in FY04. Program funds have leveraged an additional $4 dollars for every $1 dollar 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 for FY08, 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 3 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 MN (see chart below).

	Number of Applications	Total Amount Requested	Number of Applications Funded	Amount Funded	Number of Jobs created*	Total Investment*
FY04	40	14,422,043	27	7,500,000	478	38,063,039
FY05	32	13,968,457	26	10,000,000	1158	23,667,726
FY06	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 MN 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

Reed Erickson
Director, Small Cities Programs
Minnesota Department of Employment and Economic Development
1st National Bank Building
332 Minnesota Street, Suite E200
Saint Paul, Minnesota 55101-1351
Phone: (651) 297-1980
Fax: (651) 296-1290
E-mail: Reed.Erickson@state.mn.us

Governor's Recommendations

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			
Total Project Requests		$10,000	$0	$0	$10,000			

Health, Department of | Project Narrative

MPLS/ST Paul Interconnection

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION:

Project At A Glance
This project would provide a $10 million state grant to help fund an interconnection between the Minneapolis and St. Paul 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. Ensuring the security of each city's water system 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 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 Department of Homeland Security places a high priority on water system security.

A water system shutdown for Minneapolis or St. Paul 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.

The Minneapolis and St. Paul 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 Minneapolis and St. Paul during the past two decades. Historically, the project has had only one of the two parties interested at any given time, but 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.

Previous Appropriations for this Project
None.

Other Considerations
None.

Project Contact Person
John Linc Stine, Director
Environmental Health Division
Minnesota Department of Health
651-201-4675
John.Stine@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Total Project Requests		$10,000	$0	$0	$10,000			

MPLS/ST Paul Interconnection

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION:

Project At A Glance
This project would provide a $10 million state grant to help fund an interconnection between the Minneapolis and St. Paul 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. Ensuring the security of each city's water system is a high priority for the entire region and for the state as well.

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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.

Previous Appropriations for this Project
None.

Other Considerations
None.

Project Contact Person
John Linc Stine, Director
Environmental Health Division
Minnesota Department of Health
651-201-4675
John.Stine@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Total Project Requests		$30,000	$0	$0	$30,000			

Housing Finance Agency | Project Narrative

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 approximately 245 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 non-profit 501(c)(3) bonds issued by 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% 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 (54%) 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 non-profit 501(c)(3) bonds may be issued in lieu of 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 non-profit 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 non-profit 501(c)(3) bonds is expected to be much more efficient than the use of GO bonds 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 residential project so that they frequently contract with non-profits to manage the property. A number of non-profits, on the other hand, have considerable experience owning and operating supportive housing; management and monitoring of the housing is simplified with non-profit ownership as compared to ownership by a local unit of government.

Projects that are owned by non-profit 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 non-profit bond alternative is not adopted, the appropriation requested would be the Local Government Assisted Housing Account Program (Minn. Stat. § 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.) This 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 of 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

Tonja M. Orr
Assistant Commissioner
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
Saint Paul, Minnesota 55101-1998
Phone: (651) 296-9820
E-mail: tonja.orr@state.mn.us

Governor's Recommendations

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			
Total Project Requests		$30,000	$0	$0	$30,000			

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 approximately 245 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 non-profit 501(c)(3) bonds issued by 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.

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- Another 24% 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 (54%) 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 non-profit 501(c)(3) bonds may be issued in lieu of 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 non-profit 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 non-profit 501(c)(3) bonds is expected to be much more efficient than the use of GO bonds 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 residential project so that they frequently contract with non-profits to manage the property. A number of non-profits, on the other hand, have considerable experience owning and operating supportive housing; management and monitoring of the housing is simplified with non-profit ownership as compared to ownership by a local unit of government.

Projects that are owned by non-profit 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 non-profit bond alternative is not adopted, the appropriation requested would be the Local Government Assisted Housing Account Program (Minn. Stat. § 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.) This 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.

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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

Tonja M. Orr
Assistant Commissioner
Minnesota Housing Finance Agency
400 Sibley Street, Suite 300
Saint Paul, Minnesota 55101-1998
Phone: (651) 296-9820
E-mail: tonja.orr@state.mn.us

Governor's Recommendations

Human Services, 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
Moose Lake - MSOP Expansion Phase Two	1	$90,000	$0	$0	$90,000			
System-Wide - Asset Preservation/Safety & Security	2	7,500	6,000	6,500	20,000			
System-Wide Campus Redevelopment/Reuse/Demolition	3	9,000	0	0	9,000			
Anoka - Remodel West Wing Miller Building	4	4,500	0	0	4,500			
METO- Design & Construct One Residential Living Unit	5	3,500	0	0	3,500			
St. Peter - Expand Forensic SNF (Design 2010 - Con		0	1,200	15,000	16,200			
St. Peter - Remodel Shantz Hall (Design 2010 - Con		0	1,150	13,500	14,650			
St. Peter - Remodel Bldgs #25 & #26 for Transitio		0	720	8,000	8,720			
St. Peter - Remodel Dietary Department		0	500	5,000	5,500			
Total Project Requests		$114,500	$9,570	$48,000	$172,070			

Moose Lake - MSOP Expansion Phase Two

2008 STATE APPROPRIATION REQUEST: $90,000,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

Project At A Glance

- Design, construct, furnish and equipment additional secure facilities for the Moose Lake Sex Offender Treatment Program facilities, including programming space and ancillary support/service facilities.
- This project will provide construction funds for the second phase of the bed expansion for Moose Lake MSOP campus.
- Funds for the first phase of construction (400-beds) 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 $44,580,000 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/program facilities needed to support/operate the first 400-beds while the second phase of the project is under construction.

This request (Phase-Two) includes funds to construct: 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 (mechanical and electrical, storage space, control centers, program administration, etc.). In addition, this project will also require expansion 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 DHS licensing requirements, allows Department of Human Services (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 future utilization of these new "secure" facilities.

Background

In late spring 2005 it became apparent that earlier projections the forensics programs significantly underestimated growth in commitments. This unprecedented growth caused a very serious capacity problem for the forensic programs.

In the spring of 2006 it was necessary for the department to find temporary space house individuals committed to the MSOP. All appropriate/available secure space at SOS facilities was full in June 2006. To address this 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 would not be available or appropriate space for the long term.)

Moose Lake - MSOP Expansion Phase Two

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% 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 had little choice but to request resources for additional capacity.

Impact on Agency Operating Budgets (Facilities Notes)
The increasing sex offender population will impact the agency's operating budget. The proposed change in operating costs will be provided in the final document of the 2008 Capital Budget.

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 MSOP Phase Two Expansion in 2008. This request follows that plan.

Project Contact Person
Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

System-Wide - Asset Preservation/Safety & Security

2008 STATE APPROPRIATION REQUEST: $7,500,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

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 HVAC systems
- Address known security and safety hazards, health risks and code deficiencies
- 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). These needs developed over time, and represent a system-wide assessment of the facilities' deficiencies, including, but not limited to the following:

- Security and safety hazards and code compliance issues
- Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- Emergency power/egress lighting upgrades
- Roof repair and replacement
- 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, water tower cleaning and painting). 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 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 are in balance.

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. Funding of this request will not require the agency's operating budget to increase or decrease.

Previous Appropriations for this Project
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

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 determining which buildings asset preservation funds should be requested for, or committed to.

Project Contact Person
Alan Van Buskirk, Physical Plant Operations Manager
Department of Human Services
State Operated Services, St. Paul, Minnesota 55155-3826
Phone: (651)431-3695
Fax: (651) 582-1890
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

System-Wide Campus Redevelopment/Reuse/Demolition

2008 STATE APPROPRIATION REQUEST: $9,000,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

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 to 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 for funds necessary for the disposition (sale/transfer of ownership) of the Department of Human Services' surplus RTC campuses. This request focuses on several 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.

Funds will be used for: professional design and engineering services; implementation of improvements of basic utility systems (heating, water supply, sewage lines, electrical distribution, life safety systems, etc.); structural integrity and building envelope issues (tuckpointing, building foundation restoration, windows, doors, and roofing issues); addressing building code and other regulatory issues associated with change of occupancy/reuse; and, other physical plant issues that are further defined as the disposition plans for these surplus RTC campuses are finalized.

Funds will also be used for professional design and project management services and implementation of hazardous materials abatement, demolition of buildings, and disposal of materials in accordance with federal law, Minnesota Statutes, and local governmental rules and regulations. In addition, funds will be utilized for site restoration, the demolition/capping/sealing of utility tunnels and buildings services leading to buildings/structures to be demolished, and other infrastructural issues associated with the disposition of buildings on these campuses, including demolition of sidewalks, roads, and parking lots.

Background Information

The 2003 Legislature authorized the Department of Human Services (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 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.

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. At the time of the writing of this narrative, Departments of Administration and Human Services staff persons were working closely with Cass County and the City of Fergus Falls for the respective campuses, with expectations to finalize disposition plans during the summer of 2007.

The Brainerd campus master planning project, coordinated by Crow Wing County, was completed during the spring of 2007. In addition, the development of enhanced mental health services in the community for the area served by the BRHSC has resulted in a significant decrease in total space utilization on the Brainerd campus. The City of Brainerd, one of the community partners in the Brainerd campus Master Planning Project, has agreed to take the lead role for future redevelopment/reuse of the Brainerd campus. The implementation of the redevelopment project is schedule to begin in July 2007.

Impact on Agency Operating Budgets (Facilities Notes)
The impact on the agency's operating budget will be contingent on the level of services provided in the future, and the location and the type of facilities developed to provide these services. However, just reducing the costs associated with heating and maintaining the unused/oversized spaces in the numerous vacant buildings in the system does provide significant savings to the respective facility's program overhead costs.

For example, preservation of the Fergus Falls RTC buildings could prove to be very expensive for the state if an economically viable alternative reuse cannot be found. Preliminary estimates to provide minimal heat, basic building and grounds maintenance and security for this large campus indicate expenditures could exceed $1 million a year after the existing treatment programs on the Fergus Falls RTC complete the transition to community-based operations.

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, has created financial pressures that cannot be ignored. If viable reuse cannot be identified the department's recommendation is to demolish these non-functional facilities and eliminate the associated operating expenses.

Funding of this proposal will enable the department to work aggressively to convert surplus facilities (land and buildings) to other ownership and alternative uses. If an alternate use cannot be found, adequate funds will be available for demolition, and the need to expend state dollars to maintain these non-utilized, non-functional buildings in the future can be eliminated.

Funding of this request should also provide enough flexibility in the use of the funds to address other issues that may surface as the disposition of the surplus campuses proceeds.

Project Contact Person
Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
St. Paul, Minnesota 55155-3826
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Anoka - Remodel West Wing Miller Building

2008 STATE APPROPRIATION REQUEST: $4,500,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

Project At A Glance

- Design, renovate/construct, furnish, and equip available space in the West Wing of the Anoka-Metro RTC Miller building for a training center and office complex. This space will be used as a state-wide training center and support facility for State Operated Services (SOS) programs.
- Construct appropriate parking and develop appropriate program support infrastructure.

Project Description

This request is for funds to design, renovate, construct, furnish, and equip part of the Miller Building West Wing as a clinical training, office, and support complex for the State Operated Services system. It 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.

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 Anoka-Metro RTC'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 Anoka-Metro RTC 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
Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

METO- Design & Construct One Residential Living Unit

2008 STATE APPROPRIATION REQUEST: $3,500,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

Project At A Glance

- Design, develop site, construct, furnish, and equip a new 12-bed residential/program building for the Minnesota Extended Treatment Options (METO) program at the METO campus in Cambridge.
- This project will provide two six-bed secure residential living/program units in one new building. METO provides residential and crisis services for developmentally disabled persons with complex behavioral and social problems whom are committed to the METO program through the civil commitment procedure.

Project Description

This request is for funds to design, construct, furnish, and equip a new residential/program building for the METO program in Cambridge. This new building will provide 2 additional six-bed residential/programming units. The project will also fund site improvements (extension of utilities, road/walkways, security, and life safety systems) required to support the new facilities.

Background Information

The METO program is a specialized service model for individuals who have a developmental disability and exhibit severe behaviors which present a risk to public safety. The METO program was established during the 1995 Session (Laws of 1995, Chapter 207, Article 8, Section 39, Sub. 2: "CAMPUS PROGRAMS…. *The commissioner shall develop a specialized service model at the Cambridge campus to serve citizens of Minnesota who have a developmental disability and exhibit severe behaviors which present a risk to public safety….*" This law also directed the commissioner to "…. *initiate architectural and engineering pre-design required to develop a capital budget proposal for the 1996 legislative session. This proposal shall include any necessary campus infrastructure improvements, building modifications, and construction required to accommodate the above referenced services and related to restructuring of the Cambridge campus."*

In accordance with the law, the department developed a $6.2 million capital budget proposal for the METO program for the 1996 Session. The 1996 Legislature appropriated $3.4 million to design and construct 36 of the 72 beds proposed for METO; to renovate the auditorium building for recreation and program activities; to renovate the auditorium building for recreation and program activities; to renovate the laundry building for work activity programs; and, to demolish existing buildings.

The METO program officially became operational in July of 1997. During the 1998 Session, the Legislature appropriated an additional $1.5 million to construct 12 additional beds on the Cambridge campus for the METO program.

METO provides residential and crisis services for developmentally disabled persons with complex behavioral and social problems. Many of the individuals served by METO have been involved in criminal acts such as sexual assault, major property destruction (i.e. fire setting), physical assault, use of weapons, chemical abuse, and robbery. However, due to the severity of their developmental disability, these individual are usually not prosecuted through the criminal justice system. Since community based options are not always available, that would ensure the public's safety, these individuals are often committed to the METO program through the civil commitment procedure.

Specifically designed facilities are required to accommodate the severe behavioral problems associated with individuals served by the METO program. Security and safety have been designed both in the structural and programmatic design of the METO residential model. Building components, furnishings, fixtures, and equipment selections were carefully studied to ensure they would stand up to extreme abuse and provide the level of security required for individual units while retaining a homelike environment in a layout resembling a typical home.

The six-bed unit previously developed for METO has proven to meet these needs, and with some very minor tweaking will be utilized for the new 12-bed unit proposed with this budget request.

Individuals admitted to the on-campus METO program are expected to return to their respective communities after completing treatment programs that range from 3 months to 3 years, depending on each individual's needs. The homelike environment is essential in fostering community living skills and the development of interpersonal relationships necessary for those individuals to successfully return to the community.

The Need for Additional Residential Facilities

Over the last several years, METO has been running at or near its 48-bed capacity. The construction of the additional 12 beds will ensure that METO has the capacity to provide services to the individuals committed to the program. The design of the METO residential model does allow for incremental bed development. The 12-bed building with two six-bed units is a cost effective structure to construct.

The construction of the new residential unit will not require an expansion to other support facilities. Current recreation, work/program, facility support, and administrative facilities are adequately sized to accommodate these 12 additional beds.

Impact on Agency Operating Budgets (Facilities Notes)

The expansion of the METO program will increase the METO annual operating budget. The proposed amount of this increase will be developed over the summer of 2007 and provided in the final document for this capital budget request.

Previous Appropriations for this Project

1996 Legislature appropriated $3.4 million.
1998 Legislature appropriated $1.5 million.

Other Considerations

Increase support and crisis services in the community to help existing community providers better serve this population, address crisis situations, and avoid costly METO commitments when appropriate. This could eliminate the need to expand bed capacity and the subsequent increase to METO's operating budget at a lesser cost to the state.

Project Contact Person

Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Human Services, 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
Moose Lake - MSOP Expansion Phase Two	1	$90,000	$0	$0	$90,000			
System-Wide - Asset Preservation/Safety & Security	2	7,500	6,000	6,500	20,000			
System-Wide Campus Redevelopment/Reuse/Demolition	3	9,000	0	0	9,000			
Anoka - Remodel West Wing Miller Building	4	4,500	0	0	4,500			
METO- Design & Construct One Residential Living Unit	5	3,500	0	0	3,500			
St. Peter - Expand Forensic SNF (Design 2010 - Con		0	1,200	15,000	16,200			
St. Peter - Remodel Shantz Hall (Design 2010 - Con		0	1,150	13,500	14,650			
St. Peter - Remodel Bldgs #25 & #26 for Transitio		0	720	8,000	8,720			
St. Peter - Remodel Dietary Department		0	500	5,000	5,500			
Total Project Requests		$114,500	$9,570	$48,000	$172,070			

Moose Lake - MSOP Expansion Phase Two

2008 STATE APPROPRIATION REQUEST: $90,000,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

Project At A Glance

- Design, construct, furnish and equipment additional secure facilities for the Moose Lake Sex Offender Treatment Program facilities, including programming space and ancillary support/service facilities.
- This project will provide construction funds for the second phase of the bed expansion for Moose Lake MSOP campus.
- Funds for the first phase of construction (400-beds) 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 $44,580,000 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/program facilities needed to support/operate the first 400-beds while the second phase of the project is under construction.

This request (Phase-Two) includes funds to construct: 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 (mechanical and electrical, storage space, control centers, program administration, etc.). In addition, this project will also require expansion 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 DHS licensing requirements, allows Department of Human Services (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 future utilization of these new "secure" facilities.

Background
In late spring 2005 it became apparent that earlier projections the forensics programs significantly underestimated growth in commitments. This unprecedented growth caused a very serious capacity problem for the forensic programs.

In the spring of 2006 it was necessary for the department to find temporary space house individuals committed to the MSOP. All appropriate/available secure space at SOS facilities was full in June 2006. To address this 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 would not be available or appropriate space for the long term.)

Moose Lake - MSOP Expansion Phase Two

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% 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 had little choice but to request resources for additional capacity.

Impact on Agency Operating Budgets (Facilities Notes)
The increasing sex offender population will impact the agency's operating budget. The proposed change in operating costs will be provided in the final document of the 2008 Capital Budget.

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 MSOP Phase Two Expansion in 2008. This request follows that plan.

Project Contact Person
Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

2008 STATE APPROPRIATION REQUEST: $7,500,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

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 HVAC systems
- Address known security and safety hazards, health risks and code deficiencies
- 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). These needs developed over time, and represent a system-wide assessment of the facilities' deficiencies, including, but not limited to the following:

- Security and safety hazards and code compliance issues
- Life/fire safety deficiencies (fire sprinkling, detection/alarm systems)
- Emergency power/egress lighting upgrades
- Roof repair and replacement
- 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, water tower cleaning and painting). 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 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 are in balance.

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. Funding of this request will not require the agency's operating budget to increase or decrease.

Previous Appropriations for this Project
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

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 determining which buildings asset preservation funds should be requested for, or committed to.

Project Contact Person
Alan Van Buskirk, Physical Plant Operations Manager
Department of Human Services
State Operated Services, St. Paul, Minnesota 55155-3826
Phone: (651)431-3695
Fax: (651) 582-1890
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

System-Wide Campus Redevelopment/Reuse/Demolition

2008 STATE APPROPRIATION REQUEST: $9,000,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

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 to 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 for funds necessary for the disposition (sale/transfer of ownership) of the Department of Human Services' surplus RTC campuses. This request focuses on several 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.

Funds will be used for: professional design and engineering services; implementation of improvements of basic utility systems (heating, water supply, sewage lines, electrical distribution, life safety systems, etc.); structural integrity and building envelope issues (tuckpointing, building foundation restoration, windows, doors, and roofing issues); addressing building code and other regulatory issues associated with change of occupancy/reuse; and, other physical plant issues that are further defined as the disposition plans for these surplus RTC campuses are finalized.

Funds will also be used for professional design and project management services and implementation of hazardous materials abatement, demolition of buildings, and disposal of materials in accordance with federal law, Minnesota Statutes, and local governmental rules and regulations. In addition, funds will be utilized for site restoration, the demolition/capping/sealing of utility tunnels and buildings services leading to buildings/structures to be demolished, and other infrastructural issues associated with the disposition of buildings on these campuses, including demolition of sidewalks, roads, and parking lots.

Background Information

The 2003 Legislature authorized the Department of Human Services (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 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.

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. At the time of the writing of this narrative, Departments of Administration and Human Services staff persons were working closely with Cass County and the City of Fergus Falls for the respective campuses, with expectations to finalize disposition plans during the summer of 2007.

The Brainerd campus master planning project, coordinated by Crow Wing County, was completed during the spring of 2007. In addition, the development of enhanced mental health services in the community for the area served by the BRHSC has resulted in a significant decrease in total space utilization on the Brainerd campus. The City of Brainerd, one of the community partners in the Brainerd campus Master Planning Project, has agreed to take the lead role for future redevelopment/reuse of the Brainerd campus. The implementation of the redevelopment project is schedule to begin in July 2007.

Impact on Agency Operating Budgets (Facilities Notes)
The impact on the agency's operating budget will be contingent on the level of services provided in the future, and the location and the type of facilities developed to provide these services. However, just reducing the costs associated with heating and maintaining the unused/oversized spaces in the numerous vacant buildings in the system does provide significant savings to the respective facility's program overhead costs.

For example, preservation of the Fergus Falls RTC buildings could prove to be very expensive for the state if an economically viable alternative reuse cannot be found. Preliminary estimates to provide minimal heat, basic building and grounds maintenance and security for this large campus indicate expenditures could exceed $1 million a year after the existing treatment programs on the Fergus Falls RTC complete the transition to community-based operations.

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, has created financial pressures that cannot be ignored. If viable reuse cannot be identified the department's recommendation is to demolish these non-functional facilities and eliminate the associated operating expenses.

Funding of this proposal will enable the department to work aggressively to convert surplus facilities (land and buildings) to other ownership and alternative uses. If an alternate use cannot be found, adequate funds will be available for demolition, and the need to expend state dollars to maintain these non-utilized, non-functional buildings in the future can be eliminated.

Funding of this request should also provide enough flexibility in the use of the funds to address other issues that may surface as the disposition of the surplus campuses proceeds.

Project Contact Person
Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
St. Paul, Minnesota 55155-3826
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Anoka - Remodel West Wing Miller Building

2008 STATE APPROPRIATION REQUEST: $4,500,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

Project At A Glance

- Design, renovate/construct, furnish, and equip available space in the West Wing of the Anoka-Metro RTC Miller building for a training center and office complex. This space will be used as a state-wide training center and support facility for State Operated Services (SOS) programs.
- Construct appropriate parking and develop appropriate program support infrastructure.

Project Description

This request is for funds to design, renovate, construct, furnish, and equip part of the Miller Building West Wing as a clinical training, office, and support complex for the State Operated Services system. It 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.

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 Anoka-Metro RTC'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 Anoka-Metro RTC 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
Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

METO- Design & Construct One Residential Living Unit

2008 STATE APPROPRIATION REQUEST: $3,500,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

Project At A Glance

- Design, develop site, construct, furnish, and equip a new 12-bed residential/program building for the Minnesota Extended Treatment Options (METO) program at the METO campus in Cambridge.
- This project will provide two six-bed secure residential living/program units in one new building. METO provides residential and crisis services for developmentally disabled persons with complex behavioral and social problems whom are committed to the METO program through the civil commitment procedure.

Project Description

This request is for funds to design, construct, furnish, and equip a new residential/program building for the METO program in Cambridge. This new building will provide 2 additional six-bed residential/programming units. The project will also fund site improvements (extension of utilities, road/walkways, security, and life safety systems) required to support the new facilities.

Background Information

The METO program is a specialized service model for individuals who have a developmental disability and exhibit severe behaviors which present a risk to public safety. The METO program was established during the 1995 Session (Laws of 1995, Chapter 207, Article 8, Section 39, Sub. 2: "CAMPUS PROGRAMS…. *The commissioner shall develop a specialized service model at the Cambridge campus to serve citizens of Minnesota who have a developmental disability and exhibit severe behaviors which present a risk to public safety….*" This law also directed the commissioner to "…. *initiate architectural and engineering pre-design required to develop a capital budget proposal for the 1996 legislative session. This proposal shall include any necessary campus infrastructure improvements, building modifications, and construction required to accommodate the above referenced services and related to restructuring of the Cambridge campus."*

In accordance with the law, the department developed a $6.2 million capital budget proposal for the METO program for the 1996 Session. The 1996 Legislature appropriated $3.4 million to design and construct 36 of the 72 beds proposed for METO; to renovate the auditorium building for recreation and program activities; to renovate the auditorium building for recreation and program activities; to renovate the laundry building for work activity programs; and, to demolish existing buildings.

The METO program officially became operational in July of 1997. During the 1998 Session, the Legislature appropriated an additional $1.5 million to construct 12 additional beds on the Cambridge campus for the METO program.

METO provides residential and crisis services for developmentally disabled persons with complex behavioral and social problems. Many of the individuals served by METO have been involved in criminal acts such as sexual assault, major property destruction (i.e. fire setting), physical assault, use of weapons, chemical abuse, and robbery. However, due to the severity of their developmental disability, these individual are usually not prosecuted through the criminal justice system. Since community based options are not always available, that would ensure the public's safety, these individuals are often committed to the METO program through the civil commitment procedure.

Specifically designed facilities are required to accommodate the severe behavioral problems associated with individuals served by the METO program. Security and safety have been designed both in the structural and programmatic design of the METO residential model. Building components, furnishings, fixtures, and equipment selections were carefully studied to ensure they would stand up to extreme abuse and provide the level of security required for individual units while retaining a homelike environment in a layout resembling a typical home.

The six-bed unit previously developed for METO has proven to meet these needs, and with some very minor tweaking will be utilized for the new 12-bed unit proposed with this budget request.

Individuals admitted to the on-campus METO program are expected to return to their respective communities after completing treatment programs that range from 3 months to 3 years, depending on each individual's needs. The homelike environment is essential in fostering community living skills and the development of interpersonal relationships necessary for those individuals to successfully return to the community.

The Need for Additional Residential Facilities

Over the last several years, METO has been running at or near its 48-bed capacity. The construction of the additional 12 beds will ensure that METO has the capacity to provide services to the individuals committed to the program. The design of the METO residential model does allow for incremental bed development. The 12-bed building with two six-bed units is a cost effective structure to construct.

The construction of the new residential unit will not require an expansion to other support facilities. Current recreation, work/program, facility support, and administrative facilities are adequately sized to accommodate these 12 additional beds.

Impact on Agency Operating Budgets (Facilities Notes)

The expansion of the METO program will increase the METO annual operating budget. The proposed amount of this increase will be developed over the summer of 2007 and provided in the final document for this capital budget request.

Previous Appropriations for this Project

1996 Legislature appropriated $3.4 million.
1998 Legislature appropriated $1.5 million.

Other Considerations

Increase support and crisis services in the community to help existing community providers better serve this population, address crisis situations, and avoid costly METO commitments when appropriate. This could eliminate the need to expand bed capacity and the subsequent increase to METO's operating budget at a lesser cost to the state.

Project Contact Person

Alan Van Buskirk
Physical Plant Operations Manager
State Operated Services
Phone: (651) 431-3695
E-mail: alan.vanbuskirk@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Facility Life Safety	2	1,000	1,000	1,000	3,000			
ADA Alterations	3	1,500	900	900	3,300			
Camp Ripley Billeting		0	5,400	0	5,400			
Total Project Requests		$9,500	$15,300	$10,400	$35,200			

Asset Preservation

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% to state funds.

Project Description

This request is to address 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. This project would 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); and
- 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; updating of electrical service; and their 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, and
Other projects which extend the life of the facility.

Asset Preservation Programming:

2008	2010	2012
$7.0 million	$8.0 million	$8.5 million

Priority projects include:

- Hutchinson, Fairmont, St. James, Morris, E. 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 could 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	$4.0 million
2005	$4.0 million
2002	$2.5 million
1998	$250,000
1996	$500,000

Other Considerations

None

Project Contact Person

Terrence J. Palmer, Comptroller
Dept of Military Affairs
Veterans Service Building
St. Paul, Minnesota 55155-2098
Phone: (651) 268-8948
Fax: (651) 282-4541
E-mail: terry.palmer@mn.ngb.army.mil

Colonel Bruce Jensen
Facilities Management Officer
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2602
Fax: (320) 632-7473
E-mail: bruce.jensen@mn.ngb.army.mil

Thomas Vesely
Facilities Management Office - Design and Construction
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2614
Fax: (320) 632-7473
E-mail: tom.vesely@mn.ngb.army.mil

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Facility Life Safety

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% federal / 25% state)

Project Description

The purpose of this request is to address the required Life/Safety alterations to existing National Guard Training/Community Centers (Armories) throughout the state. Requested project funding would greatly enhance personnel safety. Life/safety upgrades/repairs are generally funded 3 federal for each state dollar.

These projects are considered significant, permanent and major improvements to our armory facilities. Many of the armories have been used for emergency shelters. Facilities do not meet current building code standards and personnel are working in potentially dangerous/unsafe buildings, i.e. mold, no egress in case of fire, poor ventilation, asbestos etc. These projects provide needed improvements in the facilities that will make their use much safer and would include: fire/smoke alarm system, emergency egress lighting, ventilation system improvements, etc.

Projects are programmed as follows (programmed locations may vary within the three biennium):

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		

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

$1 million in 2006 bonding bill
$1 million in 2002 bonding bill

Other Considerations

None

Project Contact Person

Terrence J. Palmer
Comptroller
Dept of Military Affairs
Veterans Service Building
St. Paul, Minnesota 55155-2098
Phone: (651) 282-8948
Fax: (651) 282-4493
E-mail: terry.palmer@mn.ngb.army.mil

Colonel Bruce Jensen
Facilities Management Officer
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2602

Fax: (320) 632-7473
E-mail: bruce.jensen@mn.ngb.army.mil

Thomas Vesely
Facilities Management Office-Design and Construction
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2614
Fax: (320) 632-7473
E-mail: tom.vesely@mn.ngb.army.mil

Governor's Recommendations (To be completed by the Department of Finance at a later date)

ADA Alterations

2008 STATE APPROPRIATION REQUEST: $1,500,000

AGENCY PROJECT PRIORITY: 3 of 3

PROJECT LOCATION: Statewide

Project At A Glance

- 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 of state funds (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 Americans with Disabilities Act. 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 project is considered a significant, permanent and major improvement to our armory and training facilities. Conversion and improvement of space would allow unrestricted entry/egress by disabled persons. Many of our facilities are used for as emergency shelters and community events. Unfortunately, many are not handicap accessible. Accessibility is becoming even more critical to National Guard operations as the facilities are used for meetings and support events for families of deployed service members. We are also concerned that facilities may 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 that 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 biennias):

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		

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

$1.4 million in 2006 bonding bill
$357,000 in 2002 bonding bill

Other Considerations

None

Project Contact Person

Terrence J. Palmer, Comptroller, Dept of Military Affairs
Veterans Service Building, St. Paul, MN 55155-2098
Phone: (651) 282-8948
Fax: (651) 282-4493
E-mail: terrence.palmer@mn.ngb.army.mil

Colonel Bruce Jensen, Facilities Management Officer
Camp Ripley, 15000 Highway 115, Little Falls, MN 56345-4173
Phone: (320) 616-2602
Fax: (320) 632-7473
E-mail: bruce.jensen@mn.ngb.army.mil

Thomas Vesely, Facilities Management Office – Design and Construction
Camp Ripley, 15000 Highway 115, Little Falls, MN 56345-4173
Phone: (320) 616-2614
Fax: (320) 632-7473
E-mail: tom.vesely@mn.ngb.army.mil

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Facility Life Safety	2	1,000	1,000	1,000	3,000			
ADA Alterations	3	1,500	900	900	3,300			
Camp Ripley Billeting		0	5,400	0	5,400			
Total Project Requests		$9,500	$15,300	$10,400	$35,200			

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% to state funds.

Project Description

This request is to address 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. This project would 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); and
- 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; updating of electrical service; and their 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, and
Other projects which extend the life of the facility.

Asset Preservation Programming:

2008	2010	2012
$7.0 million	$8.0 million	$8.5 million

Priority projects include:

- Hutchinson, Fairmont, St. James, Morris, E. 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 could 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	$4.0 million
2005	$4.0 million
2002	$2.5 million
1998	$250,000
1996	$500,000

Other Considerations

None

Project Contact Person

Terrence J. Palmer, Comptroller
Dept of Military Affairs
Veterans Service Building
St. Paul, Minnesota 55155-2098
Phone: (651) 268-8948
Fax: (651) 282-4541
E-mail: terry.palmer@mn.ngb.army.mil

Colonel Bruce Jensen
Facilities Management Officer
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2602
Fax: (320) 632-7473
E-mail: bruce.jensen@mn.ngb.army.mil

Thomas Vesely
Facilities Management Office - Design and Construction
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2614
Fax: (320) 632-7473
E-mail: tom.vesely@mn.ngb.army.mil

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Facility Life Safety

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% federal / 25% state)

Project Description

The purpose of this request is to address the required Life/Safety alterations to existing National Guard Training/Community Centers (Armories) throughout the state. Requested project funding would greatly enhance personnel safety. Life/safety upgrades/repairs are generally funded 3 federal for each state dollar.

These projects are considered significant, permanent and major improvements to our armory facilities. Many of the armories have been used for emergency shelters. Facilities do not meet current building code standards and personnel are working in potentially dangerous/unsafe buildings, i.e. mold, no egress in case of fire, poor ventilation, asbestos etc. These projects provide needed improvements in the facilities that will make their use much safer and would include: fire/smoke alarm system, emergency egress lighting, ventilation system improvements, etc.

Projects are programmed as follows (programmed locations may vary within the three biennium):

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		

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

$1 million in 2006 bonding bill
$1 million in 2002 bonding bill

Other Considerations

None

Project Contact Person

Terrence J. Palmer
Comptroller
Dept of Military Affairs
Veterans Service Building
St. Paul, Minnesota 55155-2098
Phone: (651) 282-8948
Fax: (651) 282-4493
E-mail: terry.palmer@mn.ngb.army.mil

Colonel Bruce Jensen
Facilities Management Officer
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2602

Fax: (320) 632-7473
E-mail: bruce.jensen@mn.ngb.army.mil

Thomas Vesely
Facilities Management Office-Design and Construction
Camp Ripley
15000 Highway 115
Little Falls, Minnesota 56345-4173
Phone: (320) 616-2614
Fax: (320) 632-7473
E-mail: tom.vesely@mn.ngb.army.mil

Governor's Recommendations (To be completed by the Department of Finance at a later date)

ADA Alterations

2008 STATE APPROPRIATION REQUEST: $1,500,000

AGENCY PROJECT PRIORITY: 3 of 3

PROJECT LOCATION: Statewide

Project At A Glance

- 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 of state funds (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 Americans with Disabilities Act. 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 project is considered a significant, permanent and major improvement to our armory and training facilities. Conversion and improvement of space would allow unrestricted entry/egress by disabled persons. Many of our facilities are used for as emergency shelters and community events. Unfortunately, many are not handicap accessible. Accessibility is becoming even more critical to National Guard operations as the facilities are used for meetings and support events for families of deployed service members. We are also concerned that facilities may 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 that 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 biennias):

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		

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

$1.4 million in 2006 bonding bill
$357,000 in 2002 bonding bill

Other Considerations

None

Project Contact Person

Terrence J. Palmer, Comptroller, Dept of Military Affairs
Veterans Service Building, St. Paul, MN 55155-2098
Phone: (651) 282-8948
Fax: (651) 282-4493
E-mail: terrence.palmer@mn.ngb.army.mil

Colonel Bruce Jensen, Facilities Management Officer
Camp Ripley, 15000 Highway 115, Little Falls, MN 56345-4173
Phone: (320) 616-2602
Fax: (320) 632-7473
E-mail: bruce.jensen@mn.ngb.army.mil

Thomas Vesely, Facilities Management Office – Design and Construction
Camp Ripley, 15000 Highway 115, Little Falls, MN 56345-4173
Phone: (320) 616-2614
Fax: (320) 632-7473
E-mail: tom.vesely@mn.ngb.army.mil

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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	$24,800	$0	$0	$24,800			
Historic Sites Asset Preservation	2	7,349	4,068	3,102	14,519			
County and Local Historic Preservation Grants	3	2,000	2,000	2,000	6,000			
Kelley Farm Revitalization	4	1,500	10,500	0	12,000			
Heritage Trails	5	894	0	0	894			
History Center Enhancements		0	2,000	6,000	8,000			
Total Project Requests		$36,543	$18,568	$11,102	$66,213			

Minnesota Historical Society | Project Narrative

Historic Fort Snelling Visitor Center & Site Revitalization

2008 STATE APPROPRIATION REQUEST: $24,800,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

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 forty years that 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 5000 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 Minnesota Historical Society 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 Visitors 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 forty 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 $2.0 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.

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 forty 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 9 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. 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 visitor 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 marketing will out-pace new revenues. Additional state support will be a necessary part of the operating budget.

Previous Appropriations for this Project

2002, 2005, 2006

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.

Project Contact Person

David Kelliher
Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Blvd. W
Saint Paul, MN 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota Historical Society | Project Narrative

Historic Sites Asset Preservation

2008 STATE APPROPRIATION REQUEST: $7,349,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

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. 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 5 or 6 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, 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 & 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	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**

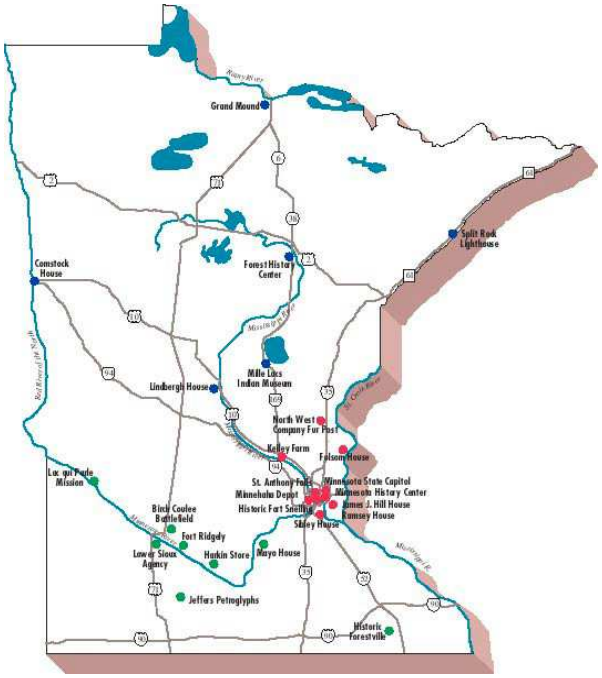
Inventory of Asset Preservation Needs for 2010

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.

Impact on Agency Operating Budgets (Facilities Notes)

None

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.

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.

Project Contact Person

David Kelliher
Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
Saint Paul, Minnesota 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota Historical Society | Project Narrative

County and Local Historic Preservation Grants

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

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

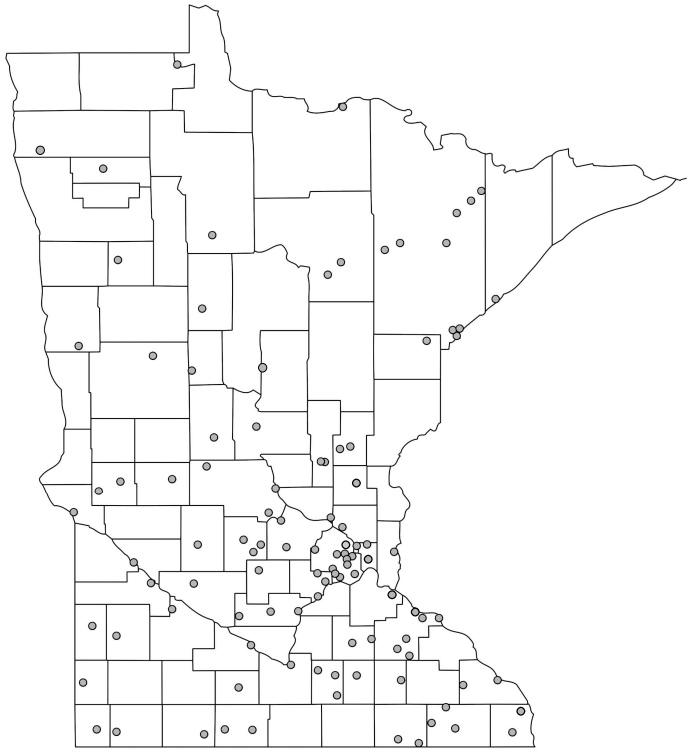
Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. This program is one of the most successful of its type with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Since recipients of county and 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 Minnesota Statute 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.

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 ten-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

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
Saint Paul, Minnesota 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Kelley Farm Revitalization

2008 STATE APPROPRIATION REQUEST: $1,500,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

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

A) Project History:
Kelley homesteaded the Oliver H. Kelley Farm in 1849 on the east bank of the Mississippi River, where he lived and farmed the site for the next twenty years. Kelley became very successful as a farmer, and he began to dabble in land development and politics. While on a land speculation trip through the post-Civil War rural South, Kelley devised the idea to create a nationwide agricultural organization to financially and socially assist farmers. The organization would promote the implementation of 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 1961. During that year, the property was donated to the Minnesota Historical Society. The site, which includes 189 acres of farm fields and woods as well as Oliver Kelley's home, became a National Historic Landmark in 1964. The Society operated the farm site on a limited basis until 1981, when a Visitor Center was built and the agricultural Living History program was developed to better support the Public Education program.

B) Project Overview:
The long-range plan for the Kelley Farm includes helping Minnesotans to better understand the important story of agriculture in the state of Minnesota. Today, only 2% of Minnesotans actually farm the land. However, agriculture and agricultural industries represent 20% of the state's overall economy. It is vital to the state of Minnesota to tell the broad story of how our society, the economy, and the environment have impacted agriculture and will continue to do so in the future.

During the fall of 2006, the Minnesota Historical Society 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 Minnesota Historical Society 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 Minnesota Historical Society believes there will be additional earned income through admissions and museum store sales. For example, to date FY '07 attendance at Kelley Farm is up 35% over that of FY '06 - 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.

Previous Appropriations for this Project
None

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% 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
David Kelliher, Legislative Liaison
Minnesota Historical Society
Minnesota History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Heritage Trails

2008 STATE APPROPRIATION REQUEST: $894,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

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-19th 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 fifteen 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
2003 Legislative Commission on Minnesota resources (LCMR) appropriation for Fort Ridgely Trail Project, Phase 1.

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

David Kelliher
Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
Saint Paul, Minnesota 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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	$24,800	$0	$0	$24,800			
Historic Sites Asset Preservation	2	7,349	4,068	3,102	14,519			
County and Local Historic Preservation Grants	3	2,000	2,000	2,000	6,000			
Kelley Farm Revitalization	4	1,500	10,500	0	12,000			
Heritage Trails	5	894	0	0	894			
History Center Enhancements		0	2,000	6,000	8,000			
Total Project Requests		$36,543	$18,568	$11,102	$66,213			

Historic Fort Snelling Visitor Center & Site Revitalization

2008 STATE APPROPRIATION REQUEST: $24,800,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

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 forty years that 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 5000 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 Minnesota Historical Society 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 Visitors 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 forty 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 $2.0 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.

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 forty 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 9 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. 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 visitor 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 marketing will out-pace new revenues. Additional state support will be a necessary part of the operating budget.

Previous Appropriations for this Project

2002, 2005, 2006

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.

Project Contact Person

David Kelliher
Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Blvd. W
Saint Paul, MN 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Historic Sites Asset Preservation

2008 STATE APPROPRIATION REQUEST: $7,349,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

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. 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 5 or 6 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, 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 & 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	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**

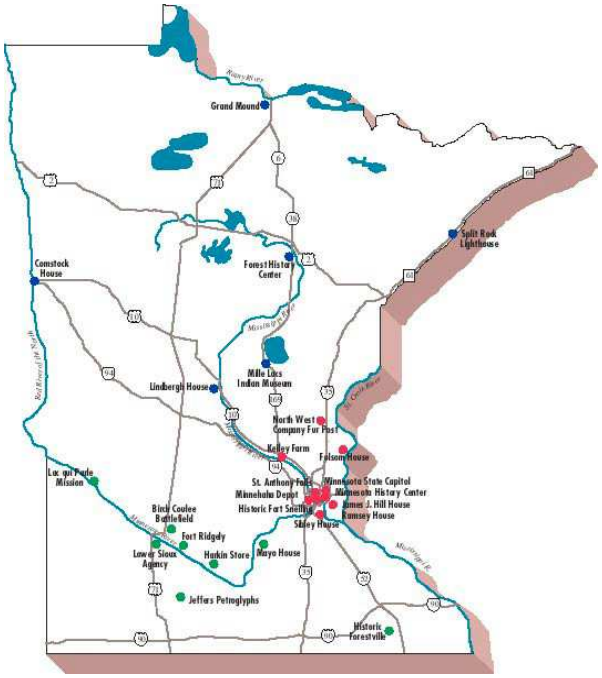
Inventory of Asset Preservation Needs for 2010

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.

Impact on Agency Operating Budgets (Facilities Notes)

None

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.

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.

Project Contact Person

David Kelliher
Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
Saint Paul, Minnesota 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

County and Local Historic Preservation Grants

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

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

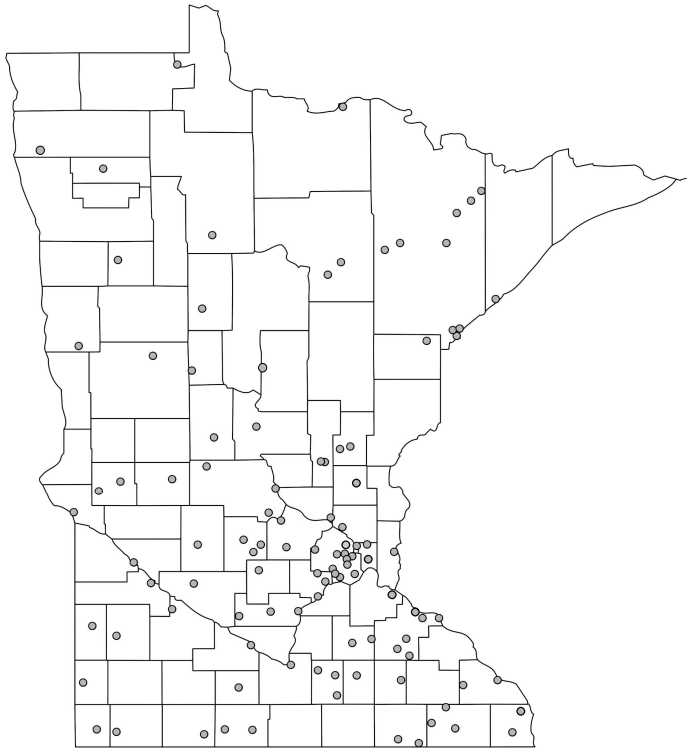
Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. This program is one of the most successful of its type with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Since recipients of county and 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 Minnesota Statute 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.

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 ten-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

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
Saint Paul, Minnesota 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Kelley Farm Revitalization

2008 STATE APPROPRIATION REQUEST: $1,500,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

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

A) Project History:
Kelley homesteaded the Oliver H. Kelley Farm in 1849 on the east bank of the Mississippi River, where he lived and farmed the site for the next twenty years. Kelley became very successful as a farmer, and he began to dabble in land development and politics. While on a land speculation trip through the post-Civil War rural South, Kelley devised the idea to create a nationwide agricultural organization to financially and socially assist farmers. The organization would promote the implementation of 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 1961. During that year, the property was donated to the Minnesota Historical Society. The site, which includes 189 acres of farm fields and woods as well as Oliver Kelley's home, became a National Historic Landmark in 1964. The Society operated the farm site on a limited basis until 1981, when a Visitor Center was built and the agricultural Living History program was developed to better support the Public Education program.

B) Project Overview:
The long-range plan for the Kelley Farm includes helping Minnesotans to better understand the important story of agriculture in the state of Minnesota. Today, only 2% of Minnesotans actually farm the land. However, agriculture and agricultural industries represent 20% of the state's overall economy. It is vital to the state of Minnesota to tell the broad story of how our society, the economy, and the environment have impacted agriculture and will continue to do so in the future.

During the fall of 2006, the Minnesota Historical Society 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 Minnesota Historical Society 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 Minnesota Historical Society believes there will be additional earned income through admissions and museum store sales. For example, to date FY '07 attendance at Kelley Farm is up 35% over that of FY '06 - 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.

Previous Appropriations for this Project
None

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% 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
David Kelliher, Legislative Liaison
Minnesota Historical Society
Minnesota History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Heritage Trails

2008 STATE APPROPRIATION REQUEST: $894,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

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-19th 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 fifteen 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
2003 Legislative Commission on Minnesota resources (LCMR) appropriation for Fort Ridgely Trail Project, Phase 1.

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

David Kelliher
Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
Saint Paul, Minnesota 55102
Phone: (651) 259-3103
Fax: (651) 296-1004
E-mail: david.kelliher@mnhs.org

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Academies

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
MSAD Pollard Hall	1	$3,100	$0	$0	$3,100			
MSAD Frechette Renovation	2	6,711	0	0	6,711			
Asset Preservation	3	2,716	4,000	4,000	10,716			
Mott Hall Vocational Renovation	4	3,301	0	0	3,301			
Roads and Parking		0	1,751	0	1,751			
Total Project Requests		$15,828	$5,751	$4,000	$25,579			

Minnesota State Academies | Project Narrative

MSAD Pollard Hall

2008 STATE APPROPRIATION REQUEST: $3,100,000

AGENCY PROJECT PRIORITY: 1 of 4

PROJECT LOCATION:

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

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

None

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 MN 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

Harry Chappuis
Physical Plant Director
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell
MSAD Superintendent
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5400

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Academies | Project Narrative

MSAD Frechette Renovation

2008 STATE APPROPRIATION REQUEST: $6,711,000

AGENCY PROJECT PRIORITY: 2 of 4

PROJECT LOCATION: MSAD CAMPUS - 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

Harry Chappuis
Physical Plant Director
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell
MSAD Superintendent
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5400
Fax: (507) 332-5528
E-mail: linda.mitchell@msad.state.mn.us

Governor's Recommendations

Minnesota State Academies | Project Narrative

Asset Preservation

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 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 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 Minnesota State Academy for the Blind 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

Asset Preservation

The MSA received $2.5 million in asset preservation monies in 2005. This included three air quality projects, an HVAC project, a fire protection project, chiller replacement, and a roof replacement.

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.

Project Contact Person

Harry Chappuis, Physical Plant Director
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell, MSAD Superintendent
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5400
Fax: (507) 332-5528
E-mail: linda.mitchell@msad.state.mn.us

Governor's Recommendations

Minnesota State Academies | Project Narrative

Mott Hall Vocational Renovation

2008 STATE APPROPRIATION REQUEST: $3,301,000

AGENCY PROJECT PRIORITY: 4 of 4

PROJECT LOCATION:

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, has a square footage of 12,000, 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 of 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.

Previous Appropriations for this Project

None

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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Box 308
Faribault, MN. 55021
Phone: (507) 332-5468
Fax: (507) 332-5498

E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell
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Faribault, MN. 55021
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Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Academies

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
MSAD Pollard Hall	1	$3,100	$0	$0	$3,100			
MSAD Frechette Renovation	2	6,711	0	0	6,711			
Asset Preservation	3	2,716	4,000	4,000	10,716			
Mott Hall Vocational Renovation	4	3,301	0	0	3,301			
Roads and Parking		0	1,751	0	1,751			
Total Project Requests		$15,828	$5,751	$4,000	$25,579			

Minnesota State Academies | Project Narrative

MSAD Pollard Hall

2008 STATE APPROPRIATION REQUEST: $3,100,000

AGENCY PROJECT PRIORITY: 1 of 4

PROJECT LOCATION:

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

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

None

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 MN 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

Harry Chappuis
Physical Plant Director
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell
MSAD Superintendent
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5400

Governor's Recommendations (To be completed by the Department of Finance at a later date)

MSAD Frechette Renovation

2008 STATE APPROPRIATION REQUEST: $6,711,000

AGENCY PROJECT PRIORITY: 2 of 4

PROJECT LOCATION: MSAD CAMPUS - 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.
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- 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

Harry Chappuis
Physical Plant Director
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell
MSAD Superintendent
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5400
Fax: (507) 332-5528
E-mail: linda.mitchell@msad.state.mn.us

Governor's Recommendations

Asset Preservation

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 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 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 Minnesota State Academy for the Blind 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

Asset Preservation

The MSA received $2.5 million in asset preservation monies in 2005. This included three air quality projects, an HVAC project, a fire protection project, chiller replacement, and a roof replacement.

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.

Project Contact Person

Harry Chappuis, Physical Plant Director
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell, MSAD Superintendent
Box 308
Faribault, Minnesota 55021
Phone: (507) 332-5400
Fax: (507) 332-5528
E-mail: linda.mitchell@msad.state.mn.us

Governor's Recommendations

Mott Hall Vocational Renovation

2008 STATE APPROPRIATION REQUEST: $3,301,000

AGENCY PROJECT PRIORITY: 4 of 4

PROJECT LOCATION:

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, has a square footage of 12,000, 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 of 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.

Previous Appropriations for this Project

None

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.

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Faribault, MN. 55021
Phone: (507) 332-5468
Fax: (507) 332-5498

E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell
Box 308
Faribault, MN. 55021
Phone: (507)332-5400
Fax: (507) 332-5528
E-mail: linda.mitchell@msad.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Mn State Univ, Mankato - Trafton Science Center Renovation	2	25,500	0	0	25,500			
St. Cloud State Univ - Brown Hall Science Renovation	3	14,800	0	0	14,800			
Saint Paul College - Transportation and Applied Technology Lab Renovation	4	13,500	0	0	13,500			
Bemidji State Univ - Sattgast Science Building Addition and Renovation	5	8,900	0	0	8,900			
Normandale Comm College - Classroom Addition and Renovation	6	7,000	0	0	7,000			
Inver Hills Comm College - Classroom Addition and Renovation	7	13,200	0	0	13,200			
North Hennepin Comm College - Business & Tech Addition & Renovation	8	13,200	0	0	13,200			
Science Lab Renovations	9	5,775	0	0	5,775			
Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation	10	7,800	0	0	7,800			
Mn State Univ Moorhead - Lommen Hall Renovation	11	13,100	0	0	13,100			
Century College, White Bear Lake - Classroom & Student Support Space Renovation	12	7,900	0	0	7,900			
Southwest Mn State Univ - Science & Hotel & Restaurant Administration Labs Renov	13	9,000	0	0	9,000			
Classroom Renovations	14	3,625	0	0	3,625			
Lake Superior College - Health Science Center Addition	15	11,000	4,000	0	15,000			
Metropolitan State Univ - Classroom Center Addition	16	4,980	0	0	4,980			
Alexandria Tech College - Law Enforcement Center Addition	17	10,500	4,200	0	14,700			
Metropolitan State Univ/Mpls. Comm & Tech College - Law Enforcement	18	13,400	0	0	13,400			
Mesabi Range Comm & Tech College - Shop Space Addition & Renovation	19	5,000	0	0	5,000			
Winona State Univ - Memorial Hall Addition and Renovation	20	8,400	0	0	8,400			
Mn State Comm & Tech College, Moorhead - Trades Addition & LRC Design	21	2,800	5,200	0	8,000			
Anoka Ramsey Comm College - Classroom Building Addition Design & Construction	22	3,800	5,000	0	8,800			
Hennepin Tech College - Design & Renovate Science	23	2,400	10,600	0	13,000			

Addition; Design for LRC/SSC								
Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design	24	700	12,750	4,000	17,450			
Ridgewater College - Technical Instruction Design & Construction; Renovation Des	25	3,500	14,500	0	18,000			
Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition	26	4,000	0	0	4,000			
South Central College - Classroom Renovation and Addition Design	27	700	12,000	0	12,700			
Property Acquisition	28	13,100	0	0	13,100			
Demolition	29	2,830	0	0	2,830			
Owatonna College and University Center - Property Acquisition	30	3,500	0	0	3,500			
Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health	31	500	20,000	0	20,500			
Mn State Univ Moorhead - Livingston Lord Library Renovation Design	32	700	12,000	0	12,700			
Southwest Mn State Univ - Science Lab Renovation Design	33	300	5,500	0	5,800			
St. Cloud State Univ - Integrated Science & Engineering Laboratory Design	34	1,000	25,000	0	26,000			
Dakota County Tech College - Transportation and Emerging Technologies Lab Design	35	300	6,500	6,500	13,300			
St. Cloud Tech College - Allied Health Building Renovation Design	36	300	5,000	0	5,300			
Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech	37	300	8,000	0	8,300			
Total Project Requests		$347,310	$260,250	$120,500	$728,060			

Minnesota State Colleges & Universities | Project Narrative

Repair and Replacement

2008 STATE APPROPRIATION REQUEST: $110,000,000

AGENCY PROJECT PRIORITY: 1 of 37

PROJECT LOCATION:

Project at a Glance

- Asset Preservation and backlog reduction of needs at all 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
- HEAPR will reinvest in physical assets, preserving them well into the future

Project Description:
Provide funding per MS 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

MnSCU Strategic Plan:
This project addresses MnSCU's four strategic goals:

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 Needs - 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.

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 data base: 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 on-going annual roof inspection program of all 292 acres (12.7 million square feet) of roofs; and
- 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 Facilities Condition Index (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% 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, with the current estimate to be $672 million from the previous year of $646 million. Direct requests from the campuses further reflect the evidence of need: 2006 original request from campuses of $238 million to the 2008 original request of $304 million.

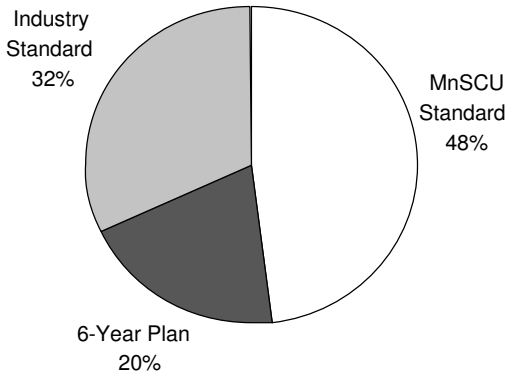
Major priorities of the system are evaluated by two critical criteria. First is to maintain campus assets **"warm, safe and dry"**. After this critical component is met, the second evaluation for campus priorities are respected in relationship to the overall campus FCI. It should be noted that all projects 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 in a systematic program to replace all failing flat roofs in the system with built-up asphalt slope-to-drain roofs since the merger in 1995.

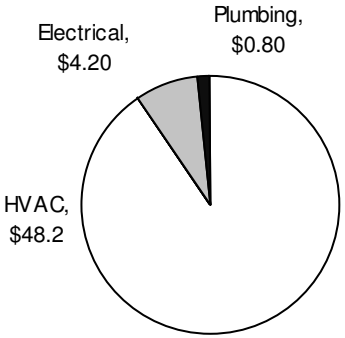
Replacement of the roof, the most critical waterproofing element on a building, protects the building structure, contents and occupants, preventing further structural damage. This component is critical for colleges and universities to fulfill the public obligation to students, staff and the public to ensure 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% 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 capital budget request are in the 0 to 1 year of remaining life category. In fact, some roofs have been in the 0 years of remaining life category for several years. These roofs thus reflect leaking that leads to additional operational costs, potential air quality issues and create structural integrity concerns.

ROOF PROGRAM



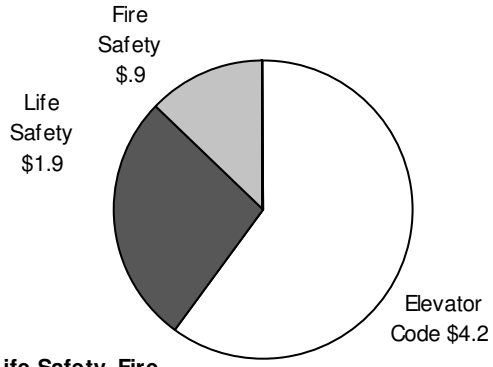
In addition to the "warm, safe and dry" requirement that the roofing program fulfills; due to the average age of the campus buildings close to 40 years many of the exterior brick and windows require replacement to stop water and air infiltration. This category of need for repair of exterior walls and 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 1960s and 1970s 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 they 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.



HVAC, Electrical & Plumbing Request in Millions

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 are required for this change 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 with approximately 190 elevators impacted by this code change. Many campuses are striving to improve on an incremental measure, 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 update.



Life Safety, Fire and Elevator Code

Previous Appropriations for this Project

FY 2002/03: $ 60 million
FY 2004/05: $ 41.5 million
FY 2006: $ 40 million

Operating Budget Impact:

There are proposed 33 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% (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 Repair and Replacement 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.

Thirty Month Execution:
MnSCU has developed and implemented a HEAPR execution strategy to complete HEAPR projects within 30 months (or better) of receiving an appropriation. Both the 2000 and 2002 appropriations were fully committed well within the 30-month execution schedule. A little over 45% 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% encumbered at June 2007; which is 20% 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 on-line
- 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:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn State Univ, Mankato - Trafton Science Center Renovation

2008 STATE APPROPRIATION REQUEST: $25,500,000

AGENCY PROJECT PRIORITY: 2 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design was funded in 2004.
- Phase 1 - Construct 67,000 GSF addition and renovate 16,010 GSF in north section funded in 2006.
- Phase 2 - Renovate 52,793 GSF in center / south section in 2010 and renew exterior shell – roof, masonry & plaza repairs in 2010 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 houses primarily by the Biology department. Renovation would include areas of the wet biology labs, greenhouse, classrooms and offices. The 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% of all Mankato's credit hours. Project will further remove $19 million from backlog

MnSCU Strategic Plan:
This project addresses four MnSCU strategic goals:

Increase Access and Opportunity: Mankato's enrollment in math, science, and engineering has grown more than 40% 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 & 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 expanded curriculum: engineering (electrical, computer, mechanical, and civil), engineering technology; biotechnology, molecular biology, biochemistry, astronomy, statistics; and 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% deficit in teaching laboratories, and 18% in research labs. The College of Science, Engineering and Technology generates 47% of its enrollment from general education and service courses for the 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, and some Engineering, a civil engineering lab, 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, and Electrical Engineering, and Social Work.

Wet labs will consolidate in the new addition and in the south section of the existing building. Dry labs will locate in the north section. Approximately 69,000 square feet or 31% 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 a co-located Anthropology and Social Work.

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. Now, 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.

Building Operations Expenses:
The existing building will be renovated with no new space added. Operating cost will be reduced by $82,000 per year which is 26% with new efficient air handlers and exhaust fans operated by Variable Fan Drive’s.

Debt Service:
With this project, and all others requested, it would create an annual obligation estimated at less than 1.6% 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 #/hr. boiler was installed in 2004 with capacity to heat the entire campus with 3 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:
Renovation will replace inefficient, worn out HVAC equipment with energy-efficient equipment.

Other Considerations:
This project would address $19 million in deferred backlog and $ .5 million in 10 yr. renewal from the FRRM forecast. This will reduce the FCI for Trafton from .41 to .12. The project 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:

Sean McGoldrick, Assistant VP, Office of Facilities Management
Minnesota State University, Mankato
111 Wiecking Center, Mankato, MN 56001
Telephone: 507/389-2267
Fax: 507/389-5862
E-Mail: sean.mcgoldrick@mnsu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud State Univ - Brown Hall Science Renovation

2008 STATE APPROPRIATION REQUEST: $14,800,000

AGENCY PROJECT PRIORITY: 3 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design funded in 2004
- Phase 1 new addition construction funded in 2006
- Renovation and equipping of 75,000 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: The project is consistent with the University and MnSCU Strategic Plans. This is also reflected in the College of Science and Engineering Master Plan for facilities.

Increase Access and Opportunity: St. Cloud State University (SCSU) has 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 7 years ago in response to state wide and regional needs, is housed in leased space 6 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 PSEO, Senior to Sophomore, distance education, customized training and on line programs; all growing endeavors. For example, the online portion of the University's instruction is now about 7% 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% 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 very much more efficiently meet the needs of the nursing and pre-nursing students. The space used by nursing currently costs over $82,000 in lease expense that would 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 & 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 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 is expected to continue into the future. The following illustrates that trend:

	FY2004	FY2006	FY2007	FY2008
FYE	14,029	13,932	14,200	14,250

The University's leased nursing labs are used to capacity. Having them moved 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, St. Benedict College, 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 8 faculty members located in 4 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 as well as 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 2 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 listed 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 twice. Communication Disorders boasts a 90% pass rate on national certification tests (national average is 75%) 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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 and although the University will increase debt service, the lease expense for the nursing program off campus of the current

$83,000 will no longer be required nor will the space leased in the residence hall for Continuing Studies.

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 back log of deferred maintenance on Brown Hall of $1,179,000.

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 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 1% of the operating expenses.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:

- The building will remain an excessive energy consumer without replacement of single glazed windows and roof.
- The University will continue indefinitely to have the inconvenience, uncertainty and expense of leased space off campus for the nursing program (if available).
- 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:

Steven Ludwig
Vice President of Administrative Affairs
Administrative Services 205
720 4th Avenue South
St. Cloud State University
St. Cloud, MN 56304
Phone: 320-308-2286
FAX: 320-308-4707
SLLudwig@stcloudstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Saint Paul College - Transportation and Applied Technology Lab Renovation

2008 STATE APPROPRIATION REQUEST: $13,500,000

AGENCY PROJECT PRIORITY: 4 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Renovation of 108,400 GSF
- Construction of 3,300 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. It 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, major appliance repair, and chemical technician.

PROJECT RATIONALE AND RELATIONSHIP TO MnSCU STRATEGIC PLAN:
This project supports MnSCU's strategic goals in the following areas:

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 FYE student enrollment at the college in fiscal year 2006 was 45% - a 7% increase over 2004. During Fall 2006 the college enrolled 867 students in English as a Second Language courses, an increase of 19% over Fall 2005.

High-Quality Learning Programs and Services: This project will complete enhancement of the trade and industrial programs which account for 24% of College enrollment. Program advisory committees have expressed concern about the lack of appropriate labs and classroom spaces, and the impact that has on the College's ability to attract and retain students. They have also expressed concern about 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 3 year average placement rate for the graduates in these occupations is 97.8%. 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 asset and significantly reduce deferred maintenance. This project, along with the completion of Phase 1 and HEAPR investments, should reduce the campus 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 & 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 #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:

	FY1999	FY2004	FY2006	FY2007	FY2008
FYE	2133	3000	3090	3250	3330

St. Paul College has experienced more than 50% growth in FYE enrollment over the previous 8 years. The mission expansion to a community and technical college has had a significant impact on this growth. Phase one of this project moves 5 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% 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% of the ethnically diverse students in the State. In 2006, Saint Paul College enrolled 3,012 credit seeking students of color or 43.5% of its credit student body, the highest percentage in the Minnesota State Colleges and Universities System. Yet, Minnesota's fastest growing populations have the lowest rates of participation in postsecondary education and over 72% 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% in the next eight years.

MnSCU's Fall 2006 Space Utilization report shows Saint Paul College with 80% seat usage and 127% 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, HVAC, indoor air quality, and other life safety issues.

This project will remodel and/or reconfigure:

- Pipefitting is currently located in six separate labs. This project will combine spaces to economize space and increase flexibility.
- Auto Body and Auto Technician shops 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 is too short for the dyno equipment and today's longer trucks. There is inadequate space for storing engines.
- Cabinetmaking shop 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.

Predesign: The original Predesign by TKDA was submitted October, 2004 in anticipation of capital bonding to fund the project in 2006. Because design

only was funded in 2006, an updated and revised Predesign by TKDA was submitted June 30, 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% savings in utility costs.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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% exhaust; the new system will improve fresh air make-up, and reduce heating costs and emissions from boilers. There will also be filters installed for exhausts systems that are the 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% of the College's operating budget.

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:
Tom Doody, Physical Plant Director
Saint Paul College
235 Marshall Avenue,
St. Paul, MN. 55102
Phone: 651-846-1428
Fax: 651-846-1451
E-mail: thomas.doody@saintpaul.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Bemidji State Univ - Sattgast Science Building Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $8,900,000

AGENCY PROJECT PRIORITY: 5 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Addition to the forty six year old Science Building of 21,600 GSF for aquatic biology, general biology and general chemistry Lab spaces
- Renovation of 8,332 GSF for nursing, botany and anatomy & 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 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU Strategic Plan:
This project addresses four MnSCU strategic goals:

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 & 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 (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 & 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. Health and safety issue 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 with remodeling and an addition completed in 1989. The Harold T. Peters building was built in 1972 and has major leaking problems that will cost more to correct than build new. The completed project will bring this science facility up to the standard set by the 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:

	FY2004	FY2006	FY2007	FY2008
FYE	4,386	4,236	4,242	4,250

While overall space utilization on this campus is at 78%, this facility represents one of the greatest utilizations in the context of number of students served. Space utilization will improve because the updating of labs will make them more flexible allowing more cross scheduling of disciplines within the labs. 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.

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.
- ADA inaccessibility, e.g. narrow aisles between benches.
- Ventilation and fume hoods 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 that 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 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 FY2002 HEAPR, and 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
Increased square feet in the new construction will add about $94,000 per year to the operating budget, however the energy efficiency planned should cut that by 10% 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 less than 0.4% 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 of 0.25% of the university's operating budget at its peak, which would bring the overall debt service commitment for the university to about 0.75% of its operating budget in FY2010.

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:
Bill Maki
Vice President for Finance and Administration
Bemidji State University
1500 Birchmont Drive NE, Bemidji, MN 56601-2699
Phone: 218-755-2012
FAX: 218-755-3153
E-mail: wmaki@bemidjistate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Normandale Comm College - Classroom Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $7,000,000

AGENCY PROJECT PRIORITY: 6 of 37

PROJECT LOCATION:

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 GSF
- Add 9310 GSF of new space
- Address life safety issue
- Project will eliminate $1.5 million in deferred maintenance
- Address major enrollment increases and lowest GSF/FYE ratio of any MnSCU college

PROJECT DESCRIPTION:
This is the second phase of a two phase project. Pre-design 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% in the past 5 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
The project ties directly to MnSCU's strategic goals.

MnSCU Strategic Plan:
Increase Access and Opportunity:
Student enrollment at Normandale has increased from 1391 students when the building was originally constructed to over 13,000 students in 2005-06. Normandale has the 3rd largest headcount in MnSCU. The project will reduce the instructional space deficit of over 44%. The project will provide additional classroom space. Normandale has the highest percent of room usage within MnSCU at 142% 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 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 6 Minnesota Job Skills Partnership Grants. Normandale's training partners include Fairview Health System, Metro Dental, Seagate Technology, and Best Buy. Normandale draws 80% 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 4 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 & 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 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 2 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 3rd 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% 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 HEAPR by providing new HVAC & 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 FCI is .09 with this proposed renovation it will be .00.

Predesign:

Completed December 2004, forwarded to Dept. to 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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.

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:
Ed Wines, Vice President of Administrative Services
Normandale Community College
9700 France Avenue South
Bloomington, MN 55431
952-487-8159
Fax 952-487-8263
ed.wines@normandale.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Inver Hills Comm College - Classroom Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $13,200,000

AGENCY PROJECT PRIORITY: 7 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Through creative reuse, will demolish obsolete 4,400 GSF, renovate 19,000 GSF and add energy efficient 27,300 GSF 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, ADA, and other building code shortcomings. The project will reduce the Fine Arts Building Facilities Condition Index (FCI) from .20 to .03 based on FY06 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% between 2000 and 2007. During this period, the enrollment increase in the STEM (Science, Technology, Engineering & Mathematics) programs has been 42% and in the arts programs the increase has been 48%.

This project received funding for Design in the 2006 Capital 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 proposed class use in Fall 2009.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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, increased demand for technology-mediated courses, and opportunities for seamless pathways to four-year institutions. This will allow the college to serve its increasingly diverse student body-- currently 17% of the total are students of color—and first generation learners, who make up 44% 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 Center for Strategic Information Technology and Security-- the college's Center of Excellence which has been funded by the Legislature. 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, 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 & 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. Addition 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 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 & 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% enrollment growth from 2000 to 2007 and anticipates additional growth to 40.8% through 2008. During this period, academic instructional space has increased by only 25%.

	FY2004	FY2006	FY2007	FY2008
FYE	3,274	3,300	3,486	3,521

The college utilized existing classrooms and labs 106% 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% 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% when the overall system was only 89%. That is the third highest of all the 2 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 currently available.

There has been an enrollment increase since 2000 of 45% in the college's top six disciplines. Specifically, a 122% (from 147 to 324 FYE) enrollment growth in biology and a 105% (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 with a large market share worldwide. To meet the demands of its service area that has grown by over 200% 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% (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 has no 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:

- 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 FY06 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 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc.):
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% more than building code, to simplify cleaning and maintenance, and to 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, which is equal to 0.80% of the college's current operating budget for FY07 to a maximum of $493,347, which is equal to 1.6% of the college's estimated operating budget in FY11. This amount is within the college's ability to reallocate resources to meet the cost of the additional debt.

Previous Appropriations for this Project:
In 2006, the project was funded for design through construction documents in the amount of $700,000. Construction documents will be completed in November 2007.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:

- Growth in core liberal arts and sciences offerings essential to the AA degree that 60% 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:

Patrick Buhl, Director of Facilities
Inver Hills Community College
2500 80th Street East, Inver Grove Heights, MN 55076
Phone: (651) 450-8536
Fax: (651) 554-3706
Email: pbuhl@inverhills.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

North Hennepin Comm College - Business & Tech Addition & Renovation

2008 STATE APPROPRIATION REQUEST: $13,200,000

AGENCY PROJECT PRIORITY: 8 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project schematic design was funded in 2006.
- Construction of 20,000 GSF addition.
- Renovation of 32,345 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 & Technology (CBT) building. This project will preserve, renovate, and increase the space utilization of an existing structure while adding essential teaching space. The pre-design was completed in 2005 and the schematic design, design development, and construction documents are currently under development from 2006 legislature with completion scheduled to allow for construction to begin following the 2008 legislative session.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan:
This renovation and addition project directly advances the four MnSCU strategic directions:

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% of total students). In addition, 70% of students are first generation college students and 43% 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 their 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 & Industry Advisory Boards comprised of leaders from local business, industry, service organizations, chambers of commerce, and higher education. Their 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 only. The College provides a valuable service to dislocated workers getting them retrained and back to work quickly. All of the Adult Education and Training efforts are housed in the area being remodeled and are currently constrained by a lack of space. They are currently renting classroom space from the Workforce Center – Hennepin North 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.

Their 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 growing area companies such as Medtronic, PDL pharmaceuticals, Boston Scientific, Target, Wells Fargo, Allina, Carlson Companies, US Bank, General Mills, and many others. Their campus receives over $300,000/year in 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% 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% is one of the highest in the MnSCU system. They have no ability to offer additional needed academic programming without additional teaching space.

Institution Master Plans & Regional Collaborations:
This Center for Business & 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:

	FY2004	FY2006	FY2007	FY2008
FYE	4,211	4,165	4,150*	4,190*

*projected

The FY 2006 MnSCU Space Study shows room usage of 122%, among the system's highest. North Hennepin has only 65 gross square feet per student FYE, among the lowest space per student in the system. The campus has used every means possible to squeeze as much utilization as possible 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, on-line 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% 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 4 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 32,348 GSF, only 43% 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 with 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% 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. Both the deferred maintenance and FCI improvement calculations exclude the benefits of correcting the moisture problem caused by the exterior wall construction issue. The wall remediation costs could not be accurately quantified without removing significant portions of the exterior and interior walls, so this work will be delayed and coordinated with the addition and renovation. The project will also demolish a small underutilized and deteriorating building to make room for the addition.

Predesign:
The 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 HVAC systems (boiler and chiller) with 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, plus $78,000 for two additional maintenance FTE - 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 1% 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% of the college's 2006-07 operating budget.

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 construction of the new roof for the addition and the renovation of the existing structure will result in significant overall savings.

Consequences of Delayed Funding:
- Space utilization of 122% 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% 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:

Wade Nelson, Chief Information Officer
North Hennepin Community College
7411 – 85th Avenue North, Brooklyn Park, MN 55445
Phone: 763-424-0964
FAX: 763-488-0489
E-mail: wnelson@nhcc.edu

Note: This document refers the Center for Business & 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 (To be completed by the Department of Finance at a later date)

Science Lab Renovations

2008 STATE APPROPRIATION REQUEST: $5,775,000

AGENCY PROJECT PRIORITY: 9 of 37

PROJECT LOCATION:

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 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 gross square feet 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 ATC.

Anoka Ramsey Community College at Cambridge – Cambridge is to renovate 4,000 gross square feet 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 gross square feet. It will create one large space and several small adjacent spaces to provide a hands-on skills lab for clinical procedures for RN students. This will help to put in place a 4 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 gross square feet. 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 isto remodel 3,130 gross square feet 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 gross square feet 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 gross square feet 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 HTC'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 gross square feet to create a general science lab with storage/prep area. Currently there is 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 gross square feet. 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 plans to renovate 5,686 gross square feet 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE 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 & 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:

	FY2004	FY2006	FY2007	FY2008
FYE	27,348	26,619	26,591	26,852

Project Rationale:
The following deferred maintenance items will be reduced or eliminated:

- Mechanical reliability - 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.

Science Lab Renovations

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 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 on 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 improve the explosion 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 A.A. and A.A.S. 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 to confirm in fall of 2006 to assure adequacy of need and confirmation of funding request.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

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. Noted that with replacement of more energy efficient systems; at most campuses there will a reduction in utility usage. However; some campuses may experience additional utility costs due to increase in usage. That increase will be covered by user fees.

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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.

PROJECT CONTACT PERSON:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation

2008 STATE APPROPRIATION REQUEST: $7,800,000

AGENCY PROJECT PRIORITY: 10 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design through construction documents was funded in 2006
- Construction of 8,300 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, I.T., 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 includes and teaching laboratories; and renovation of 1972 public spaces of an Area Technical Vocational Institute (AVTI). 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU Strategic Goals:
This project meets four MnSCU 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, Dr. James McCormick, Chancellor 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 re-organization 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 into the curriculum. Mannequins can be programmed to have controlled medical emergencies that better prepare 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 & Regional Economic Needs - Northland is one of the state's leaders in providing highly qualified and trained nurses for rural communities. The project also improves access to customized training to the region's incumbent workforce. The college has a waiting list of 100 students for customized training of 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 FY2008 on the East Grand Forks campus from .21 to .14.

Northland 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 ADA 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 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.

	FY2002	FY2003	FY2004	FY2005	FY2006
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% 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, and
- 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-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 5% 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 LRC 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 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. The State Legislature appropriated funding for design only in FY2006, which 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 HEAPR boiler replacement project is currently underway which 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

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%.

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%, improve indoor air quality, and use products made from renewable resources.

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:

Shari L. Olson, Ph.D., Vice President, Planning & Administrative Services
Northland Community and Technical College
1101 Highway One East, Thief River Falls, MN 56701
Phone : 218-681-0869 (office) ; 218-689-3248 (cell)
FAX: 218-681-0724
E-mail : shari.olson@northlandcollege.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn State Univ Moorhead - Lommen Hall Renovation

2008 STATE APPROPRIATION REQUEST: $13,100,000

AGENCY PROJECT PRIORITY: 11 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design funded in 2006.
- Finalize construction and renovation of 81,885 GSF
- Renovation will provide functional academic improvements
- Code violations will be addressed
- Project will eliminate $5 million in deferred maintenance backlog

PROJECT DESCRIPTION:

Finalize construction documents, and renovate Lommen Hall, originally constructed in 1932, with the addition constructed in 1959; as well as a 9,485 GSF extension of the basement to correct a foundation problem. The comprehensive renovation will provide for functional academic improvements, 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 FCI is .32 and with the remodeling it will be lowered to an FCI of .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. Thus project will significantly reduce the deferred maintenance on campus and improve the campus FCI by reducing it from .24 to .23.

Initial design funding of $300,000 was received in 2006, and architectural documents are 70% complete.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: This project affirms the goals and directions of 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 school 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.

Institution Master Plans & Regional Collaborations:

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:
1) 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.
2). 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.
3). 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% 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%, with some classrooms exceeding 140% (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, 6 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 most 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 .32 for Lommen Hall and its addition.

The project includes excavation and construction of a 9,485 GSF extension of the basement for utility and storage purposes. A full basement was never constructed under this building – the southwest corner is unexcavated. This is an unsafe working environment for staff due to asbestos from the building's original steam pipes in the unexcavated space. Basement expansion will correct health, safety and environmental issues, and provide a classroom.

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 and 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 of2005, with federal VA-HUD and state funding. All remaining utilities are adequate.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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%. Design criteria for water usage will also exceed the minimum conservation requirements.

Debt Service: Total debt of $12,644,000 will result in MSUM having yearly debt payments (assuming 5% interest) of $169,098.

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:
David Crockett, Vice President for Administrative Affairs
Minnesota State University Moorhead State University
Administrative Affairs Office, 208 Owens Hall, UPO Box 66
Moorhead, MN 56563
Phone: (218) 477-2070
FAX: (218) 477-5887
E-mail: crockett@mnstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Colleges & Universities | Project Narrative

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:

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 in 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. 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 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 .24 to .20.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 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 in the fall of 2006 had a 1.16 percent increase in new students, 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:

- Rightsize 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 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, from 11different 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 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 & Regional Collaborations: This is the second phase of the approved 2006 science/library project. Following funding for design in 2004 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 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, the innovative planning tool for students, 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 to support the GPS LifePlan, the innovative new 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 their 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 room percent capacity. The college's average seat usage is 84 percent. Enrollment at Century College grew 25 percent in FYE 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 received $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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
This project is a fine example of maximizing the use of campus space to meet student needs. The renovations will decrease the college's Facilities Condition Index, from 0.27 to 0.12 on the West campus and reduce the East campus FCI from 0.30 to 0.28. 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 .24 to .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.

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:

Dr. Michael Bruner, Vice President of Student Services/Facilities
Century College
3300 Century Ave. N.
White Bear Lake, MN 55110
Phone: (651) 779-3288
Fax: (651) 779-3417
Email: mike.bruner@century.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

PROJECT AT A GLANCE:

- Project design funded in 2006.
- Renovation of 7,200 GSF of Hotel, Restaurant Administration (HRA) teaching labs in the Individualized Learning (IL) Center to accommodate a Hotel Restaurant Administration academic degree.
- Renovation of 11,250 GSF in Science & Technology (ST) to remodel and update biology and chemistry labs.
- Renovation of 13,595 GSF in Science & Math (SM) to remodel and update biology and chemistry labs.
- Project will eliminate $6.6 in deferred maintenance backlog

PROJECT DESCRIPTION:

Academic programs impacted are: Culinary Arts/Culinology (Hotel Restaurant Administration),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, and pre-professional programs. Ten percent (10%) of Southwest Minnesota State University (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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 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% in Minnesota by 2010 creating 7,000 more jobs; and 8-12% 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 & Regional Collaborations:

Southwest MSU's master facilities plan update was presented to the Office of the Chancellor in Nov 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 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% 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 and Culinology (Culinology is accredited by the Research Chefs Association).

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% of available weekly classroom hours and 54% seat usage.

Project Rationale:
Basic Sciences:
SMSU's biology and chemistry labs in Science & Technology and Science & 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 & 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 & 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% of its general operating revenues. This is a prudent level of managed debt and will be structured into SMSU's annual operating budgets.

OTHER CONSIDERATIONS:

Alternatives & Options:
This project is 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; 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, and it 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:

Cyndi Holm, Director of Facilities
Southwest Minnesota State University
1501 State Street, Marshall, MN 56258
Phone: (507) 537-7854
Fax: (507) 537-6577
E-mail: holmcm@SouthwestMSU.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Classroom Renovations

2008 STATE APPROPRIATION REQUEST: $3,625,000

AGENCY PROJECT PRIORITY: 14 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design and renovation of obsolete classroom space on 7 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 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 – rightsizing classroom renovation
- Mn State Community Tech College, Moorhead – classroom and advanced technology
- Mn West Community Tech College, Pipestone – 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

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: "Designing the Future"
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 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: 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 & 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 foot space for the Entrepreneurial Education Center, the Center for Outreach & 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, 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 .31 to .21 and remove a combined $356,000 from the deferred maintenance backlog.

This project will improve the overall condition and functionality of science and applied technology laboratories.

Predesign:
Conceptual predesigns from the campuses were completed for these projects by one consultant who traveled to each campus to confirm in fall of 2006 to assure adequacy of need and confirmation of 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:
If funding is delayed, the institutions would continue to have obsolete or underused spaces. Campuses do not have the ability to use dwindling operating budget dollars to align academic offerings in high-demand programs with strong workforce needs to the physical classroom or lab spaces on campus.

PROJECT CONTACT PERSON:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Colleges & Universities | Project Narrative

Lake Superior College - Health Science Center Addition

2008 STATE APPROPRIATION REQUEST: $11,000,000

AGENCY PROJECT PRIORITY: 15 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Bidding and construction of a 36,712 GSF Health and Science Center addition
- Renovation of 4,036 GSF of backfill spaces (phase 1)
- Renovation of 23,200 GSF of backfill spaces (phase 2)
- Project will eliminate $480,0100 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. The Phase 1 renovation of existing space will remodel and update existing science teaching labs.

Phase 2: The FY2010 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: This request clearly addresses MnSCU's strategic directions.

Increase Access and Opportunity: Provides state-of-the-art health teaching labs and nursing simulation labs, providing increased opportunities for individuals to participate in STEM and health courses and programs; creates opportunities for hands-on training in public health clinic settings, meeting the needs of the region's uninsured or underinsured; addresses lack of 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 SMDC Medical Center, 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 & Regional Collaborations:

Lake Superior's Master Facilities Plan (MFP), originally approved by the Board of Trustees in December, 2001, is currently under revision to be completed by July 31, 2007. 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% 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 FY06 Space study documents an 88.4% overall utilization rate for classrooms and teaching labs at LSC, above the median of 77.81% 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%. 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 9 teaching and open labs, resulting in anticipated utilization still over 90%. 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 DEED employment and job opening projections for northeast Minnesota show a 19%-58% 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):

6 Health teaching labs	2 instructional technology labs
9 Science teaching labs	1 workforce development training room
3 multi-media classrooms	1 hospital nursing simulation lab
2 general classrooms	3 outpatient public clinics

Basic Sciences:
LSC has only three science classrooms to serve a student population of nearly 3500 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 FY06) 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 8 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 the 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 UMD and 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 the 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 $15,935,000 backlog projected by 2011, resulting in a projected FCI of 0.15.

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 of Minnesota 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 in 2013 which is 1.3% of overall budget.

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.

PROJECT CONTACT PERSONS:

Dr. Kathleen Nelson, President
Lake Superior College
2101 Trinity Road, Duluth, MN 55811
Phone: (218) 733-7637
Fax: (218) 733-5937
k.nelson@lsc.edu

Mr. Mark Winson, Vice President
Lake Superior College
2101 Trinity Road, Duluth, MN 55811
(218) 733-7613
(218) 733-5937
m.winson@lsc.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan State Univ - Classroom Center Addition

2008 STATE APPROPRIATION REQUEST: $4,980,000

AGENCY PROJECT PRIORITY: 16 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Construct, remodel, furnish and equip 16,500 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 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 seminar rooms. This project would rebuild 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 the 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 ADA upgrades that will make the currently "inaccessible" building meet American Disabilities Act requirements.

Replaces the central campus heating plant's "smoke stack" which is 90 years old and at near failure.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU Strategic Plan:
This project meets the strategic goals identified by 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% 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 & 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 Minneapolis Community and Technical College 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, which 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% 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; however 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% of the university's evening classes. Evening classes are offered on the three main campus sites as well as between 10 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 FY05, 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 FCI of 1.21 versus the system average campus FCI of approximately .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% 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 (1) a growing need for technology that allows multi-media presentations in the classroom, (2) 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 (3) 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 – 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, which is located on the ground floor of this building and will not be part of this capital project, will easily serve this addition within existing capacity.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc.):

- 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 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, 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 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 debt load for this project. This project and other projects previously funded and requested is less than 3% of Metropolitan State'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 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.
- A temporary roof will have to be constructed on top of the undemolished ground floor of the power plant, an unnecessary expense that can be saved by addressing this building need now.

PROJECT CONTACT PERSON:
Daniel Kirk, Associate Vice President, Administrative and Financial Affairs
Metropolitan State University
700 E. Seventh Street, St. Paul, MN 55106-5000
Phone: (651) 793-1712
Fax: (651) 793-1718
E-mail: dan.kirk@metrostate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Colleges & Universities | Project Narrative

Alexandria Tech College - Law Enforcement Center Addition

2008 STATE APPROPRIATION REQUEST: $10,500,000

AGENCY PROJECT PRIORITY: 17 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Complete design and construction 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, 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 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.

MnSCU Strategic Plan

This project supports the MNSCU Strategic Plan as follows:

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% 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 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, DNR officers, and federal 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 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 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 & Regional Collaborations: Alexandria's master facilities plan was presented to the Board of Trustees in April 2002 and is being updated in 2007. The masterplan 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 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 one thousand ninety (1,090) students, 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 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 breakdown for enrollment is:

- 160 first-year – 140 second-years – 150 Skills.
- Enrollment in Law Enforcement is expected to grow following completion of Phase 1 from 160 to 186 admits per year.
- Law Enforcement graduate placement rate at ATC averages 89%.
- Approximately 20% of all new peace officers licensed by the Minnesota POST Board annually are Alexandria Technical College graduates.
- Over 90 % 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% 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 and Predesign

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 - 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 - 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 (currently at 125% capacity). Current gym will become a shop for either Diesel Mechanics or Marine and Small Engines (both have waiting lists due to space limitations). Firing range will be capable of conducting night firing activities without regard for weather conditions or noise. Firing range ventilation system 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.
Pre-design was completed, approved by MnSCU, and forwarded to the Dept of Administration in August of 2005. Schematic design for Phase 1 has begun with 2006 legislative funding and will be completed in February 2007.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):
New facility will increase operating expenses $160,000 per year. 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% above code. The college is negotiating purchase of energy from the Pope/Douglas County Incinerator Plant. The State of Minnesota'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 will be under the 3% guideline.

OTHER CONSIDERATIONS:
Consequences of Delayed Funding

- Less than 45% of applicants are accepted into ATC's Law Enforcement program due to space limitations. Law Enforcement enrollment is capped at 450 total (with a waiting list). In 2006, 163 new students out of 373 applicants were accepted and in 2005 175 out of 385 were accepted due to the capacity cap. If budget restrictions are eased on state and municipal law enforcement departments, 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 areas served by this project – specifically the firing range, the physical training room, and the tactical building – facilities that will be available year around.
- Overuse of the current gym presents safety issues.
- ATC has entered into agreements to train national law enforcement agencies such as the FBI and IRS; this 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.

PROJECT CONTACT PERSON:

John Phillips, Vice President Phone: (320) 762-4469
Alexandria Technical College Fax: (320) 762-4603
1601 Jefferson Street, Alexandria, MN 56308 E-mail: johnp@alextech.edu

Or

David Bjelland, Chief Financial Officer, Alexandria Technical College
Phone: (320) 762-4407 FAX: (320) 762-4502 Email: davidb@alextech.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan State Univ/Mpls. Comm & Tech College - Law Enforcement

2008 STATE APPROPRIATION REQUEST: $13,400,000

AGENCY PROJECT PRIORITY: 18 of 37

PROJECT LOCATION:

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 GSF regional law enforcement training facility to replace leased facilities which currently house Metropolitan State University (MSU) and Minneapolis Community & 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 SU, 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 SU, Century CTC, Inver Hills CC, Normandale CC, Minneapolis CTC, and North Hennepin CC), since all the colleges 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 SU. 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% 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 Dept. of Labor and Industry projects a 25% increase in employment for police, sheriff and patrol officers by 2014.
- By 2014, the State projects a 14% increase in the need for first time supervisors/managers and protective service workers.
- The State projects market growth of over 15% growth in employment of Detectives and Criminal Investigators.
- The Dept. 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 MSU 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. Mpls/St. Paul Police, Dept. 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 & Regional Collaborations:
Metro'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 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 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 SU'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
Metro State	4,662	4,571	4,571	4,600

- Based on Hennepin Technical College, North Campus space utilization records, a general shortage of classrooms on the North Campus. For example, based on Fall, 2006 data, the average classroom was used 94.2% of a 32 hour week instructional base. A 2004 Space Study confirmed over 100% usage of available classroom hours for Metropolitan SU, 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% since FY2000. 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.

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 is used 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.

MnSCU institutions educate 92% of all law enforcement officers statewide. The 7-county metropolitan region educates 40% 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.

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.

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.

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 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 STATE AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc.):
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 3% of Metropolitan State's general operating revenues.

OTHER CONSIDERATIONS:
Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for Metropolitan State, MCTC and HTC:

- Continued shortage of related laboratory and training spaces that use leading technology to teach skill requirements
- Annual lease costs will continue and will increase.
- Firearms training locations are becoming increasingly difficult to locate and to schedule.
- Compromise the quality of instruction for an underserved student population (approximately 30% 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:

Daniel Kirk, Associate Vice President, Administrative and Financial Affairs
Metropolitan State University
Chief Facilities Officer
Minneapolis Community & Technical College
700 E. Seventh Street, St. Paul, MN 55106-5000
Phone: (651)793-1712
Fax: (651)793-1718
E-mail: dan.kirk@metrostate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mesabi Range Comm & Tech College - Shop Space Addition & Renovation

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 19 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project schematic design was funded in 2006.
- Construction and finishing of 11,800 GSF of shop space.
- Renovation for ADA compliant restrooms.
- Project will eliminate $1.183 million in deferred maintenance backlog.

PROJECT DESCRIPTION:

Construct, furnish and equip shop space to move the Industrial Mechanical Technology (IMT) and Carpentry programs back to campus from off campus leased space. Renovate 1,200 square feet for new ADA-compliant restrooms, and in conjunction with the HEAPR request will replace HVAC and electrical systems in the 72,440 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 .20 which is well above the overall MNSCU average of .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% of the colleges backlog. This would decrease the colleges FCI from .20 to .14 which is a dramatic improvement.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan:

Remodel and construct flexible shop space to provide students, faculty and staff a modern, safe, efficient, and attractive learning and working environment. This project meets MnSCU's Strategic Goals in the following ways:

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 located 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 efficiently receive appropriate and adequate tutoring and disability support services.

A 2005 Office of Civil Rights Review 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 the 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, they are unable to bring the IMT students to the Eveleth campus due to distance and time constraints, so they are 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 & 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; thus, the enrollment is more in line with historical ranges. However, the Mining industry is predicating a 70% retirement rate of current employees in the next 5 - 7 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 Admin. Schematic design was begun 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): By remodeling and building the addition, the operating budget will actually decrease. The Building Operation per 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 $.39 per square foot.
This project would allow efficient use of staff and equipment. The moving of 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 of 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.

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:
Tony Bartovich
Director of Finance and Facilities
P.O. Box 648
1100 Industrial Park Drive
Eveleth, MN 55734
Work Phone: 218-744-7522
Cell Phone: 218-780-1757
Fax: 218-7466-7466
Email: t.bartovich@mr.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Winona State Univ - Memorial Hall Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $8,400,000

AGENCY PROJECT PRIORITY: 20 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project schematic design funded in 2006
- Construction of 78,000 GSF expansion
- Backfill renovation of 4,860 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 & Rehabilitative Science and Physical Education & 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 .27 to .19.

The state of Minnesota will be asked to fund only one-half of the overall project cost. The remainder will be financed from private gifts (about 15%) and student-supported revenue fund bonds (about 35%).

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 of the departments occupying this complex have grown considerably in the past five years.

- Academic departments (Health, Exercise & Rehabilitative Science (HERS) and Physical Education & Recreation (PER)) have grown from 421 declared majors to 542 in 5 years.
- Counseling staff have increased from 3.5 to 5 full-time staff.
- Health services have added a health education/promotion component with a wellness resource room staffed fully 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 & 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 & 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% 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 & PER have grown 28%,
- counseling staff FTE have increased 17.5%, 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 & Rehabilitative Science and Physical Education & 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 2006 Legislature; the remaining design funding has been financed by student-supported revenue fund bonds. Contract documents will be ready to bid the project in January 2008 if funding is available.

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. 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 1% 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% 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, and
- waste minimization and recycling.

Debt Service:
WSU's debt service is projected to increase $150,000 annually and the university has recognized and can budget this increase.

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.

PROJECT CONTACT PERSON:
Richard Lande, Facilities Manager
Winona State University
175 West Mark Street
Winona, Minnesota 55987
Phone: (507) 457-5039
Fax: (507) 457-2623
E-mail: rlande@winona.edu

Scott Ellinghuysen, Interim Vice President of Finance and Administration
Winona State University
Phone: (507) 457-5606
Fax: (507) 457-5054
E-mail: sellinghuysen@winona.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

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 up over 35% 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).

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN: The Minnesota State Community and Technical College (MSCTC) - Moorhead Campus is located in a community with a population of 32,000 and a metropolitan population of 175,000. The Moorhead Campus has surpassed the growth expectations of 2006 by reaching the present headcount enrollment of 2402 students (1935 FTE).

MnSCU 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% space utilization with only a 65% 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% 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, the college's ability to offer new programs and 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 5-10 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% 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 Refrigeration and Air Conditioning 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% 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 enable the Refrigeration and Air Conditioning 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 & 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 MSUM'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	1467	1902	2000	2100

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% of the available campus classrooms.

Project Rationale: Minnesota State Community and Technical College (MSCTC) - Moorhead's AA degree offers an option to students in the area that wasn't previously available until the last two years. Classes are scheduled on weekday afternoons, evenings and some weekends, so that students can create a flexible class schedule that fits lifestyle and work schedule. 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 current 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, 1% 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 MN 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 6% this year. The college anticipates that these programs will continue to grow their enrollment on the Moorhead campus by approximately 5-10% 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 their 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% of college operating budget. With the existing debt service on previous projects, it will not be over 1.3% of the operating budget – which is well under the suggested guideline of 3% from the Department of Finance.

OTHER CONSIDERATIONS:

Asset Preservation, Life Safety & 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 campus 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:

- Minnesota State Community and Technical College 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 Minnesota State Community and Technical College Goals.
- Loss of 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.
- Inability to grow the Associate in Arts degree, which has been proven catalyst of the recent student growth at MSCTC-Moorhead.
- Concerns over safety of existing 1971 tin structure and major delay in developing the HVAC program on the Moorhead campus
- Loss of clustering program development in the entire construction trades area that benefits overall workforce and economy in the region.

“Academic growth of the Moorhead campus of Minnesota State Community and Technical College is limited only by the lack of available facilities.”

PROJECT CONTACT PERSON:

Jerome Migler,
Provost
Moorhead Campus
Minnesota State Community and Technical College (MSCTC)
1900 28th Ave So
Moorhead, MN 56560
Phone: 218-299-6506
FAX: 218-236-0342
Jerome.migler@minnesota.edu

Thomas H. Koehnlein,
Assistant to the President for
Facilities & Institutional Planning
150 Second Street SW, Suite B
Perham, MN 56573
Phone: 218-347-6211
FAX: 218-347-6210
tom.koehnlein@minnesota.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Anoka Ramsey Comm College - Classroom Building Addition Design & Construction

2008 STATE APPROPRIATION REQUEST: $3,800,000

AGENCY PROJECT PRIORITY: 22 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Phase 1: Design and construction of an 14,000 GSF academic addition for classrooms and 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 a $5 million request anticipated in 2010 for renovation, will reduce the building's FCI from 0.29 to 0.03.

PROJECT DESCRIPTION: Project is in two phases to 1) construct a modest addition in 2008 for needed classrooms and offices and 2) renovate the original 1969, outdated and code deficient Fine Arts Classroom Building.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan:
The project directly supports MnSCU's strategic directions as follows:

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% 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 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 FY2006 over 1,400 students did participate 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 such 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, 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 Minnesota State College and University 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 Minnesota State College and University 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% 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 by minimizing added overhead, dramatically reducing the deferred maintenance backlog and mitigating 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 & 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 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.)
2837.2	3533.5	3589.0	3888.0

Art & 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% 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. Over crowding has produced significant social distancing problems, including standing room only during lectures, and group work being held in the hallway.

Project Rationale:

The project, phase 1, 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
- rightsizes and balances 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, the correction of the HVAC systems and the realigned 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.

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. The correction of the Fine Arts Building concerns through this renewal, renovation and expansion project will provide room for safer storage areas for raw materials; 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 1% 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.

PROJECT CONTACT PERSON:

Pat Johns, President
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-433-1386
FAX: 763-433-1461
Patrick.Johns@anokaramsey.edu

OR

Mike Seymour,VP for Administration
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-433-1335
FAX: 763-433-1461
Michael.Seymour@anokaramsey.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

PROJECT AT A GLANCE:

- Design and construction of science labs at Eden Prairie and design of library and student services at both campuses in 2008.
- Construction for 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 RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

Project Description:
Design and renovate underutilized space at Eden Prairie campus to create suite of science labs and shared classrooms. Project will also design for renovation of existing space at both campuses to relocate and enclose the library and related instructional support services. 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.

MnSCU Strategic Plan:
All four of the strategic directions and five of the six key concepts are addressed through this project.

Increase Access and Opportunity:
In 2006, 40% of students taking Nursing courses at the Eden Prairie campus and 24% 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 and make-up testing, tutoring, 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 (DEED) reports that 62% of all jobs in Minnesota are in manufacturing, healthcare/ social assistance, and retail trade. The manufacturing sector accounts for 13.4% of all jobs and 16.2% of payroll wages. Healthcare and social assistance account for 12.5% of jobs and 10.6% 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 & 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 MFP 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 from being 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-county area, where they primarily draw students from, 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 .50 FTE.

The current FCI for Brooklyn Park and Eden Prairie are .03 and .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 allowing 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 1% 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
- the ten goal areas of the Minnesota Transfer Curriculum cannot be offered in their entirety

PROJECT CONTACT PERSON:

Diane Paulson
VP Administrative Services
Hennepin Technical College
9000 Brooklyn Boulevard
Brooklyn Park, MN 55445
763-488-2518 (phone)
763-488-2952 (fax)
diane.paulson@hennepintech.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design

2008 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 24 of 37

PROJECT LOCATION:

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 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 .17 to .13 and campus FCI from .11 to .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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 serve 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. The consolidation of 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 5 to 8 years. An updated educational and training facility on the downtown campus will help students interested in aviation Air Traffic Control careers find employment.

Innovate to Meet Educational Needs Efficiently: Completion of this project will enable Minneapolis Community and Technical College to relocate the aviation Air Traffic Control 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 approximately 67,400 gsf facility located in Eden Prairie.

Institution Master Plans & 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 Air Traffic Control 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%). 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. Extension of the air-conditioning will provide the workforce programs with 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 due to the inadequate vertical transportation between levels. This project creatively addresses this problem by the installation of 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% 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:
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 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:
MCTC can accommodate the average debt load for this project of approximately $190,000 annually, which added to the total debt load for MCTC, is less than 3% 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:

Daniel Kirk , Associate Vice-President of Administration
Minneapolis Community and Technical College
1300 Hennepin Avenue
Minneapolis, MN 55401
612-659-6803 (v) 612-659-6810 (F)
Email: Dan.kirk@minneapolis.edu or dan.kirk@metrostate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Ridgewater College - Technical Instruction Design & Construction; Renovation Des

2008 STATE APPROPRIATION REQUEST: $3,500,000

AGENCY PROJECT PRIORITY: 25 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Phase I will design and construct approximately 10,000 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 * $1.7 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:

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.

The first phase 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.

The second phase 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 the first phase:
Deferred maintenance Backlog ($15.1 million) will be reduced by approximately $1.2 million, which includes approximately $.5 million in Backlog from the building proposed to be demolished.

In the second phase of the project:
Deferred Maintenance Backlog will be further reduced by approximately $3.55 million, which includes approximately $0.5 million 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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% 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—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% over the last three years, with placement rates at 100% 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% of the state's animal production jobs, 10.8% of the agriculture jobs, 7.7% of the food manufacturing jobs and 5.3% of crop production employment. Ridgewater's Ag program is the largest in the MnSCU system with 130 FYE, educating over 22% of MnSCU's two-year agriculture college students. These students are essential to Minnesota's agricultural production and processing infrastructure, which accounts for 17% of the gross state product.
- Projected increase of 20.7% in jobs in the carpenter and construction laborer categories.
- Projected increase of 30.5% in the electrician field. Most Ridgewater graduates obtain positions within a 60-75 mile radius of Willmar.
- Projected increase of 50.0% in the field of veterinary technicians.
- Projected increase of 37.5% in the claims adjuster field.
- Projected increase of 28.6% in the emergency medical technician field.
- Projected increase of 14.6% 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 & 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% 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 to further 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 2 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 4 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 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.
- Locating "smart" classrooms near the Veterinary Technology program leads 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% over current energy usage due to improved controls and re-commissioning activities. New construction areas are intended to use 30% less energy than Code, resulting in an estimated 25% reduction in current energy consumption rates.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 % 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:

Gary Myhre, Director of Finance & Facilities
Ridgewater College
PO Box 1097
Willmar, MN 56201
Phone: (320) 222-5207
Fax: (320) 222-5642
E-Mail: gary.myhre@ridgewater.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 26 of 37

PROJECT LOCATION:

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 & 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 MnWest 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 capital 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 of the 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% of the construction costs. The total square footage of new construction including the completion of the gym performance floor is 10,364 square feet.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU 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 uses the space significantly for its coursework and this program has 30% 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 Y, 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 life 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 the citizen.

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 & 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 over another ten percent of other than Caucasian ethnic and racial backgrounds. 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, has been completed and submitted to MnSCU as of December 2006.

Capacity of Current Utility Infrastructure:
Electric utility is near capacity. City Electric Utility has agreed to upgrade the electric transformer to a size appropriate to meet the future needs. Cost of the upgrade will be shared between the campus and the utility with the campus share offset by a utility rebate. Natural gas utility was upgraded in 2004 as a result of the installation of a new high (97%) 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% 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% efficient.

Debt Service:
Debt service has been evaluated by the College CFO and Administration and determined to be with in the College's ability. The projected debt service for all current dept and this project will total 77% of the college operating budget.

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:

Lori Voss
VP of Administration
1011 1st Street West
Canby, MN 56220
(507)223-7252
(507)223-7104
Lori.voss@mnwest.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

South Central College - Classroom Renovation and Addition Design

2008 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 27 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design funding for demolition of obsolete space, small addition and 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 accommodating new technical programs, as well as the expanded transfer mission of the college. Construction funding of $11,961,000 will be requested in 2010.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE 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 rightsize 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% of all jobs in Minnesota are in manufacturing, healthcare/ social assistance, and retail trade according to Department of Employment and Economic Development (DEED). The manufacturing sector accounts for 13.4% of all jobs and 16.2% 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% of jobs and 10.6% 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% 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 & Regional Collaborations:
The college and campus Master plan was completed in February 2002, prior to the expansion of the mission of the college. 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 learner 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%. During the same time the Liberal Arts and Sciences grew by 74% or by over 60 FYES with the technical programs remaining stable. Faribault's enrollment projections are conservative at only 3% based on the fact that 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% 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 "rightsizing" 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 rightsizing of existing classrooms that have less than a 20% room usage or less than 15% seat usage. Rightsizing 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 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 .32.

This project will remove a backlog of $1.1 million in elevator, HVAC and interior finishes significantly advancing the usefulness of this structure.

Predesign:
Predesign is complete.

Capacity of Current Utility Infrastructure:
Currently there is $600,000 for HVAC upgrades on the 5 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): The overall energy efficiency of remodel areas will be improved by 5-10% over current usage with the replacement of lighting, fans, motors and other energy savings devises. New construction areas are intended to use 30% 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% and Faribault has grown by over 6.7% 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, will be below the 3% operational budget.

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; and more efficient classroom spaces will be created from this project.
- 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%; over 113 FYE. The campus at 87% room occupancy needs ‘rightsizing’ to allow for

appropriate programming and for additional growth and retention of students.

PROJECT CONTACT PERSON:

Karen Snorek
Vice-President of Finance & Operations
1920 Lee Boulevard
North Mankato, MN 56003
Phone: 507-389-7206
Fax: 507-388-9951
karen.snorek@southcentral.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Property Acquisition

2008 STATE APPROPRIATION REQUEST: $13,100,000

AGENCY PROJECT PRIORITY: 28 of 37

PROJECT LOCATION:

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 7 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 adjacent to land-locked campuses and/or to solve other site issues.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

Bemidji State University – Bemidji will 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 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 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 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 acquire the City of Moorhead fire station 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 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 of recreational activities for our present students, and the forested land for enhancing academic learning labs for present programs in natural resources technology.

Minnesota State College Southeast Technical, Red Wing – Southeast Technical will 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 is planning 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.

MnSCU Strategic Plan: "Designing the Future"
The Property Acquisition Initiative meets MnSCU's strategic goals of:
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 & Regional Collaborations:
All of the projects are noted within the individual campus master plans for acquisition.

Enrollment and Space Utilization:

	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 campus affected.

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:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Demolition

2008 STATE APPROPRIATION REQUEST: $2,830,000

AGENCY PROJECT PRIORITY: 29 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Demolish outdated and obsolete structures of academic, support and revenue buildings.
- Systemwide initiative to demolish obsolete space
- Campus-initiated demolition requests
- Demolition of 96,635 GSF of buildings on 3 campuses
- Project will eliminate $2.63 in deferred maintenance backlog

PROJECT DESCRIPTION:

Bemidji State University – Bemidji will use $2,275,000 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 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 Strategic Plan: "Designing the Future"
The Demolition Initiative meets MnSCU's strategic goals of:

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: State benefits from the proper disposal of obsolete space; allow for maintenance and operational dollars to be spent on viable and useable space.

Institution Master Plans & 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 to these unused spaces.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 campus affected. In all three of these campuses the debt service is less than the upkeep and maintenance of these outdated structures.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:
Alternatives Analysis:
For the state university housing demolition, the revenue funds was thoroughly examined by outside bond consultants, and rejected as a source of funding for this as it will cause room rental rates 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 (successfully used in 2005 and 2006).

PROJECT CONTACT PERSON:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Owatonna College and University Center - Property Acquisition

2008 STATE APPROPRIATION REQUEST: $3,500,000

AGENCY PROJECT PRIORITY: 30 of 37

PROJECT LOCATION:

AT A GLANCE:

- Acquisition of 25,000 GSF
- Project will provide 13 classrooms, 7 offices and reception area, 2 conference rooms, a gathering area with support space, and 159 parking spaces.

PROJECT DESCRIPTION:
This project is for acquisition of the 25,000 gross square foot Owatonna College and University Center building in Steele County, including 9 acres and an adjacent 18 acres of vacant land.

The 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 2-year and 4-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, and 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.

This project will provide:

- 13 Classrooms
- 7 offices and reception area
- 2 conference rooms
- 1 gathering area with vending
- Copy room and other support areas
- Opportunity for growth
- 159 associated parking spaces

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE 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 variables 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 4 classrooms with 36 seats, 2 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 & 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 – 8 classrooms used 75% of the time with seat usage 52%
Fall 2006 – 9 classrooms used 57% of the time with seat usage 41%

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 $2,700,000 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 5% 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.

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.

PROJECT CONTACT PERSON:

Terrence Leas, President
Riverland Community College
1900 Eighth Avenue N.W.
Austin, MN 55912
Phone: 507-433-0607
FAX: 507-433-0370
Email: tleas@riverland.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health

2008 STATE APPROPRIATION REQUEST: $500,000

AGENCY PROJECT PRIORITY: 31 of 37

PROJECT LOCATION:

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.
- Analysis is developed 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 expand collaboratively bioscience and health careers education, including increased access to 4-year university programs.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic plan: The addition at both campuses will directly support MnSCU's strategic directions as follows:

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.
- 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 (DOE) grant where colleges from around the country design curriculum for the medical device industry. Recently the College 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 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 (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, with negative consequences for the workforce, industry and the state's economy.

Minnesota has a shortage of nurses, particularly nurses with BSN degrees. The Minnesota Department of Employment and Economic Development 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):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

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, thereby negatively impacting the industry, the economy and students lives.

- 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:

Pat Johns, President
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-433-1386
FAX: 763-433-1461
Patrick.Johns@anokaramsey.edu

Ann Wynia, President
North Hennepin Community College
7411 85th Avenue North
Brooklyn Park, MN 55445-2231
Phone: 763-424-082-
FAX: 763-493-0577
a.wynia@nhcc.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn State Univ Moorhead - Livingston Lord Library Renovation Design

2008 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 32 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design to renovate over 120,000 GSF
- Renovation will address deferred maintenance issues
- Code compliance issues will be addressed

PROJECT DESCRIPTION:
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, especially 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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:

David Crockett
Vice President for Administrative Affairs
Minnesota State University Moorhead
Administrative Affairs Office, 208 Owens Hall, UPO Box 66
Moorhead, MN 56563
(218) 477-2070
(218) 477-5887 (fax)
Email: crockett@mnstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Southwest Mn State Univ - Science Lab Renovation Design

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 33 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design the renovation of 20,090 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, and 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 (10%) 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 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 Nov 2006. Science Lab remodeling Phase 2 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.

	FY2004	FY2006	FY2007	FY2008
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.

The Predesign for the 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 sf 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.

OTHER CONSIDERATIONS:

Alternatives & Options:
This project is predominantly renovation, demonstrating excellent stewardship of state assets, 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:

Cyndi Holm, Director of Facilities
Southwest Minnesota State University
1501 State Street, Marshall MN 56258
Phone: (507) 537-7854
Fax: (507) 537-6577
E-mail: holmcm@SouthwestMSU.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud State Univ - Integrated Science & Engineering Laboratory Design

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 34 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design for construction an integrated science and engineering laboratory
- Request of $25 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 $25 million.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE 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, dove- tails 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	FY 2004	FY 2006	FY 2007	FY 2008
Projected FYE	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 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 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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 GSF 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. 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.

PROJECT CONTACT PERSON:

Steven Ludwig
Vice President of Administrative Affairs
Administrative Services 205
720 4th Avenue South
St. Cloud State University
St. Cloud, MN 56304
Phone: 320-308-2286
FAX: 320-308-4707
SLLudwig@stcloudstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Dakota County Tech College - Transportation and Emerging Technologies Lab Design

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 35 of 37

PROJECT LOCATION:

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 intended to reorganize and renovate the College's Transportation and Technical Divisions, representing approximately 20% of the facility's overall square footage. The project seeks to 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 the 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. The sharing of 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 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN: This project fits well within the goals set by the MnSCU Board of Trustees in their 2006-2010 Strategic Plan, Designing the Future:

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% 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 are found 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% 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. 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, the 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
- Catepillar
- 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 $1,000,000.

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 toward 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 leased 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%. 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 project will also correct other related building deficiencies including but not limited to the following: upgrade electrical components within the lab spaces, improve ventilation in the welding area and improve indoor air quality in adjacent spaces, update approximately 98,000 square feet of space that has not been remodeled since its original construction, create cost effective and necessary storage solutions for the automotive labs.

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
- 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.

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. Wold Architects and Engineers were hired 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% in maintenance and repairs.

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): Approximately 12.5% 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% 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% per year.

Deferred Maintenance: 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% 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.

PROJECT CONTACT PERSON:

Dr. Ronald Thomas, President
Dakota County Technical College
1300 145th Street E
Rosemount MN 55068-2999
Phone: 651-423-8200
Fax: 651-423-8032
Email: ron.thomas@dctc.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud Tech College - Allied Health Building Renovation Design

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 36 of 37

PROJECT LOCATION:

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 $400,000 to renovate the recently purchased 53,000 GSF Allied Health Center. The project purpose is to create a state of the art medical training facility which will accommodate the growing regional demand for skilled allied health care professionals. The 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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% 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%. 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 a quote from Terry Pladson, M.D., President, CentraCare Health System, which states,

"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%. The college has experienced rapid growth exceeding 43% 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	2738	2666	2778	2834

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 acquisition of a medical office complex 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. Renovation 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

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% on the college's operating budget which is well within the 3% 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:
St. Cloud Technical College secured funding to purchase the Allied Health Center through the 2006 Capital Bonding session. The building was purchased by the college in December, 2006.

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:

Lori Kloos, Senior Vice-President Administration
St. Cloud Technical College
1540 Northway Drive
St. Cloud, MN 56303
Ph320-308-5026
Fax: 320-308-5027

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Minnesota State Colleges & Universities | Project Narrative

Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 37 of 37

PROJECT LOCATION:

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 $8 million is anticipated in 2010 for construction
- Project will eliminate $1.6 million in deferred maintenance backlog

PROJECT DESCRIPTION: Addition to Heintz Center building at Rochester Community & Technical College (RCTC) on the University Center Rochester 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 contain 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 includes upgrades to the HVAC system for the entire Heintz center building to allow use of steam generated by the Olmsted County waste to energy plant a renewable energy source.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 the College 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: A Facilities Master Site Plan was submitted to the Chancellor's office in November 2004. The UCR Master Facilities Plan Steering Task Force was made up of all three partner institutions, UCR's local advocacy group 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
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:

Leadership Priority:
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 (DEED) 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 Olmsted County Waste to Energy a renewable energy resource. The permitting process is underway to expand to a third burner at the plant and this would meet the needs of the 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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 the design and construction process.

Debt Service: The debt proportional to the WorkForce Center Inc and to the school district square footage of the full one third debt requirement will be covered by the lease revenue.

Deferred Maintenance: This project will address approximately $1,600,000 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 .13 and will grow to .17 in 5 years. This project will lower the campus 5 year FCI to .16. The Heintz center building itself has an FCI of .42 currently which will grow to .48 in 5 years. This project will lower the current FCI to .34 and the 5 year FCI to .40.

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:

Marilyn Hansmann, Vice President Finance and Facilities
Rochester Community & Technical College
851 30th Ave SE
Rochester, MN 55904
Telephone: 507-285-7214
FAX: 507-285-7241
E-mail: marilyn.hansmann@roch.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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			
Mn State Univ, Mankato - Trafton Science Center Renovation	2	25,500	0	0	25,500			
St. Cloud State Univ - Brown Hall Science Renovation	3	14,800	0	0	14,800			
Saint Paul College - Transportation and Applied Technology Lab Renovation	4	13,500	0	0	13,500			
Bemidji State Univ - Sattgast Science Building Addition and Renovation	5	8,900	0	0	8,900			
Normandale Comm College - Classroom Addition and Renovation	6	7,000	0	0	7,000			
Inver Hills Comm College - Classroom Addition and Renovation	7	13,200	0	0	13,200			
North Hennepin Comm College - Business & Tech Addition & Renovation	8	13,200	0	0	13,200			
Science Lab Renovations	9	5,775	0	0	5,775			
Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation	10	7,800	0	0	7,800			
Mn State Univ Moorhead - Lommen Hall Renovation	11	13,100	0	0	13,100			
Century College, White Bear Lake - Classroom & Student Support Space Renovation	12	7,900	0	0	7,900			
Southwest Mn State Univ - Science & Hotel & Restaurant Administration Labs Renov	13	9,000	0	0	9,000			
Classroom Renovations	14	3,625	0	0	3,625			
Lake Superior College - Health Science Center Addition	15	11,000	4,000	0	15,000			
Metropolitan State Univ - Classroom Center Addition	16	4,980	0	0	4,980			
Alexandria Tech College - Law Enforcement Center Addition	17	10,500	4,200	0	14,700			
Metropolitan State Univ/Mpls. Comm & Tech College - Law Enforcement	18	13,400	0	0	13,400			
Mesabi Range Comm & Tech College - Shop Space Addition & Renovation	19	5,000	0	0	5,000			
Winona State Univ - Memorial Hall Addition and Renovation	20	8,400	0	0	8,400			
Mn State Comm & Tech College, Moorhead - Trades Addition & LRC Design	21	2,800	5,200	0	8,000			
Anoka Ramsey Comm College - Classroom Building Addition Design & Construction	22	3,800	5,000	0	8,800			
Hennepin Tech College - Design & Renovate Science	23	2,400	10,600	0	13,000			

Addition; Design for LRC/SSC								
Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design	24	700	12,750	4,000	17,450			
Ridgewater College - Technical Instruction Design & Construction; Renovation Des	25	3,500	14,500	0	18,000			
Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition	26	4,000	0	0	4,000			
South Central College - Classroom Renovation and Addition Design	27	700	12,000	0	12,700			
Property Acquisition	28	13,100	0	0	13,100			
Demolition	29	2,830	0	0	2,830			
Owatonna College and University Center - Property Acquisition	30	3,500	0	0	3,500			
Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health	31	500	20,000	0	20,500			
Mn State Univ Moorhead - Livingston Lord Library Renovation Design	32	700	12,000	0	12,700			
Southwest Mn State Univ - Science Lab Renovation Design	33	300	5,500	0	5,800			
St. Cloud State Univ - Integrated Science & Engineering Laboratory Design	34	1,000	25,000	0	26,000			
Dakota County Tech College - Transportation and Emerging Technologies Lab Design	35	300	6,500	6,500	13,300			
St. Cloud Tech College - Allied Health Building Renovation Design	36	300	5,000	0	5,300			
Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech	37	300	8,000	0	8,300			
Total Project Requests		$347,310	$260,250	$120,500	$728,060			

2008 STATE APPROPRIATION REQUEST: $110,000,000

AGENCY PROJECT PRIORITY: 1 of 37

PROJECT LOCATION:

Project at a Glance

- Asset Preservation and backlog reduction of needs at all 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
- HEAPR will reinvest in physical assets, preserving them well into the future

Project Description:
Provide funding per MS 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

MnSCU Strategic Plan:
This project addresses MnSCU's four strategic goals:

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 Needs - 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.

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 data base: 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 on-going annual roof inspection program of all 292 acres (12.7 million square feet) of roofs; and
- 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 Facilities Condition Index (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% 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.

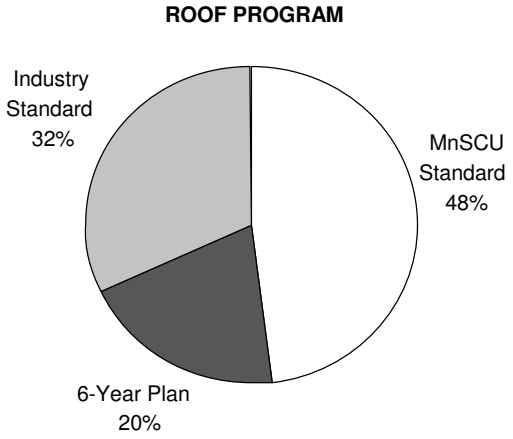
This funding request is reinforced by the system FCI not decreasing and the backlog of deferred maintenance continuing to grow, with the current estimate to be $672 million from the previous year of $646 million. Direct requests from the campuses further reflect the evidence of need: 2006 original request from campuses of $238 million to the 2008 original request of $304 million.

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 are respected 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:

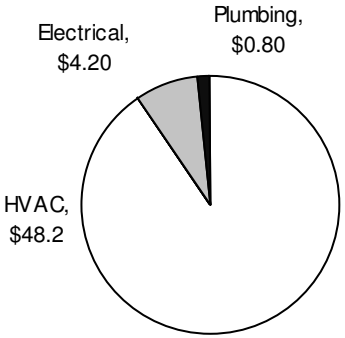
1. Roof Replacement: MnSCU is the custodian of 292 acres of roofs on academic buildings. MnSCU has been engaged in a systematic program to replace all failing flat roofs in the system with built-up asphalt slope-to-drain roofs since the merger in 1995.

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 to ensure 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% 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 capital budget request are in the 0 to 1 year of remaining life category. In fact, some roofs have been in the 0 years of remaining life category for several years. These roofs thus reflect leaking that leads to additional operational costs, potential air quality issues and create structural integrity concerns.



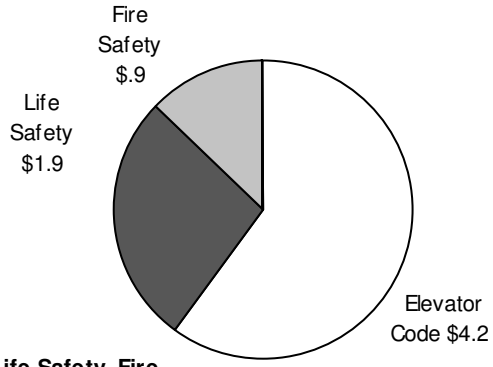
In addition to the "warm, safe and dry" requirement that the roofing program fulfills; due to the average age of the campus buildings close to 40 years many of the exterior brick and windows require replacement to stop water and air infiltration. This category of need for repair of exterior walls and 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 1960s and 1970s 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 they 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.



HVAC, Electrical & Plumbing Request in Millions

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 are required for this change 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 with approximately 190 elevators impacted by this code change. Many campuses are striving to improve on an incremental measure, 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 update.



Life Safety, Fire and Elevator Code

Previous Appropriations for this Project

FY 2002/03: $ 60 million
FY 2004/05: $ 41.5 million
FY 2006: $ 40 million

Operating Budget Impact:

There are proposed 33 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% (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 Repair and Replacement 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.

Thirty Month Execution:
MnSCU has developed and implemented a HEAPR execution strategy to complete HEAPR projects within 30 months (or better) of receiving an appropriation. Both the 2000 and 2002 appropriations were fully committed well within the 30-month execution schedule. A little over 45% 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% encumbered at June 2007; which is 20% 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 on-line
- 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:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn State Univ, Mankato - Trafton Science Center Renovation

2008 STATE APPROPRIATION REQUEST: $25,500,000

AGENCY PROJECT PRIORITY: 2 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design was funded in 2004.
- Phase 1 - Construct 67,000 GSF addition and renovate 16,010 GSF in north section funded in 2006.
- Phase 2 - Renovate 52,793 GSF in center / south section in 2010 and renew exterior shell – roof, masonry & plaza repairs in 2010 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 houses primarily by the Biology department. Renovation would include areas of the wet biology labs, greenhouse, classrooms and offices. The 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% of all Mankato's credit hours. Project will further remove $19 million from backlog

MnSCU Strategic Plan:
This project addresses four MnSCU strategic goals:

Increase Access and Opportunity: Mankato's enrollment in math, science, and engineering has grown more than 40% 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 & 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 expanded curriculum: engineering (electrical, computer, mechanical, and civil), engineering technology; biotechnology, molecular biology, biochemistry, astronomy, statistics; and 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% deficit in teaching laboratories, and 18% in research labs. The College of Science, Engineering and Technology generates 47% of its enrollment from general education and service courses for the 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, and some Engineering, a civil engineering lab, 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, and Electrical Engineering, and Social Work.

Wet labs will consolidate in the new addition and in the south section of the existing building. Dry labs will locate in the north section. Approximately 69,000 square feet or 31% 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 a co-located Anthropology and Social Work.

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. Now, 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.

Building Operations Expenses:
The existing building will be renovated with no new space added. Operating cost will be reduced by $82,000 per year which is 26% with new efficient air handlers and exhaust fans operated by Variable Fan Drive’s.

Debt Service:
With this project, and all others requested, it would create an annual obligation estimated at less than 1.6% 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 #/hr. boiler was installed in 2004 with capacity to heat the entire campus with 3 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:
Renovation will replace inefficient, worn out HVAC equipment with energy-efficient equipment.

Other Considerations:
This project would address $19 million in deferred backlog and $ .5 million in 10 yr. renewal from the FRRM forecast. This will reduce the FCI for Trafton from .41 to .12. The project 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:

Sean McGoldrick, Assistant VP, Office of Facilities Management
Minnesota State University, Mankato
111 Wiecking Center, Mankato, MN 56001
Telephone: 507/389-2267
Fax: 507/389-5862
E-Mail: sean.mcgoldrick@mnsu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud State Univ - Brown Hall Science Renovation

2008 STATE APPROPRIATION REQUEST: $14,800,000

AGENCY PROJECT PRIORITY: 3 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design funded in 2004
- Phase 1 new addition construction funded in 2006
- Renovation and equipping of 75,000 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: The project is consistent with the University and MnSCU Strategic Plans. This is also reflected in the College of Science and Engineering Master Plan for facilities.

Increase Access and Opportunity: St. Cloud State University (SCSU) has 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 7 years ago in response to state wide and regional needs, is housed in leased space 6 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 PSEO, Senior to Sophomore, distance education, customized training and on line programs; all growing endeavors. For example, the online portion of the University's instruction is now about 7% 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% 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 very much more efficiently meet the needs of the nursing and pre-nursing students. The space used by nursing currently costs over $82,000 in lease expense that would 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 & 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 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 is expected to continue into the future. The following illustrates that trend:

	FY2004	FY2006	FY2007	FY2008
FYE	14,029	13,932	14,200	14,250

The University's leased nursing labs are used to capacity. Having them moved 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, St. Benedict College, 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 8 faculty members located in 4 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 as well as 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 2 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 listed 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 twice. Communication Disorders boasts a 90% pass rate on national certification tests (national average is 75%) 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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 and although the University will increase debt service, the lease expense for the nursing program off campus of the current

$83,000 will no longer be required nor will the space leased in the residence hall for Continuing Studies.

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 back log of deferred maintenance on Brown Hall of $1,179,000.

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 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 1% of the operating expenses.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:

- The building will remain an excessive energy consumer without replacement of single glazed windows and roof.
- The University will continue indefinitely to have the inconvenience, uncertainty and expense of leased space off campus for the nursing program (if available).
- 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:

Steven Ludwig
Vice President of Administrative Affairs
Administrative Services 205
720 4th Avenue South
St. Cloud State University
St. Cloud, MN 56304
Phone: 320-308-2286
FAX: 320-308-4707
SLLudwig@stcloudstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Saint Paul College - Transportation and Applied Technology Lab Renovation

2008 STATE APPROPRIATION REQUEST: $13,500,000

AGENCY PROJECT PRIORITY: 4 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Renovation of 108,400 GSF
- Construction of 3,300 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. It 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, major appliance repair, and chemical technician.

PROJECT RATIONALE AND RELATIONSHIP TO MnSCU STRATEGIC PLAN:
This project supports MnSCU's strategic goals in the following areas:

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 FYE student enrollment at the college in fiscal year 2006 was 45% - a 7% increase over 2004. During Fall 2006 the college enrolled 867 students in English as a Second Language courses, an increase of 19% over Fall 2005.

High-Quality Learning Programs and Services: This project will complete enhancement of the trade and industrial programs which account for 24% of College enrollment. Program advisory committees have expressed concern about the lack of appropriate labs and classroom spaces, and the impact that has on the College's ability to attract and retain students. They have also expressed concern about 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 3 year average placement rate for the graduates in these occupations is 97.8%. 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 asset and significantly reduce deferred maintenance. This project, along with the completion of Phase 1 and HEAPR investments, should reduce the campus 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 & 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 #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:

	FY1999	FY2004	FY2006	FY2007	FY2008
FYE	2133	3000	3090	3250	3330

St. Paul College has experienced more than 50% growth in FYE enrollment over the previous 8 years. The mission expansion to a community and technical college has had a significant impact on this growth. Phase one of this project moves 5 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% 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% of the ethnically diverse students in the State. In 2006, Saint Paul College enrolled 3,012 credit seeking students of color or 43.5% of its credit student body, the highest percentage in the Minnesota State Colleges and Universities System. Yet, Minnesota's fastest growing populations have the lowest rates of participation in postsecondary education and over 72% 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% in the next eight years.

MnSCU's Fall 2006 Space Utilization report shows Saint Paul College with 80% seat usage and 127% 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, HVAC, indoor air quality, and other life safety issues.

This project will remodel and/or reconfigure:

- Pipefitting is currently located in six separate labs. This project will combine spaces to economize space and increase flexibility.
- Auto Body and Auto Technician shops 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 is too short for the dyno equipment and today's longer trucks. There is inadequate space for storing engines.
- Cabinetmaking shop 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.

Predesign: The original Predesign by TKDA was submitted October, 2004 in anticipation of capital bonding to fund the project in 2006. Because design

only was funded in 2006, an updated and revised Predesign by TKDA was submitted June 30, 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% savings in utility costs.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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% exhaust; the new system will improve fresh air make-up, and reduce heating costs and emissions from boilers. There will also be filters installed for exhausts systems that are the 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% of the College's operating budget.

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:
Tom Doody, Physical Plant Director
Saint Paul College
235 Marshall Avenue,
St. Paul, MN. 55102
Phone: 651-846-1428
Fax: 651-846-1451
E-mail: thomas.doody@saintpaul.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Bemidji State Univ - Sattgast Science Building Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $8,900,000

AGENCY PROJECT PRIORITY: 5 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Addition to the forty six year old Science Building of 21,600 GSF for aquatic biology, general biology and general chemistry Lab spaces
- Renovation of 8,332 GSF for nursing, botany and anatomy & 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 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU Strategic Plan:
This project addresses four MnSCU strategic goals:

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 & 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 (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 & 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. Health and safety issue 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 with remodeling and an addition completed in 1989. The Harold T. Peters building was built in 1972 and has major leaking problems that will cost more to correct than build new. The completed project will bring this science facility up to the standard set by the 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:

	FY2004	FY2006	FY2007	FY2008
FYE	4,386	4,236	4,242	4,250

While overall space utilization on this campus is at 78%, this facility represents one of the greatest utilizations in the context of number of students served. Space utilization will improve because the updating of labs will make them more flexible allowing more cross scheduling of disciplines within the labs. 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.

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.
- ADA inaccessibility, e.g. narrow aisles between benches.
- Ventilation and fume hoods 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 that 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 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 FY2002 HEAPR, and 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
Increased square feet in the new construction will add about $94,000 per year to the operating budget, however the energy efficiency planned should cut that by 10% 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 less than 0.4% 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 of 0.25% of the university's operating budget at its peak, which would bring the overall debt service commitment for the university to about 0.75% of its operating budget in FY2010.

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:
Bill Maki
Vice President for Finance and Administration
Bemidji State University
1500 Birchmont Drive NE, Bemidji, MN 56601-2699
Phone: 218-755-2012
FAX: 218-755-3153
E-mail: wmaki@bemidjistate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Normandale Comm College - Classroom Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $7,000,000

AGENCY PROJECT PRIORITY: 6 of 37

PROJECT LOCATION:

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 GSF
- Add 9310 GSF of new space
- Address life safety issue
- Project will eliminate $1.5 million in deferred maintenance
- Address major enrollment increases and lowest GSF/FYE ratio of any MnSCU college

PROJECT DESCRIPTION:
This is the second phase of a two phase project. Pre-design 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% in the past 5 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
The project ties directly to MnSCU's strategic goals.

MnSCU Strategic Plan:
Increase Access and Opportunity:
Student enrollment at Normandale has increased from 1391 students when the building was originally constructed to over 13,000 students in 2005-06. Normandale has the 3rd largest headcount in MnSCU. The project will reduce the instructional space deficit of over 44%. The project will provide additional classroom space. Normandale has the highest percent of room usage within MnSCU at 142% 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 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 6 Minnesota Job Skills Partnership Grants. Normandale's training partners include Fairview Health System, Metro Dental, Seagate Technology, and Best Buy. Normandale draws 80% 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.

Normandale Comm College - Classroom Addition and Renovation

Innovate to Meet Educational Needs Efficiently:
Normandale is already a MnSCU leader in the process of transfer from high school to the 4 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 & 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 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 2 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 3rd 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% 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 HEAPR by providing new HVAC & 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 FCI is .09 with this proposed renovation it will be .00.

Predesign:

Completed December 2004, forwarded to Dept. to 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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.

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:
Ed Wines, Vice President of Administrative Services
Normandale Community College
9700 France Avenue South
Bloomington, MN 55431
952-487-8159
Fax 952-487-8263
ed.wines@normandale.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Inver Hills Comm College - Classroom Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $13,200,000

AGENCY PROJECT PRIORITY: 7 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Through creative reuse, will demolish obsolete 4,400 GSF, renovate 19,000 GSF and add energy efficient 27,300 GSF 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, ADA, and other building code shortcomings. The project will reduce the Fine Arts Building Facilities Condition Index (FCI) from .20 to .03 based on FY06 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% between 2000 and 2007. During this period, the enrollment increase in the STEM (Science, Technology, Engineering & Mathematics) programs has been 42% and in the arts programs the increase has been 48%.

This project received funding for Design in the 2006 Capital 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 proposed class use in Fall 2009.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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, increased demand for technology-mediated courses, and opportunities for seamless pathways to four-year institutions. This will allow the college to serve its increasingly diverse student body-- currently 17% of the total are students of color—and first generation learners, who make up 44% 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 Center for Strategic Information Technology and Security-- the college's Center of Excellence which has been funded by the Legislature. 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, 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 & 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. Addition 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 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 & 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% enrollment growth from 2000 to 2007 and anticipates additional growth to 40.8% through 2008. During this period, academic instructional space has increased by only 25%.

	FY2004	FY2006	FY2007	FY2008
FYE	3,274	3,300	3,486	3,521

The college utilized existing classrooms and labs 106% 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% 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% when the overall system was only 89%. That is the third highest of all the 2 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 currently available.

There has been an enrollment increase since 2000 of 45% in the college's top six disciplines. Specifically, a 122% (from 147 to 324 FYE) enrollment growth in biology and a 105% (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 with a large market share worldwide. To meet the demands of its service area that has grown by over 200% 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% (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 has no 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:

- 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 FY06 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 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc.):
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% more than building code, to simplify cleaning and maintenance, and to 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, which is equal to 0.80% of the college's current operating budget for FY07 to a maximum of $493,347, which is equal to 1.6% of the college's estimated operating budget in FY11. This amount is within the college's ability to reallocate resources to meet the cost of the additional debt.

Previous Appropriations for this Project:
In 2006, the project was funded for design through construction documents in the amount of $700,000. Construction documents will be completed in November 2007.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:

- Growth in core liberal arts and sciences offerings essential to the AA degree that 60% 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:

Patrick Buhl, Director of Facilities
Inver Hills Community College
2500 80th Street East, Inver Grove Heights, MN 55076
Phone: (651) 450-8536
Fax: (651) 554-3706
Email: pbuhl@inverhills.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

North Hennepin Comm College - Business & Tech Addition & Renovation

2008 STATE APPROPRIATION REQUEST: $13,200,000

AGENCY PROJECT PRIORITY: 8 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project schematic design was funded in 2006.
- Construction of 20,000 GSF addition.
- Renovation of 32,345 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 & Technology (CBT) building. This project will preserve, renovate, and increase the space utilization of an existing structure while adding essential teaching space. The pre-design was completed in 2005 and the schematic design, design development, and construction documents are currently under development from 2006 legislature with completion scheduled to allow for construction to begin following the 2008 legislative session.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan:
This renovation and addition project directly advances the four MnSCU strategic directions:

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% of total students). In addition, 70% of students are first generation college students and 43% 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 their 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 & Industry Advisory Boards comprised of leaders from local business, industry, service organizations, chambers of commerce, and higher education. Their 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 only. The College provides a valuable service to dislocated workers getting them retrained and back to work quickly. All of the Adult Education and Training efforts are housed in the area being remodeled and are currently constrained by a lack of space. They are currently renting classroom space from the Workforce Center – Hennepin North 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.

Their 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 growing area companies such as Medtronic, PDL pharmaceuticals, Boston Scientific, Target, Wells Fargo, Allina, Carlson Companies, US Bank, General Mills, and many others. Their campus receives over $300,000/year in 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% 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% is one of the highest in the MnSCU system. They have no ability to offer additional needed academic programming without additional teaching space.

Institution Master Plans & Regional Collaborations:
This Center for Business & 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:

	FY2004	FY2006	FY2007	FY2008
FYE	4,211	4,165	4,150*	4,190*

*projected

The FY 2006 MnSCU Space Study shows room usage of 122%, among the system's highest. North Hennepin has only 65 gross square feet per student FYE, among the lowest space per student in the system. The campus has used every means possible to squeeze as much utilization as possible 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, on-line 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% 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 4 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 32,348 GSF, only 43% 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 with 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% 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. Both the deferred maintenance and FCI improvement calculations exclude the benefits of correcting the moisture problem caused by the exterior wall construction issue. The wall remediation costs could not be accurately quantified without removing significant portions of the exterior and interior walls, so this work will be delayed and coordinated with the addition and renovation. The project will also demolish a small underutilized and deteriorating building to make room for the addition.

Predesign:
The 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 HVAC systems (boiler and chiller) with 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, plus $78,000 for two additional maintenance FTE - 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 1% 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% of the college's 2006-07 operating budget.

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 construction of the new roof for the addition and the renovation of the existing structure will result in significant overall savings.

Consequences of Delayed Funding:
- Space utilization of 122% 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% 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:

Wade Nelson, Chief Information Officer
North Hennepin Community College
7411 – 85th Avenue North, Brooklyn Park, MN 55445
Phone: 763-424-0964
FAX: 763-488-0489
E-mail: wnelson@nhcc.edu

Note: This document refers the Center for Business & 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 (To be completed by the Department of Finance at a later date)

Science Lab Renovations

2008 STATE APPROPRIATION REQUEST: $5,775,000

AGENCY PROJECT PRIORITY: 9 of 37

PROJECT LOCATION:

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 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 gross square feet 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 ATC.

Anoka Ramsey Community College at Cambridge – Cambridge is to renovate 4,000 gross square feet 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 gross square feet. It will create one large space and several small adjacent spaces to provide a hands-on skills lab for clinical procedures for RN students. This will help to put in place a 4 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 gross square feet. 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 isto remodel 3,130 gross square feet 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 gross square feet 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 gross square feet 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 HTC'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 gross square feet to create a general science lab with storage/prep area. Currently there is 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 gross square feet. 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 plans to renovate 5,686 gross square feet 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE 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 & 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:

	FY2004	FY2006	FY2007	FY2008
FYE	27,348	26,619	26,591	26,852

Project Rationale:
The following deferred maintenance items will be reduced or eliminated:

- Mechanical reliability - 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.

Science Lab Renovations

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 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 on 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 improve the explosion 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 A.A. and A.A.S. 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 to confirm in fall of 2006 to assure adequacy of need and confirmation of funding request.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

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. Noted that with replacement of more energy efficient systems; at most campuses there will a reduction in utility usage. However; some campuses may experience additional utility costs due to increase in usage. That increase will be covered by user fees.

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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.

PROJECT CONTACT PERSON:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Science Lab Renovations

Northland Comm & Tech, East Grand Forks - Classroom Addition & Renovation

2008 STATE APPROPRIATION REQUEST: $7,800,000

AGENCY PROJECT PRIORITY: 10 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design through construction documents was funded in 2006
- Construction of 8,300 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, I.T., 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 includes and teaching laboratories; and renovation of 1972 public spaces of an Area Technical Vocational Institute (AVTI). 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU Strategic Goals:
This project meets four MnSCU 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, Dr. James McCormick, Chancellor 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 re-organization 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 into the curriculum. Mannequins can be programmed to have controlled medical emergencies that better prepare 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 & Regional Economic Needs - Northland is one of the state's leaders in providing highly qualified and trained nurses for rural communities. The project also improves access to customized training to the region's incumbent workforce. The college has a waiting list of 100 students for customized training of 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 FY2008 on the East Grand Forks campus from .21 to .14.

Northland 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 ADA 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 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.

	FY2002	FY2003	FY2004	FY2005	FY2006
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% 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, and
- 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-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 5% 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 LRC 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 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. The State Legislature appropriated funding for design only in FY2006, which 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 HEAPR boiler replacement project is currently underway which 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

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%.

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%, improve indoor air quality, and use products made from renewable resources.

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:

Shari L. Olson, Ph.D., Vice President, Planning & Administrative Services
Northland Community and Technical College
1101 Highway One East, Thief River Falls, MN 56701
Phone : 218-681-0869 (office) ; 218-689-3248 (cell)
FAX: 218-681-0724
E-mail : shari.olson@northlandcollege.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn State Univ Moorhead - Lommen Hall Renovation

2008 STATE APPROPRIATION REQUEST: $13,100,000

AGENCY PROJECT PRIORITY: 11 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project design funded in 2006.
- Finalize construction and renovation of 81,885 GSF
- Renovation will provide functional academic improvements
- Code violations will be addressed
- Project will eliminate $5 million in deferred maintenance backlog

PROJECT DESCRIPTION:

Finalize construction documents, and renovate Lommen Hall, originally constructed in 1932, with the addition constructed in 1959; as well as a 9,485 GSF extension of the basement to correct a foundation problem. The comprehensive renovation will provide for functional academic improvements, 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 FCI is .32 and with the remodeling it will be lowered to an FCI of .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. Thus project will significantly reduce the deferred maintenance on campus and improve the campus FCI by reducing it from .24 to .23.

Initial design funding of $300,000 was received in 2006, and architectural documents are 70% complete.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: This project affirms the goals and directions of 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 school 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.

Institution Master Plans & Regional Collaborations:

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:
1) 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.
2). 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.
3). 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% 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%, with some classrooms exceeding 140% (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, 6 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 most 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 .32 for Lommen Hall and its addition.

The project includes excavation and construction of a 9,485 GSF extension of the basement for utility and storage purposes. A full basement was never constructed under this building – the southwest corner is unexcavated. This is an unsafe working environment for staff due to asbestos from the building's original steam pipes in the unexcavated space. Basement expansion will correct health, safety and environmental issues, and provide a classroom.

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 and 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 of2005, with federal VA-HUD and state funding. All remaining utilities are adequate.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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%. Design criteria for water usage will also exceed the minimum conservation requirements.

Debt Service: Total debt of $12,644,000 will result in MSUM having yearly debt payments (assuming 5% interest) of $169,098.

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:
David Crockett, Vice President for Administrative Affairs
Minnesota State University Moorhead State University
Administrative Affairs Office, 208 Owens Hall, UPO Box 66
Moorhead, MN 56563
Phone: (218) 477-2070
FAX: (218) 477-5887
E-mail: crockett@mnstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

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 in 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. 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 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 .24 to .20.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 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 in the fall of 2006 had a 1.16 percent increase in new students, 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:

- Rightsize 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 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, from 11different 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 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 & Regional Collaborations: This is the second phase of the approved 2006 science/library project. Following funding for design in 2004 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 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, the innovative planning tool for students, 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 to support the GPS LifePlan, the innovative new 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 their 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 room percent capacity. The college's average seat usage is 84 percent. Enrollment at Century College grew 25 percent in FYE 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 received $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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
This project is a fine example of maximizing the use of campus space to meet student needs. The renovations will decrease the college's Facilities Condition Index, from 0.27 to 0.12 on the West campus and reduce the East campus FCI from 0.30 to 0.28. 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 .24 to .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.

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:

Dr. Michael Bruner, Vice President of Student Services/Facilities
Century College
3300 Century Ave. N.
White Bear Lake, MN 55110
Phone: (651) 779-3288
Fax: (651) 779-3417
Email: mike.bruner@century.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

PROJECT AT A GLANCE:

- Project design funded in 2006.
- Renovation of 7,200 GSF of Hotel, Restaurant Administration (HRA) teaching labs in the Individualized Learning (IL) Center to accommodate a Hotel Restaurant Administration academic degree.
- Renovation of 11,250 GSF in Science & Technology (ST) to remodel and update biology and chemistry labs.
- Renovation of 13,595 GSF in Science & Math (SM) to remodel and update biology and chemistry labs.
- Project will eliminate $6.6 in deferred maintenance backlog

PROJECT DESCRIPTION:
Academic programs impacted are: Culinary Arts/Culinology (Hotel Restaurant Administration),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, and pre-professional programs. Ten percent (10%) of Southwest Minnesota State University (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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 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% in Minnesota by 2010 creating 7,000 more jobs; and 8-12% 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 & Regional Collaborations:

Southwest MSU's master facilities plan update was presented to the Office of the Chancellor in Nov 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 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% 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 and Culinology (Culinology is accredited by the Research Chefs Association).

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% of available weekly classroom hours and 54% seat usage.

Project Rationale:
Basic Sciences:
SMSU's biology and chemistry labs in Science & Technology and Science & 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 & 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 & 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% of its general operating revenues. This is a prudent level of managed debt and will be structured into SMSU's annual operating budgets.

OTHER CONSIDERATIONS:

Alternatives & Options:
This project is 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; 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, and it 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:

Cyndi Holm, Director of Facilities
Southwest Minnesota State University
1501 State Street, Marshall, MN 56258
Phone: (507) 537-7854
Fax: (507) 537-6577
E-mail: holmcm@SouthwestMSU.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Classroom Renovations

2008 STATE APPROPRIATION REQUEST: $3,625,000

AGENCY PROJECT PRIORITY: 14 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design and renovation of obsolete classroom space on 7 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 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 – rightsizing classroom renovation
- Mn State Community Tech College, Moorhead – classroom and advanced technology
- Mn West Community Tech College, Pipestone – 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

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: "Designing the Future"
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 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: 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 & 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 foot space for the Entrepreneurial Education Center, the Center for Outreach & 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, 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 .31 to .21 and remove a combined $356,000 from the deferred maintenance backlog.

This project will improve the overall condition and functionality of science and applied technology laboratories.

Predesign:
Conceptual predesigns from the campuses were completed for these projects by one consultant who traveled to each campus to confirm in fall of 2006 to assure adequacy of need and confirmation of 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:
If funding is delayed, the institutions would continue to have obsolete or underused spaces. Campuses do not have the ability to use dwindling operating budget dollars to align academic offerings in high-demand programs with strong workforce needs to the physical classroom or lab spaces on campus.

PROJECT CONTACT PERSON:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Lake Superior College - Health Science Center Addition

2008 STATE APPROPRIATION REQUEST: $11,000,000

AGENCY PROJECT PRIORITY: 15 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project funded for design in 2006
- Bidding and construction of a 36,712 GSF Health and Science Center addition
- Renovation of 4,036 GSF of backfill spaces (phase 1)
- Renovation of 23,200 GSF of backfill spaces (phase 2)
- Project will eliminate $480,0100 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. The Phase 1 renovation of existing space will remodel and update existing science teaching labs.

Phase 2: The FY2010 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan: This request clearly addresses MnSCU's strategic directions.

Increase Access and Opportunity: Provides state-of-the-art health teaching labs and nursing simulation labs, providing increased opportunities for individuals to participate in STEM and health courses and programs; creates opportunities for hands-on training in public health clinic settings, meeting the needs of the region's uninsured or underinsured; addresses lack of 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 SMDC Medical Center, 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 & Regional Collaborations:

Lake Superior's Master Facilities Plan (MFP), originally approved by the Board of Trustees in December, 2001, is currently under revision to be completed by July 31, 2007. 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% 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 FY06 Space study documents an 88.4% overall utilization rate for classrooms and teaching labs at LSC, above the median of 77.81% 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%. 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 9 teaching and open labs, resulting in anticipated utilization still over 90%. 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 DEED employment and job opening projections for northeast Minnesota show a 19%-58% 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):

6 Health teaching labs	2 instructional technology labs
9 Science teaching labs	1 workforce development training room
3 multi-media classrooms	1 hospital nursing simulation lab
2 general classrooms	3 outpatient public clinics

Basic Sciences:
LSC has only three science classrooms to serve a student population of nearly 3500 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 FY06) 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 8 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 the 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 UMD and 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 the 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 $15,935,000 backlog projected by 2011, resulting in a projected FCI of 0.15.

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 of Minnesota 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 in 2013 which is 1.3% of overall budget.

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.

PROJECT CONTACT PERSONS:

Dr. Kathleen Nelson, President
Lake Superior College
2101 Trinity Road, Duluth, MN 55811
Phone: (218) 733-7637
Fax: (218) 733-5937
k.nelson@lsc.edu

Mr. Mark Winson, Vice President
Lake Superior College
2101 Trinity Road, Duluth, MN 55811
(218) 733-7613
(218) 733-5937
m.winson@lsc.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan State Univ - Classroom Center Addition

2008 STATE APPROPRIATION REQUEST: $4,980,000

AGENCY PROJECT PRIORITY: 16 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Construct, remodel, furnish and equip 16,500 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 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 seminar rooms. This project would rebuild 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 the 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 ADA upgrades that will make the currently "inaccessible" building meet American Disabilities Act requirements.

Replaces the central campus heating plant's "smoke stack" which is 90 years old and at near failure.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU Strategic Plan:
This project meets the strategic goals identified by 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% 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 & 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 Minneapolis Community and Technical College 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, which 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% 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; however 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% of the university's evening classes. Evening classes are offered on the three main campus sites as well as between 10 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 FY05, 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 FCI of 1.21 versus the system average campus FCI of approximately .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% 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 (1) a growing need for technology that allows multi-media presentations in the classroom, (2) 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 (3) 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 – 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, which is located on the ground floor of this building and will not be part of this capital project, will easily serve this addition within existing capacity.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc.):

- 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 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, 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 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 debt load for this project. This project and other projects previously funded and requested is less than 3% of Metropolitan State'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 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.
- A temporary roof will have to be constructed on top of the undemolished ground floor of the power plant, an unnecessary expense that can be saved by addressing this building need now.

PROJECT CONTACT PERSON:
Daniel Kirk, Associate Vice President, Administrative and Financial Affairs
Metropolitan State University
700 E. Seventh Street, St. Paul, MN 55106-5000
Phone: (651) 793-1712
Fax: (651) 793-1718
E-mail: dan.kirk@metrostate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Alexandria Tech College - Law Enforcement Center Addition

2008 STATE APPROPRIATION REQUEST: $10,500,000

AGENCY PROJECT PRIORITY: 17 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Complete design and construction 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, 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 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.

MnSCU Strategic Plan

This project supports the MNSCU Strategic Plan as follows:

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% 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 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, DNR officers, and federal 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 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 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 & Regional Collaborations: Alexandria's master facilities plan was presented to the Board of Trustees in April 2002 and is being updated in 2007. The masterplan 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 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 one thousand ninety (1,090) students, 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 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 breakdown for enrollment is:

- 160 first-year – 140 second-years – 150 Skills.
- Enrollment in Law Enforcement is expected to grow following completion of Phase 1 from 160 to 186 admits per year.
- Law Enforcement graduate placement rate at ATC averages 89%.
- Approximately 20% of all new peace officers licensed by the Minnesota POST Board annually are Alexandria Technical College graduates.
- Over 90 % 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% 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 and Predesign

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 - 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 - 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 (currently at 125% capacity). Current gym will become a shop for either Diesel Mechanics or Marine and Small Engines (both have waiting lists due to space limitations). Firing range will be capable of conducting night firing activities without regard for weather conditions or noise. Firing range ventilation system 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.
Pre-design was completed, approved by MnSCU, and forwarded to the Dept of Administration in August of 2005. Schematic design for Phase 1 has begun with 2006 legislative funding and will be completed in February 2007.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):
New facility will increase operating expenses $160,000 per year. 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% above code. The college is negotiating purchase of energy from the Pope/Douglas County Incinerator Plant. The State of Minnesota'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 will be under the 3% guideline.

OTHER CONSIDERATIONS:
Consequences of Delayed Funding

- Less than 45% of applicants are accepted into ATC's Law Enforcement program due to space limitations. Law Enforcement enrollment is capped at 450 total (with a waiting list). In 2006, 163 new students out of 373 applicants were accepted and in 2005 175 out of 385 were accepted due to the capacity cap. If budget restrictions are eased on state and municipal law enforcement departments, 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 areas served by this project – specifically the firing range, the physical training room, and the tactical building – facilities that will be available year around.
- Overuse of the current gym presents safety issues.
- ATC has entered into agreements to train national law enforcement agencies such as the FBI and IRS; this 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.

PROJECT CONTACT PERSON:

John Phillips, Vice President Phone: (320) 762-4469
Alexandria Technical College Fax: (320) 762-4603
1601 Jefferson Street, Alexandria, MN 56308 E-mail: johnp@alextech.edu

Or

David Bjelland, Chief Financial Officer, Alexandria Technical College
Phone: (320) 762-4407 FAX: (320) 762-4502 Email: davidb@alextech.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

2008 STATE APPROPRIATION REQUEST: $13,400,000

AGENCY PROJECT PRIORITY: 18 of 37

PROJECT LOCATION:

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 GSF regional law enforcement training facility to replace leased facilities which currently house Metropolitan State University (MSU) and Minneapolis Community & 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 SU, 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 SU, Century CTC, Inver Hills CC, Normandale CC, Minneapolis CTC, and North Hennepin CC), since all the colleges 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 SU. 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% 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 Dept. of Labor and Industry projects a 25% increase in employment for police, sheriff and patrol officers by 2014.
- By 2014, the State projects a 14% increase in the need for first time supervisors/managers and protective service workers.
- The State projects market growth of over 15% growth in employment of Detectives and Criminal Investigators.
- The Dept. 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 MSU 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. Mpls/St. Paul Police, Dept. 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 & Regional Collaborations:
Metro'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 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 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 SU'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
Metro State	4,662	4,571	4,571	4,600

- Based on Hennepin Technical College, North Campus space utilization records, a general shortage of classrooms on the North Campus. For example, based on Fall, 2006 data, the average classroom was used 94.2% of a 32 hour week instructional base. A 2004 Space Study confirmed over 100% usage of available classroom hours for Metropolitan SU, 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% since FY2000. 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.

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 is used 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.

MnSCU institutions educate 92% of all law enforcement officers statewide. The 7-county metropolitan region educates 40% 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.

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.

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.

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 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 STATE AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc.):
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 3% of Metropolitan State's general operating revenues.

OTHER CONSIDERATIONS:
Consequences of Delayed Funding:
Consequences of delayed funding are multi-fold and will create considerable hardship for Metropolitan State, MCTC and HTC:

- Continued shortage of related laboratory and training spaces that use leading technology to teach skill requirements
- Annual lease costs will continue and will increase.
- Firearms training locations are becoming increasingly difficult to locate and to schedule.
- Compromise the quality of instruction for an underserved student population (approximately 30% 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:

Daniel Kirk, Associate Vice President, Administrative and Financial Affairs
Metropolitan State University
Chief Facilities Officer
Minneapolis Community & Technical College
700 E. Seventh Street, St. Paul, MN 55106-5000
Phone: (651)793-1712
Fax: (651)793-1718
E-mail: dan.kirk@metrostate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mesabi Range Comm & Tech College - Shop Space Addition & Renovation

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 19 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project schematic design was funded in 2006.
- Construction and finishing of 11,800 GSF of shop space.
- Renovation for ADA compliant restrooms.
- Project will eliminate $1.183 million in deferred maintenance backlog.

PROJECT DESCRIPTION:

Construct, furnish and equip shop space to move the Industrial Mechanical Technology (IMT) and Carpentry programs back to campus from off campus leased space. Renovate 1,200 square feet for new ADA-compliant restrooms, and in conjunction with the HEAPR request will replace HVAC and electrical systems in the 72,440 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 .20 which is well above the overall MNSCU average of .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% of the colleges backlog. This would decrease the colleges FCI from .20 to .14 which is a dramatic improvement.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan:

Remodel and construct flexible shop space to provide students, faculty and staff a modern, safe, efficient, and attractive learning and working environment. This project meets MnSCU's Strategic Goals in the following ways:

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 located 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 efficiently receive appropriate and adequate tutoring and disability support services.

A 2005 Office of Civil Rights Review 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 the 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, they are unable to bring the IMT students to the Eveleth campus due to distance and time constraints, so they are 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 & 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; thus, the enrollment is more in line with historical ranges. However, the Mining industry is predicating a 70% retirement rate of current employees in the next 5 - 7 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 Admin. Schematic design was begun 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): By remodeling and building the addition, the operating budget will actually decrease. The Building Operation per 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 $.39 per square foot.
This project would allow efficient use of staff and equipment. The moving of 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 of 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.

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:
Tony Bartovich
Director of Finance and Facilities
P.O. Box 648
1100 Industrial Park Drive
Eveleth, MN 55734
Work Phone: 218-744-7522
Cell Phone: 218-780-1757
Fax: 218-7466-7466
Email: t.bartovich@mr.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Winona State Univ - Memorial Hall Addition and Renovation

2008 STATE APPROPRIATION REQUEST: $8,400,000

AGENCY PROJECT PRIORITY: 20 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Project schematic design funded in 2006
- Construction of 78,000 GSF expansion
- Backfill renovation of 4,860 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 & Rehabilitative Science and Physical Education & 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 .27 to .19.

The state of Minnesota will be asked to fund only one-half of the overall project cost. The remainder will be financed from private gifts (about 15%) and student-supported revenue fund bonds (about 35%).

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 of the departments occupying this complex have grown considerably in the past five years.

- Academic departments (Health, Exercise & Rehabilitative Science (HERS) and Physical Education & Recreation (PER)) have grown from 421 declared majors to 542 in 5 years.
- Counseling staff have increased from 3.5 to 5 full-time staff.
- Health services have added a health education/promotion component with a wellness resource room staffed fully 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 & 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 & 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% 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 & PER have grown 28%,
- counseling staff FTE have increased 17.5%, 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 & Rehabilitative Science and Physical Education & 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 2006 Legislature; the remaining design funding has been financed by student-supported revenue fund bonds. Contract documents will be ready to bid the project in January 2008 if funding is available.

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. 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 1% 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% 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, and
- waste minimization and recycling.

Debt Service:
WSU's debt service is projected to increase $150,000 annually and the university has recognized and can budget this increase.

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.

PROJECT CONTACT PERSON:
Richard Lande, Facilities Manager
Winona State University
175 West Mark Street
Winona, Minnesota 55987
Phone: (507) 457-5039
Fax: (507) 457-2623
E-mail: rlande@winona.edu

Scott Ellinghuysen, Interim Vice President of Finance and Administration
Winona State University
Phone: (507) 457-5606
Fax: (507) 457-5054
E-mail: sellinghuysen@winona.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

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 up over 35% 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).

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN: The Minnesota State Community and Technical College (MSCTC) - Moorhead Campus is located in a community with a population of 32,000 and a metropolitan population of 175,000. The Moorhead Campus has surpassed the growth expectations of 2006 by reaching the present headcount enrollment of 2402 students (1935 FTE).

MnSCU 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% space utilization with only a 65% 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% 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, the college's ability to offer new programs and 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 5-10 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% 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 Refrigeration and Air Conditioning 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% 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 enable the Refrigeration and Air Conditioning 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 & 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 MSUM'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	1467	1902	2000	2100

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% of the available campus classrooms.

Project Rationale: Minnesota State Community and Technical College (MSCTC) - Moorhead's AA degree offers an option to students in the area that wasn't previously available until the last two years. Classes are scheduled on weekday afternoons, evenings and some weekends, so that students can create a flexible class schedule that fits lifestyle and work schedule. 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 current 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, 1% 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 MN 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 6% this year. The college anticipates that these programs will continue to grow their enrollment on the Moorhead campus by approximately 5-10% 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 their 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% of college operating budget. With the existing debt service on previous projects, it will not be over 1.3% of the operating budget – which is well under the suggested guideline of 3% from the Department of Finance.

OTHER CONSIDERATIONS:

Asset Preservation, Life Safety & 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 campus 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:

- Minnesota State Community and Technical College 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 Minnesota State Community and Technical College Goals.
- Loss of 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.
- Inability to grow the Associate in Arts degree, which has been proven catalyst of the recent student growth at MSCTC-Moorhead.
- Concerns over safety of existing 1971 tin structure and major delay in developing the HVAC program on the Moorhead campus
- Loss of clustering program development in the entire construction trades area that benefits overall workforce and economy in the region.

“Academic growth of the Moorhead campus of Minnesota State Community and Technical College is limited only by the lack of available facilities.”

PROJECT CONTACT PERSON:

Jerome Migler,
Provost
Moorhead Campus
Minnesota State Community and Technical College (MSCTC)
1900 28th Ave So
Moorhead, MN 56560
Phone: 218-299-6506
FAX: 218-236-0342
Jerome.migler@minnesota.edu

Thomas H. Koehnlein,
Assistant to the President for
Facilities & Institutional Planning
150 Second Street SW, Suite B
Perham, MN 56573
Phone: 218-347-6211
FAX: 218-347-6210
tom.koehnlein@minnesota.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Anoka Ramsey Comm College - Classroom Building Addition Design & Construction

2008 STATE APPROPRIATION REQUEST: $3,800,000

AGENCY PROJECT PRIORITY: 22 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Phase 1: Design and construction of an 14,000 GSF academic addition for classrooms and 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 a $5 million request anticipated in 2010 for renovation, will reduce the building's FCI from 0.29 to 0.03.

PROJECT DESCRIPTION: Project is in two phases to 1) construct a modest addition in 2008 for needed classrooms and offices and 2) renovate the original 1969, outdated and code deficient Fine Arts Classroom Building.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic Plan:
The project directly supports MnSCU's strategic directions as follows:

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% 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 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 FY2006 over 1,400 students did participate 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 such 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, 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 Minnesota State College and University 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 Minnesota State College and University 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% 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 by minimizing added overhead, dramatically reducing the deferred maintenance backlog and mitigating 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 & 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 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.)
2837.2	3533.5	3589.0	3888.0

Art & 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% 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. Over crowding has produced significant social distancing problems, including standing room only during lectures, and group work being held in the hallway.

Project Rationale:
The project, phase 1, 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
- rightsizes and balances 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, the correction of the HVAC systems and the realigned 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.

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. The correction of the Fine Arts Building concerns through this renewal, renovation and expansion project will provide room for safer storage areas for raw materials; 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 1% 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.

PROJECT CONTACT PERSON:

Pat Johns, President
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-433-1386
FAX: 763-433-1461
Patrick.Johns@anokaramsey.edu

OR

Mike Seymour,VP for Administration
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-433-1335
FAX: 763-433-1461
Michael.Seymour@anokaramsey.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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:

PROJECT AT A GLANCE:

- Design and construction of science labs at Eden Prairie and design of library and student services at both campuses in 2008.
- Construction for 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 RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

Project Description:
Design and renovate underutilized space at Eden Prairie campus to create suite of science labs and shared classrooms. Project will also design for renovation of existing space at both campuses to relocate and enclose the library and related instructional support services. 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.

MnSCU Strategic Plan:
All four of the strategic directions and five of the six key concepts are addressed through this project.

Increase Access and Opportunity:
In 2006, 40% of students taking Nursing courses at the Eden Prairie campus and 24% 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 and make-up testing, tutoring, 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 (DEED) reports that 62% of all jobs in Minnesota are in manufacturing, healthcare/ social assistance, and retail trade. The manufacturing sector accounts for 13.4% of all jobs and 16.2% of payroll wages. Healthcare and social assistance account for 12.5% of jobs and 10.6% 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 & 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 MFP 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 from being 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-county area, where they primarily draw students from, 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 .50 FTE.

The current FCI for Brooklyn Park and Eden Prairie are .03 and .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 allowing 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 1% 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
- the ten goal areas of the Minnesota Transfer Curriculum cannot be offered in their entirety

PROJECT CONTACT PERSON:

Diane Paulson
VP Administrative Services
Hennepin Technical College
9000 Brooklyn Boulevard
Brooklyn Park, MN 55445
763-488-2518 (phone)
763-488-2952 (fax)
diane.paulson@hennepintech.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mpls Comm & Tech College - Workforce Program & Infrastructure Renovation Design

2008 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 24 of 37

PROJECT LOCATION:

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 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 .17 to .13 and campus FCI from .11 to .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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 serve 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. The consolidation of 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 5 to 8 years. An updated educational and training facility on the downtown campus will help students interested in aviation Air Traffic Control careers find employment.

Innovate to Meet Educational Needs Efficiently: Completion of this project will enable Minneapolis Community and Technical College to relocate the aviation Air Traffic Control 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 approximately 67,400 gsf facility located in Eden Prairie.

Institution Master Plans & 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 Air Traffic Control 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%). 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. Extension of the air-conditioning will provide the workforce programs with 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 due to the inadequate vertical transportation between levels. This project creatively addresses this problem by the installation of 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% 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:
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 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:
MCTC can accommodate the average debt load for this project of approximately $190,000 annually, which added to the total debt load for MCTC, is less than 3% 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:

Daniel Kirk , Associate Vice-President of Administration
Minneapolis Community and Technical College
1300 Hennepin Avenue
Minneapolis, MN 55401
612-659-6803 (v) 612-659-6810 (F)
Email: Dan.kirk@minneapolis.edu or dan.kirk@metrostate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

2008 STATE APPROPRIATION REQUEST: $3,500,000

AGENCY PROJECT PRIORITY: 25 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Phase I will design and construct approximately 10,000 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 * $1.7 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:

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.

The first phase 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.

The second phase 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 the first phase:
Deferred maintenance Backlog ($15.1 million) will be reduced by approximately $1.2 million, which includes approximately $.5 million in Backlog from the building proposed to be demolished.

In the second phase of the project:
Deferred Maintenance Backlog will be further reduced by approximately $3.55 million, which includes approximately $0.5 million 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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% 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—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% over the last three years, with placement rates at 100% 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% of the state's animal production jobs, 10.8% of the agriculture jobs, 7.7% of the food manufacturing jobs and 5.3% of crop production employment. Ridgewater's Ag program is the largest in the MnSCU system with 130 FYE, educating over 22% of MnSCU's two-year agriculture college students. These students are essential to Minnesota's agricultural production and processing infrastructure, which accounts for 17% of the gross state product.
- Projected increase of 20.7% in jobs in the carpenter and construction laborer categories.
- Projected increase of 30.5% in the electrician field. Most Ridgewater graduates obtain positions within a 60-75 mile radius of Willmar.
- Projected increase of 50.0% in the field of veterinary technicians.
- Projected increase of 37.5% in the claims adjuster field.
- Projected increase of 28.6% in the emergency medical technician field.
- Projected increase of 14.6% 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 & 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% 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 to further 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 2 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 4 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 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.
- Locating "smart" classrooms near the Veterinary Technology program leads 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% over current energy usage due to improved controls and re-commissioning activities. New construction areas are intended to use 30% less energy than Code, resulting in an estimated 25% reduction in current energy consumption rates.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 % 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:

Gary Myhre, Director of Finance & Facilities
Ridgewater College
PO Box 1097
Willmar, MN 56201
Phone: (320) 222-5207
Fax: (320) 222-5642
E-Mail: gary.myhre@ridgewater.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn West Comm & Tech College, Worthington - Fieldhouse Renovation & Addition

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 26 of 37

PROJECT LOCATION:

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 & 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 MnWest 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 capital 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 of the 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% of the construction costs. The total square footage of new construction including the completion of the gym performance floor is 10,364 square feet.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:
MnSCU 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 uses the space significantly for its coursework and this program has 30% 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 Y, 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 life 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 the citizen.

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 & 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 over another ten percent of other than Caucasian ethnic and racial backgrounds. 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, has been completed and submitted to MnSCU as of December 2006.

Capacity of Current Utility Infrastructure:
Electric utility is near capacity. City Electric Utility has agreed to upgrade the electric transformer to a size appropriate to meet the future needs. Cost of the upgrade will be shared between the campus and the utility with the campus share offset by a utility rebate. Natural gas utility was upgraded in 2004 as a result of the installation of a new high (97%) 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% 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% efficient.

Debt Service:
Debt service has been evaluated by the College CFO and Administration and determined to be with in the College's ability. The projected debt service for all current dept and this project will total 77% of the college operating budget.

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:

Lori Voss
VP of Administration
1011 1st Street West
Canby, MN 56220
(507)223-7252
(507)223-7104
Lori.voss@mnwest.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

South Central College - Classroom Renovation and Addition Design

2008 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 27 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design funding for demolition of obsolete space, small addition and 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 accommodating new technical programs, as well as the expanded transfer mission of the college. Construction funding of $11,961,000 will be requested in 2010.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE 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 rightsize 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% of all jobs in Minnesota are in manufacturing, healthcare/ social assistance, and retail trade according to Department of Employment and Economic Development (DEED). The manufacturing sector accounts for 13.4% of all jobs and 16.2% 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% of jobs and 10.6% 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% 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 & Regional Collaborations:
The college and campus Master plan was completed in February 2002, prior to the expansion of the mission of the college. 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 learner 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%. During the same time the Liberal Arts and Sciences grew by 74% or by over 60 FYES with the technical programs remaining stable. Faribault's enrollment projections are conservative at only 3% based on the fact that 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% 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 "rightsizing" 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 rightsizing of existing classrooms that have less than a 20% room usage or less than 15% seat usage. Rightsizing 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 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 .32.

This project will remove a backlog of $1.1 million in elevator, HVAC and interior finishes significantly advancing the usefulness of this structure.

Predesign:
Predesign is complete.

Capacity of Current Utility Infrastructure:
Currently there is $600,000 for HVAC upgrades on the 5 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): The overall energy efficiency of remodel areas will be improved by 5-10% over current usage with the replacement of lighting, fans, motors and other energy savings devises. New construction areas are intended to use 30% 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% and Faribault has grown by over 6.7% 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, will be below the 3% operational budget.

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; and more efficient classroom spaces will be created from this project.
- 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%; over 113 FYE. The campus at 87% room occupancy needs ‘rightsizing’ to allow for

appropriate programming and for additional growth and retention of students.

PROJECT CONTACT PERSON:

Karen Snorek
Vice-President of Finance & Operations
1920 Lee Boulevard
North Mankato, MN 56003
Phone: 507-389-7206
Fax: 507-388-9951
karen.snorek@southcentral.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Property Acquisition

2008 STATE APPROPRIATION REQUEST: $13,100,000

AGENCY PROJECT PRIORITY: 28 of 37

PROJECT LOCATION:

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 7 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 adjacent to land-locked campuses and/or to solve other site issues.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

Bemidji State University – Bemidji will 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 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 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 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 acquire the City of Moorhead fire station 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 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 of recreational activities for our present students, and the forested land for enhancing academic learning labs for present programs in natural resources technology.

Minnesota State College Southeast Technical, Red Wing – Southeast Technical will 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 is planning 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.

MnSCU Strategic Plan: "Designing the Future"
The Property Acquisition Initiative meets MnSCU's strategic goals of:
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 & Regional Collaborations:
All of the projects are noted within the individual campus master plans for acquisition.

Enrollment and Space Utilization:

	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 campus affected.

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:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Demolition

2008 STATE APPROPRIATION REQUEST: $2,830,000

AGENCY PROJECT PRIORITY: 29 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Demolish outdated and obsolete structures of academic, support and revenue buildings.
- Systemwide initiative to demolish obsolete space
- Campus-initiated demolition requests
- Demolition of 96,635 GSF of buildings on 3 campuses
- Project will eliminate $2.63 in deferred maintenance backlog

PROJECT DESCRIPTION:

Bemidji State University – Bemidji will use $2,275,000 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 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 Strategic Plan: "Designing the Future"
The Demolition Initiative meets MnSCU's strategic goals of:

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: State benefits from the proper disposal of obsolete space; allow for maintenance and operational dollars to be spent on viable and useable space.

Institution Master Plans & 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 to these unused spaces.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 campus affected. In all three of these campuses the debt service is less than the upkeep and maintenance of these outdated structures.

OTHER CONSIDERATIONS:

Consequences of Delayed Funding:
Alternatives Analysis:
For the state university housing demolition, the revenue funds was thoroughly examined by outside bond consultants, and rejected as a source of funding for this as it will cause room rental rates 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 (successfully used in 2005 and 2006).

PROJECT CONTACT PERSON:

Allan W. Johnson, Associate Vice Chancellor for Facilities
Minnesota State Colleges and Universities
350 Wells Fargo Place; 30 7th Street East
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-0318
E-mail: allan.johnson@so.mnscu.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Owatonna College and University Center - Property Acquisition

2008 STATE APPROPRIATION REQUEST: $3,500,000

AGENCY PROJECT PRIORITY: 30 of 37

PROJECT LOCATION:

AT A GLANCE:

- Acquisition of 25,000 GSF
- Project will provide 13 classrooms, 7 offices and reception area, 2 conference rooms, a gathering area with support space, and 159 parking spaces.

PROJECT DESCRIPTION:
This project is for acquisition of the 25,000 gross square foot Owatonna College and University Center building in Steele County, including 9 acres and an adjacent 18 acres of vacant land.

The 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 2-year and 4-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, and 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.

This project will provide:

- 13 Classrooms
- 7 offices and reception area
- 2 conference rooms
- 1 gathering area with vending
- Copy room and other support areas
- Opportunity for growth
- 159 associated parking spaces

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE 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 variables 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 4 classrooms with 36 seats, 2 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 & 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 – 8 classrooms used 75% of the time with seat usage 52%
Fall 2006 – 9 classrooms used 57% of the time with seat usage 41%

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 $2,700,000 with $800,000 attributable to due diligence, design and reconfiguration required to optimize the space, and contingency.

Owatonna College and University Center - Property Acquisition

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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 5% 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.

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.

PROJECT CONTACT PERSON:

Terrence Leas, President
Riverland Community College
1900 Eighth Avenue N.W.
Austin, MN 55912
Phone: 507-433-0607
FAX: 507-433-0370
Email: tleas@riverland.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Anoka Ramsey Comm College & No Henn Comm College Bioscience /Health

2008 STATE APPROPRIATION REQUEST: $500,000

AGENCY PROJECT PRIORITY: 31 of 37

PROJECT LOCATION:

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.
- Analysis is developed 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 expand collaboratively bioscience and health careers education, including increased access to 4-year university programs.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU Strategic plan: The addition at both campuses will directly support MnSCU's strategic directions as follows:

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.
- 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 (DOE) grant where colleges from around the country design curriculum for the medical device industry. Recently the College 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 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 (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, with negative consequences for the workforce, industry and the state's economy.

Minnesota has a shortage of nurses, particularly nurses with BSN degrees. The Minnesota Department of Employment and Economic Development 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):

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

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, thereby negatively impacting the industry, the economy and students lives.

- 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:

Pat Johns, President
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-433-1386
FAX: 763-433-1461
Patrick.Johns@anokaramsey.edu

Ann Wynia, President
North Hennepin Community College
7411 85th Avenue North
Brooklyn Park, MN 55445-2231
Phone: 763-424-082-
FAX: 763-493-0577
a.wynia@nhcc.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Mn State Univ Moorhead - Livingston Lord Library Renovation Design

2008 STATE APPROPRIATION REQUEST: $700,000

AGENCY PROJECT PRIORITY: 32 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design to renovate over 120,000 GSF
- Renovation will address deferred maintenance issues
- Code compliance issues will be addressed

PROJECT DESCRIPTION:
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, especially 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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:

David Crockett
Vice President for Administrative Affairs
Minnesota State University Moorhead
Administrative Affairs Office, 208 Owens Hall, UPO Box 66
Moorhead, MN 56563
(218) 477-2070
(218) 477-5887 (fax)
Email: crockett@mnstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Southwest Mn State Univ - Science Lab Renovation Design

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 33 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design the renovation of 20,090 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, and 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 (10%) 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 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 Nov 2006. Science Lab remodeling Phase 2 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.

	FY2004	FY2006	FY2007	FY2008
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.

The Predesign for the 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):
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 sf 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.

OTHER CONSIDERATIONS:

Alternatives & Options:
This project is predominantly renovation, demonstrating excellent stewardship of state assets, 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:

Cyndi Holm, Director of Facilities
Southwest Minnesota State University
1501 State Street, Marshall MN 56258
Phone: (507) 537-7854
Fax: (507) 537-6577
E-mail: holmcm@SouthwestMSU.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud State Univ - Integrated Science & Engineering Laboratory Design

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 34 of 37

PROJECT LOCATION:

PROJECT AT A GLANCE:

- Design for construction an integrated science and engineering laboratory
- Request of $25 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 $25 million.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE 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, dove- tails 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	FY 2004	FY 2006	FY 2007	FY 2008
Projected FYE	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 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 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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 GSF 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. 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.

PROJECT CONTACT PERSON:

Steven Ludwig
Vice President of Administrative Affairs
Administrative Services 205
720 4th Avenue South
St. Cloud State University
St. Cloud, MN 56304
Phone: 320-308-2286
FAX: 320-308-4707
SLLudwig@stcloudstate.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Dakota County Tech College - Transportation and Emerging Technologies Lab Design

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 35 of 37

PROJECT LOCATION:

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 intended to reorganize and renovate the College's Transportation and Technical Divisions, representing approximately 20% of the facility's overall square footage. The project seeks to 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 the 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. The sharing of 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 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN: This project fits well within the goals set by the MnSCU Board of Trustees in their 2006-2010 Strategic Plan, Designing the Future:

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% 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 are found 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% 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. 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, the 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
- Catepillar
- 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 $1,000,000.

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 toward 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 leased 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%. 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 project will also correct other related building deficiencies including but not limited to the following: upgrade electrical components within the lab spaces, improve ventilation in the welding area and improve indoor air quality in adjacent spaces, update approximately 98,000 square feet of space that has not been remodeled since its original construction, create cost effective and necessary storage solutions for the automotive labs.

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
- 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.

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. Wold Architects and Engineers were hired 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% in maintenance and repairs.

Building Operations Expenses (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): Approximately 12.5% 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% 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% per year.

Deferred Maintenance: 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% 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.

PROJECT CONTACT PERSON:

Dr. Ronald Thomas, President
Dakota County Technical College
1300 145th Street E
Rosemount MN 55068-2999
Phone: 651-423-8200
Fax: 651-423-8032
Email: ron.thomas@dctc.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud Tech College - Allied Health Building Renovation Design

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 36 of 37

PROJECT LOCATION:

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 $400,000 to renovate the recently purchased 53,000 GSF Allied Health Center. The project purpose is to create a state of the art medical training facility which will accommodate the growing regional demand for skilled allied health care professionals. The 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.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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% 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%. 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 a quote from Terry Pladson, M.D., President, CentraCare Health System, which states,

"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%. The college has experienced rapid growth exceeding 43% 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	2738	2666	2778	2834

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 acquisition of a medical office complex 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. Renovation 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc):

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% on the college's operating budget which is well within the 3% 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:
St. Cloud Technical College secured funding to purchase the Allied Health Center through the 2006 Capital Bonding session. The building was purchased by the college in December, 2006.

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:

Lori Kloos, Senior Vice-President Administration
St. Cloud Technical College
1540 Northway Drive
St. Cloud, MN 56303
Ph320-308-5026
Fax: 320-308-5027

Governor's Recommendations (To be completed by the Department of Finance at a later date)

St. Cloud Tech College - Allied Health Building Renovation Design

Rochester Comm & Tech College - Workforce Center Co-location & Secondary Tech

2008 STATE APPROPRIATION REQUEST: $300,000

AGENCY PROJECT PRIORITY: 37 of 37

PROJECT LOCATION:

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 $8 million is anticipated in 2010 for construction
- Project will eliminate $1.6 million in deferred maintenance backlog

PROJECT DESCRIPTION: Addition to Heintz Center building at Rochester Community & Technical College (RCTC) on the University Center Rochester 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 contain 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 includes upgrades to the HVAC system for the entire Heintz center building to allow use of steam generated by the Olmsted County waste to energy plant a renewable energy source.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG RANGE STRATEGIC PLAN:

MnSCU 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 the College 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: A Facilities Master Site Plan was submitted to the Chancellor's office in November 2004. The UCR Master Facilities Plan Steering Task Force was made up of all three partner institutions, UCR's local advocacy group 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
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:

Leadership Priority:
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 (DEED) 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 Olmsted County Waste to Energy a renewable energy resource. The permitting process is underway to expand to a third burner at the plant and this would meet the needs of the 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 (Heating, Cooling, Electrical, Refuse, 1% Renewal account, etc): 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 the design and construction process.

Debt Service: The debt proportional to the WorkForce Center Inc and to the school district square footage of the full one third debt requirement will be covered by the lease revenue.

Deferred Maintenance: This project will address approximately $1,600,000 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 .13 and will grow to .17 in 5 years. This project will lower the campus 5 year FCI to .16. The Heintz center building itself has an FCI of .42 currently which will grow to .48 in 5 years. This project will lower the current FCI to .34 and the 5 year FCI to .40.

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:

Marilyn Hansmann, Vice President Finance and Facilities
Rochester Community & Technical College
851 30th Ave SE
Rochester, MN 55904
Telephone: 507-285-7214
FAX: 507-285-7241
E-mail: marilyn.hansmann@roch.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Natural Resources, 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
Flood Hazard Mitigation Grants	1	$15,000	$20,000	$20,000	$55,000			
Dam Repair / Reconstruction / Removal	1	3,000	3,000	3,000	9,000			
Groundwater Monitoring, Observation Wells	1	1,000	1,000	1,000	3,000			
Forest Land Conservation Easements	2	20,000	20,000	20,000	60,000			
Wildlife Area Acquisition and Improvement	2	20,000	20,000	20,000	60,000			
State Park Recreational Facility Improvements	2	12,000	20,000	20,000	52,000			
Shoreline & Aquatic Habitat Acquisition (AMA)	2	10,000	10,000	10,000	30,000			
State Forest Land Reforestation	2	6,000	6,000	6,000	18,000			
Native Prairie Conservation and Protection	2	5,000	5,000	5,000	15,000			
RIM Critical Habitat Match	2	5,000	2,000	2,000	9,000			
State Forest Land Acquisition	2	2,000	7,000	7,000	16,000			
SNA Acquisition and Development	2	2,000	7,000	7,000	16,000			
Stream Protection and Restoration	2	2,000	3,000	4,000	9,000			
Fish Hatchery Improvements	2	2,000	2,500	2,500	7,000			
Community Conservation Assistance	2	1,000	1,000	1,000	3,000			
Water Control Structures	2	1,000	1,000	1,000	3,000			
State Trail Acquisition, Rehabilitation and Repair	3	15,000	26,000	32,000	73,000			
Water Acess Acquisition, Dev and Fishing Piers	3	10,000	10,000	15,000	35,000			
State Park Development on North Shore	3	8,000	5,000	5,000	18,000			
State Park and Rec Area Acquisition	3	3,000	6,000	6,000	15,000			
Iron Range OHV Recreation Area	3	2,000	0	0	2,000			
Cuyuna County SRA Enhancements	3	2,000	0	0	2,000			
Off-Highway Vehicle Rec Area (Rev Bond)	3	2,000	0	0	2,000			
Renewable Energy Technologies	4	10,000	10,000	10,000	30,000			
Field Office Consolidation and Renovation	4	5,000	10,000	10,000	25,000			
Bell Museum of Natural History	4	4,000	0	0	4,000			
Statewide Asset Preservation	4	2,000	4,000	4,000	10,000			
Forest Roads and Bridges	4	2,000	4,000	4,000	10,000			
Total Project Requests		$172,000	$203,500	$215,500	$591,000			

Natural Resources, Department of | Project Narrative

Flood Hazard Mitigation Grants

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 1 of 28

PROJECT LOCATION:

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% 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 and Minnesota Rivers 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, repairing and rehabilitating homes, business 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% federal and 35% non-federal sources. Non-federal costs are split 50:50 between the state and the local project sponsor. Appropriation language in the 1999 and subsequent legislative sessions provided additional state funding when the local share of projects exceeded 2% 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
L 2005, 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.

Project Contact Person

Kent Lokkesmoe, Director
Department of Natural Resources, Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5701
Fax: (651) 296-0445
E-mail: kent.lokkesmoe@dnr.state.mn.us

Ed Fick, FDR Hydrologist
Department of Natural Resources, Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5669
Fax: (651) 296-0445
E-mail: ed.fick@dnr.state.mn.us

Governor's Recommendations

Dam Repair / Reconstruction / Removal

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 1 of 28

PROJECT LOCATION:

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 is for $3 million 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 pursuant to 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 June 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.

Cost 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 control	$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 lake 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 R.	County /Stearns	Repair	safety	$150

Impact on Agency Operating Budgets (Facilities Notes)

None.

Previous Appropriations for this Project

L2006, Ch. 258	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 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 Department of Natural Resources (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

Kent Lokkesmoe, Director
DNR Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5701
Fax: (651) 296-0445
E-mail: kent.lokkesmoe@dnr.state.mn.us

Mel Sinn, Administrative Hydrologist
DNR Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5709
Fax: (651) 296-0445
E-mail: mel.sinn@dnr.state.mn.us

Governor's Recommendations

Groundwater Monitoring, Observation Wells

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 1 of 28

PROJECT LOCATION:

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 is for $1 million 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 1 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, and the Departments of Health, PCA, and Agriculture, 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. An estimated 10 to 15 deep wells (Mt. Simon aquifer) could be added to the network in the metro and adjoining areas with this funding. Another estimated 5 to 10 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.

Previous Appropriations for this Project

None

Other Considerations

The data gathered through ground water level monitoring is critical in determining trends for aquifer sustainability.

Project Contact Person

Kent Lokkesmoe, Director
DNR Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 296-4810
Fax: (651) 296-0445
E-mail: kent.lokkesmoe@dnr.state.mn.us

Governor's Recommendations

Forest Land Conservation Easements

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Provide state funding to acquire large-scale conservation easements on 76,000 acres of private forestlands, primarily in northern Minnesota.
- State funding may leverage federal funding through the Forest Legacy Program, which may provide up to 75% of the cost of qualifying conservation easements. Federal match ranges between $500,000-$2,000,000 per project

Project Description

This proposal is for $20 million 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, 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 1 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% 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% 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% 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)

DNR and its partners will need to provide professional services, such as appraisal, survey and title work, to support these easements. In addition, 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	Env. Trust	$2,000,000
L2007	Federal	750,000
L2006, Ch.243	Env. Trust	500,000
L2006, Ch. 258	Bond	7,000,000
2006	Federal	780,000
L2005, 1SS, Ch. 1	Env. Trust	580,000
L2005, Ch. 20	Bond	750,000
2005	Federal	2,000,000
2004	Federal	500,000
L2003, Ch. 128	Env. Trust	145,000
2003	Federal	407,000
2002	Federal	1,000,000
L2001,1SS, Ch. 2	Env. 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

Richard Peterson, Forest Legacy Program Coordinator
Department of Natural Resources
1810-30th St. NW
Faribault, Minnesota 55021
Phone: (507)333-2012
Fax: (507)333-2008
E-mail: richard.peterson@dnr.state.mn.us

Governor's Recommendations

Wildlife Area Acquisition and Improvement

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Accelerate strategic acquisition and improvement of Wildlife Management Area (WMA) lands

Project Description

This request is for $20 million 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 also are 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, preferably ones that already have some protection through existing state or federal ownership, conservation easements, or farm programs such as 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 Board of Water and Soil Resources, and Minnesota 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 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.
- 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 10 years, 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 10% 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. Fifteen percent of Minnesotans hunt and fifty-two 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

Kim Hennings
Wildlife Land Acquisition Coordinator
DNR Division of Fish and Wildlife
500 Lafayette Road
St. Paul, Minnesota 55155-4007
Phone: (651) 259-5210
Kim.Hennings@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

State Park Recreational Facility Improvements

2008 STATE APPROPRIATION REQUEST: $12,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 is for $12 million to fund improvements to recreational facilities at selected state parks. These parks are among the most popular in the state park system, and 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:

1) 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.
2) 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.
3) Interstate – projects will include rehabilitation of the pothole area parking lot, and rehabilitation of the pothole area buildings and interpretive facilities.
4) 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.
5) Whitewater – projects will include major road rehabilitation, extensive water system replacement, restoration of a historic stone house for possible rental, and contact station improvements.
6) Maplewood – projects will include road rehabilitation, and substantial campground renovation, including additional electric hookups.
7) 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, and represent the most urgent needs of the state park system.

Project Contact Person

Larry Peterson, State Park Development and Real Estate Manager
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

Shoreline & Aquatic Habitat Acquisition (AMA)

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 is for $10 million 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 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 shoreline miles protected in 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 partners in donations of land or cash.

Project Contact Person

Linda Erickson-Eastwood, Fisheries Program Manager
DNR, Division of Fish and Wildlife
500 Lafayette Road
St. Paul, Minnesota 55155-4012
Phone: (651) 259-5206
Linda.Erickson-Eastwood@dnr.state.mn.us

Governor's Recommendations

State Forest Land Reforestation

2008 STATE APPROPRIATION REQUEST: $6,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 $6 million for site preparation and tree planting/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.

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 Minn.); and
- Addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense.
- 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 5 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:

1. Site preparation
2. Planting or seeding
3. Protection
4. 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

Alan Jones, Supervisor
Silviculture & Roads
Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 296-4482
Fax: (651) 296-59
Email: alan.jones@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

Native Prairie Conservation and Protection

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 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 is for $5 million to 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 1% 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 us 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 $7M 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, 140 SNAs statewide protect about 180,800 acres, including about 12,700 acres of native prairie in 58 designated SNA's. Twelve high priority prairie sites comprising about 1640 acres in western Minnesota and the Metro area valued at over $6 million have 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 & 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 Department of Natural Resources (DNR) *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	Env. Trust	191,600
(Phase 2 – Habitat Corridor Partnership)		
L2003, Ch. 128	Bond	1,000,000
L2001, 1SS, Ch. 2	Env. Trust	300,000
(Phase 1 - Habitat Corridor Partnership)		
L2000, Ch. 492	Bond	1,000,000
L1998, Ch. 492	General	400,000

*** Plus approximately $4.0M for SNA acquisition & development statewide.

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

Margaret Booth
500 Lafayette Road, Box 25
St. Paul, Minnesota 55155-4025
Phone: (651) 259-5088
Fax: (651) 296-1811
E-mail: peggy.booth@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

RIM Critical Habitat Match

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Matches $5 million in private donations
- Acquire 4,000 acres of critical fish, wildlife, and native plant habitat

Project Description

This request is for $5 million 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 one half million to four 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 the Critical Habitat License Plate sales. Additional CHM funds would also 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	Env 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

Kim Hennings
Wildlife Acquisition Consultant
Box 7, DNR Building
500 Lafayette Road
St. Paul, Minnesota 55155-4007
Phone: (651) 259-5210
E-mail: Kim.Hennings@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

State Forest Land Acquisition

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 is for $2 million in state funds 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 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% 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.

Impact on Agency Operating Budgets (Facilities Notes)

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

Dave Schuller, Lands Program Coordinator
Division of Forestry
Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 259-5255
Fax: (651) 296-5954
E-mail: dave.schuller@dnr.state.mn.us

Governor's Recommendations

SNA Acquisition and Development

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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: $1,800,000

At present, 140 SNAs protect about 180,800 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	$200,000
L2005, 1SS, Ch. 1	Trust Fund	89	45,000
L2005, Ch. 20	Bond	150	150,000
L2003, Ch. 128	Trust Fund	664	80,000
L2003, Ch. 20	Bond	1,800	200,000
L2001, ISS, Ch. 2	Trust Fund	455	0
L2000, Ch. 492	Bond	150	350,000

*Trust Fund includes restoration $s that are not all bondable

Other Considerations

Funds historically have 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

Margaret Booth, Supervisor
Scientific and Natural Areas Program
500 Lafayette Road, Box 25
St. Paul, Minnesota 55155-4025
Phone: (651) 259-5088
Fax: (651) 296-1811
E-mail: peggy.booth@dnr.state.mn.us

Governor's Recommendations

Stream Protection and Restoration

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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.

Impact on Agency Operating Budgets (Facilities Notes)

None.

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

Ian Chisholm, Program Supervisor
Ecological Services Division
Minnesota DNR
500 South Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 296-0781
E-mail: ian.chisholm@dnr.state.mn.us

Governor's Recommendations

Fish Hatchery Improvements

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Various capital improvements to fish culture facilities
- Feasibility studies for alternate fish hatchery facilities

Project Description

This request is for $2 million 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
- Feasibility studies, where feasible, on design, construction or acquisition of drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

The 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% 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, muskellunge, trout and salmon, 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

Linda Erickson-Eastwood, Fisheries Program Manager
DNR, Fisheries
500 Lafayette Road
St Paul, Minnesota 55155-4012

Phone: (651) 259-5206
Linda.Erickson-Eastwood@dnr.state.mn.us

Governor's Recommendations

Community Conservation Assistance

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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% 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: 1) 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 2) 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.

Other Considerations

Project Contact Person

Sharon Pfeifer, Community Assistance Manager
Department of Natural Resources, Central Region
1200 Warner Road
St. Paul, Minnesota 55106
Phone: (651) 772-7982
Fax: (651) 772-7977
E-mail: Sharon.pfeifer@dnr.state.mn.us

Governor's Recommendations

Water Control Structures

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 lands. The Department of Natural Resources (DNR) Fish and Wildlife Division manages over 325 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 large 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

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 impacts 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 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 the capital 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

Dennis Simon, Wildlife Management Section Chief
DNR, Division of Fish and Wildlife
500 Lafayette Road
St Paul, Minnesota 55155-4012
Phone: (651) 259-5237
Dennis.Simon@dnr.state.mn.us.

Governor's Recommendations

State Trail Acquisition, Rehabilitation and Repair

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- Acquire or develop segments of five state trails
- Rehabilitate portions of four state trails
- Implement projects including: erosion control, culvert replacement, grade stabilization, bituminous replacement, and bridge rehabilitation

Project Description

This request is for $15 million 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 at $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) Resurface 13 miles of trail $200,000

The limestone surface on this segment of trail was last renovated 22 years ago and is in need of being resurfaced. Normal life of a limestone surface is ten years.

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 one 55-foot, and one 80-foot bridge, 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 $150,000; 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 $200,000.

Pengilly/Alborn Trail Railroad Bridge Repair. 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 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 (10 miles) $1,500,000
This project is to develop 10 miles of abandon grade that is already in public ownership and the bridges have already been built. Trail just needs to be developed along with the planned access sites.

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 $1,275,000 has been secured for this project.

Root River – Forestville (5 miles) $2,700,000
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 5 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 to the east seven miles 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)

It is anticipated that the completion of these 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.

Previous Appropriations for this Project

L2006, Ch. 258	Bond	$2,000,000
L2005, 1SS, Ch. 1	Env Trust	2,000,000
L2005, Ch. 20	Bond	7,910,000
L2003, Ch. 128	Env Trust	1,300,000
L2003, 1SS, Ch. 20	Bond	475,000
L2002, Ch. 33	Bond	900,000
L2001, 1SS, Ch. 2	Env 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.

Project Contact Person

Ron Potter
Program & Policy Manager
DNR Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5632
Fax: (651) 297-5475
E-mail: ron.potter@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

Water Acess Acquisition, Dev and Fishing Piers

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

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 shorefishing sites

Project Description

This request is for $10 million in state funds 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 1,580 boat access sites and over 275 fishing piers and shorefishing 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 835,000 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% 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% 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 also are 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 10% 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	Env Trust	1,150,000
L2001, 1 SS Ch. 2	Env Trust	1,760,000
L2001, 1 SS Ch. 2	Future Resources	2,000,000
L2000, Ch. 492	Bond	4,000,000

Other Considerations

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% of its federal apportionment on boat access. These funds are earned in part using state capital funds and are reimbursed at 75%. 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, 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

Forrest Boe, Director
DNR Trails and Waterways
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5615
Fax: (651) 297-5475
E-mail: Forrest.boe@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

State Park Development on North Shore

2008 STATE APPROPRIATION REQUEST: $8,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- This project is linked to Minnesota Department of Transportation (MN/DOT) 2010 highway upgrade on T.H. 61 near Split Rock Lighthouse State Park, and leverages highway funding to accomplish important recreational facility goals at Split Rock Lighthouse and Tettegouche State Parks.
- A new inland full-service campground is proposed at Split Rock Lighthouse, and is made possible by a new crossing under T.H. 61 being constructed by MN/DOT.
- A major rehabilitation of the visitor service area / highway rest area complex at Tettegouche State Park is proposed by the Department of Natural Resources (DNR) and MN/DOT, to be funded jointly through bonding funds and highway funds.
- A new trail center is proposed at Tettegouche State Park, serving the Superior Hiking Trail and ultimately the Gitchi Gami State Trail (when constructed).
- Additional recreational facility enhancements in high-use North Shore Parks.

Project Description

This request is for $8 million to provide major upgrades to Split Rock Lighthouse and Tettegouche state parks as part of the T.H. 61 highway project scheduled for 2010. The MnDOT 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, MnDOT rest area funding and 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

Larry Peterson, State Park Development and Real Estate Manager
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

State Park and Rec Area Acquisition

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- $25 million to acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries.
- $500,00 to restore land within state parks to pre-settlement conditions through prairie restoration, wetland restoration, deciduous forest restoration, and pine forest restoration.

Project Description

This request is for $3 million to acquire private lands from willing sellers within legislatively established state park and recreation area boundaries ($2.5 million), and to implement natural resource restoration projects on those lands ($500,000).

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. A list of potential acquisitions is available, as is a list of proposed natural resource restoration projects.

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% of the state park system's 267,000 acres is privately owned. Total cost to acquire all of these private in-holdings (if they were for sale) could approach $100 million.

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. Restoration of natural areas will require operating budget support, but transforming land to pre-settlement conditions should mean that operating funds are used more effectively to maintain healthy plant communities, which are more resistant to invasive exotic 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

Larry Peterson, State Park Development and Real Estate Manager
Department of Natural Resources
Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

Iron Range OHV Recreation Area

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- $750,0000 for Highway underpass between two sites.
- $250,000 to construct maintenance building.
- $1,000,000 develop access trail between the two sites, perimeter fencing and new trails.

Project Description

This request is for $2 million 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.

Bonding 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.

Bonding would also 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 2500 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 $1,000,000.

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 the 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 and a one-time appropriation from the IRRB 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

Ron Potter
Program & Policy Manager
Department of Natural Resources
Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5632
Fax: (651) 297-5475
E-mail: ron.potter@dnr.state.mn.us

Governor's Recommendations

Cuyuna County SRA Enhancements

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

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 County State Recreation Area near Crosby, Minnesota
- $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 is for $2 million for the development of the Cuyuna County State Recreation Area (SRA) near Crosby. 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 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 County SRA operating budget. New sales of park permits and camping fees will partially offset the increase in operating costs.

Previous Appropriations for this Project

None

Other Considerations

Cuyuna County 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

Larry Peterson, State Park Development and Real Estate Manager
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

Off-Highway Vehicle Rec Area (Rev Bond)

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- $2 million for acquisition of site(s) for Off-Highway Vehicles (OHV) use.
- Project site(s) in southern Minnesota where majority of lands are privately owned.

Project Description

This request is for $2 million to acquire a public OHV recreation area in southern Minnesota. This proposal is for user financing from the OHV Accounts; user fees will pay debt service.

Although a number of sites have been identified by OHV enthusiasts and their supporters, 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 (DNR) *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.

Project Contact Person

Ron Potter
Program & Policy Manager
Department of Natural Resources

Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5632
Fax: (651) 297-5475
E-mail: ron.potter@dnr.state.mn.us

Governor's Recommendations

Renewable Energy Technologies

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

Project At A Glance

- Reduce energy consumption and CO2 emissions at Department of Natural Resources (DNR) facilities
- Install energy saving retrofits on DNR facilities
- Increase the DNR's use of renewable energy
- Demonstrate integrated use of energy saving and renewable energy technologies at three pilot sites
- Sequester Carbon on DNR administrative sites

Project Description

This request is for $10 million to retrofit selected facilities using a range of energy efficiency and renewable energy technologies. Three pilot sites will be selected, which will demonstrate integrated energy and environmental performance solutions.

Energy-saving retrofits along with complementary investments in renewable and clean energy production capacity will be selected and installed at these sites. Funding would be used to improve building envelopes, mechanical systems, and lighting to reduce energy demand, and then seek to use the most site appropriate clean energy technologies including solar electric, solar hot water, geothermal heating and cooling, biomass, on-site combined heat and power potentially using hydrogen fuel cells or micro turbines. In addition, additional reduction in carbon dioxide emissions will be achieved through use of trees and deep rooted plants to increase the capture and storage of carbon dioxide on site.

Energy Saving Retrofits: DNR has participated in the State's Energy Benchmarking process, and recognizes the need for further selective metering and energy improvements. Funds from this request will be invested in building improvements across DNR facilities that will secure the greatest return through reduced energy consumption and expenditures.

Pilot Sites: DNR will identify and select at least three sites to make significant investments to achieve major energy and environmental performance improvements. These pilot projects will provide 1) meaningful reduction in DNR energy consumption, 2) demonstrate opportunities and technologies in high visibility facilities, and 3) help drive market transformation by investing in emerging as well as demonstrated technologies. Criteria for selection as a demonstration site include feasibility for emerging technology, representation of the three largest ecological provinces, renewable energy opportunities, priority in the Facility Master Plan, cost effectiveness, partnership opportunities, staff commitment to the project, high public visibility, and the ability to track measurable outcomes.

Specific projects are not yet identified; the DNR has conducted several energy focus groups, and is in the process of seeking applications based on the selection criteria

Carbon Sequestration: As noted by the US Department of Energy, "Microbes and plants play substantial roles in the global cycling of carbon through the environment" DNR sites with significant areas of grass require mowing and contribute minimally to carbon sequestration. Replacing much of the grass with sustainable native landscape and trees will have a positive impact on reduction of global warming through carbon sequestration, as well as reduce the amount of mower emissions, water, and maintenance. Improved facility landscaping will also reduce water use, storm water runoff, as well as building heating and cooling.

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 renewable energy strategies a basic component of everyday life;
- Demonstrate in a highly public manner a variety of ways to use renewable energy sources;
- Highlight simple ways of saving energy that have direct application for private citizens; and
- Showcase both relatively inexpensive and straightforward strategies and those that are more complex.

Project Contact Person

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

Field Office Consolidation and Renovation

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

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 is for $5 million to replace an inadequate facility at Glenwood, construct an additional drill core library for Lands and Minerals in Hibbing, and provide pre-design 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 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 stair. 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.

Bemidji: This request will fund a pre-design 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.

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.

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

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Bell Museum of Natural History

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

Project At A Glance

- Design and construction of 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 is for $4 million for landscaping and interpretation of both the 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 FY2008 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 floral 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

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Natural Resources, Department of | Project Narrative

Statewide Asset Preservation

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

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 is for $2 million 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 assests are valued at $390 million;
- The average age of DNR buildings over 120 sq. ft., and their infrastructure, is 45 years old;
- 8 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

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Forest Roads and Bridges

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

Project At A Glance

- Replace and upgrade 5 bridges
  - 2 bridges in the George Washington State Forest
  - 1 bridge in the Beltrami Island State Forest
  - 1 bridge in the Pine Island State Forest
  - 1 bridge in the Kabetogama State Forest
- Replace 1 tank car culvert in the Pine Island State Forest

Project Description

This request is for $2 million to replace six aging and unsafe water crossing structures. Engineering studies recommend replacing or upgrading these structures. Proposed increasing road weight limits make it critical to replace these structures immediately. The bridges and tank car culvert 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 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 funding in this request will help address the backlog of identified road and water crossing needs required to maintain the state forest road system to a standard appropriate for current use.

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 our 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.

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. Capital funding supplements dedicated gas tax dollars and other annual appropriations for critical rehabilitation of portions of the state forest road system. The repair and replacement of out-of-date water crossing structures bring facilities up to required use and safety standards.

Impact on Agency Operating Budgets (Facilities Notes)

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.

Project Contact Person

Alan Jones, Supervisor
Silviculture & Roads
500 Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 296-4482
Fax: (651) 296-5954
E-mail: alan.jones@dnr.state.mn.us

Governor's Recommendations

Natural Resources, 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
Flood Hazard Mitigation Grants	1	$15,000	$20,000	$20,000	$55,000			
Dam Repair / Reconstruction / Removal	1	3,000	3,000	3,000	9,000			
Groundwater Monitoring, Observation Wells	1	1,000	1,000	1,000	3,000			
Forest Land Conservation Easements	2	20,000	20,000	20,000	60,000			
Wildlife Area Acquisition and Improvement	2	20,000	20,000	20,000	60,000			
State Park Recreational Facility Improvements	2	12,000	20,000	20,000	52,000			
Shoreline & Aquatic Habitat Acquisition (AMA)	2	10,000	10,000	10,000	30,000			
State Forest Land Reforestation	2	6,000	6,000	6,000	18,000			
Native Prairie Conservation and Protection	2	5,000	5,000	5,000	15,000			
RIM Critical Habitat Match	2	5,000	2,000	2,000	9,000			
State Forest Land Acquisition	2	2,000	7,000	7,000	16,000			
SNA Acquisition and Development	2	2,000	7,000	7,000	16,000			
Stream Protection and Restoration	2	2,000	3,000	4,000	9,000			
Fish Hatchery Improvements	2	2,000	2,500	2,500	7,000			
Community Conservation Assistance	2	1,000	1,000	1,000	3,000			
Water Control Structures	2	1,000	1,000	1,000	3,000			
State Trail Acquisition, Rehabilitation and Repair	3	15,000	26,000	32,000	73,000			
Water Acess Acquisition, Dev and Fishing Piers	3	10,000	10,000	15,000	35,000			
State Park Development on North Shore	3	8,000	5,000	5,000	18,000			
State Park and Rec Area Acquisition	3	3,000	6,000	6,000	15,000			
Iron Range OHV Recreation Area	3	2,000	0	0	2,000			
Cuyuna County SRA Enhancements	3	2,000	0	0	2,000			
Off-Highway Vehicle Rec Area (Rev Bond)	3	2,000	0	0	2,000			
Renewable Energy Technologies	4	10,000	10,000	10,000	30,000			
Field Office Consolidation and Renovation	4	5,000	10,000	10,000	25,000			
Bell Museum of Natural History	4	4,000	0	0	4,000			
Statewide Asset Preservation	4	2,000	4,000	4,000	10,000			
Forest Roads and Bridges	4	2,000	4,000	4,000	10,000			
Total Project Requests		$172,000	$203,500	$215,500	$591,000			

Flood Hazard Mitigation Grants

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 1 of 28

PROJECT LOCATION:

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% 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 and Minnesota Rivers 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, repairing and rehabilitating homes, business 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% federal and 35% non-federal sources. Non-federal costs are split 50:50 between the state and the local project sponsor. Appropriation language in the 1999 and subsequent legislative sessions provided additional state funding when the local share of projects exceeded 2% 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
L 2005, 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.

Project Contact Person

Kent Lokkesmoe, Director
Department of Natural Resources, Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5701
Fax: (651) 296-0445
E-mail: kent.lokkesmoe@dnr.state.mn.us

Ed Fick, FDR Hydrologist
Department of Natural Resources, Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5669
Fax: (651) 296-0445
E-mail: ed.fick@dnr.state.mn.us

Governor's Recommendations

Dam Repair / Reconstruction / Removal

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 1 of 28

PROJECT LOCATION:

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 is for $3 million 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 pursuant to 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 June 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.

Cost 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 control	$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 lake 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 R.	County /Stearns	Repair	safety	$150

Impact on Agency Operating Budgets (Facilities Notes)

None.

Previous Appropriations for this Project

L2006, Ch. 258	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 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 Department of Natural Resources (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

Kent Lokkesmoe, Director
DNR Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5701
Fax: (651) 296-0445
E-mail: kent.lokkesmoe@dnr.state.mn.us

Mel Sinn, Administrative Hydrologist
DNR Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 259-5709
Fax: (651) 296-0445
E-mail: mel.sinn@dnr.state.mn.us

Governor's Recommendations

Groundwater Monitoring, Observation Wells

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 1 of 28

PROJECT LOCATION:

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 is for $1 million 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 1 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, and the Departments of Health, PCA, and Agriculture, 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. An estimated 10 to 15 deep wells (Mt. Simon aquifer) could be added to the network in the metro and adjoining areas with this funding. Another estimated 5 to 10 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.

Previous Appropriations for this Project

None

Other Considerations

The data gathered through ground water level monitoring is critical in determining trends for aquifer sustainability.

Project Contact Person

Kent Lokkesmoe, Director
DNR Waters
500 Lafayette Road, Box 32
St. Paul, Minnesota 55155-4032
Phone: (651) 296-4810
Fax: (651) 296-0445
E-mail: kent.lokkesmoe@dnr.state.mn.us

Governor's Recommendations

Forest Land Conservation Easements

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Provide state funding to acquire large-scale conservation easements on 76,000 acres of private forestlands, primarily in northern Minnesota.
- State funding may leverage federal funding through the Forest Legacy Program, which may provide up to 75% of the cost of qualifying conservation easements. Federal match ranges between $500,000-$2,000,000 per project

Project Description

This proposal is for $20 million 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, 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 1 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% 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% 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% 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)

DNR and its partners will need to provide professional services, such as appraisal, survey and title work, to support these easements. In addition, 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	Env. Trust	$2,000,000
L2007	Federal	750,000
L2006, Ch.243	Env. Trust	500,000
L2006, Ch. 258	Bond	7,000,000
2006	Federal	780,000
L2005, 1SS, Ch. 1	Env. Trust	580,000
L2005, Ch. 20	Bond	750,000
2005	Federal	2,000,000
2004	Federal	500,000
L2003, Ch. 128	Env. Trust	145,000
2003	Federal	407,000
2002	Federal	1,000,000
L2001,1SS, Ch. 2	Env. 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

Richard Peterson, Forest Legacy Program Coordinator
Department of Natural Resources
1810-30th St. NW
Faribault, Minnesota 55021
Phone: (507)333-2012
Fax: (507)333-2008
E-mail: richard.peterson@dnr.state.mn.us

Governor's Recommendations

Wildlife Area Acquisition and Improvement

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Accelerate strategic acquisition and improvement of Wildlife Management Area (WMA) lands

Project Description

This request is for $20 million 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 also are 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, preferably ones that already have some protection through existing state or federal ownership, conservation easements, or farm programs such as 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 Board of Water and Soil Resources, and Minnesota 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 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.
- 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 10 years, 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 10% 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. Fifteen percent of Minnesotans hunt and fifty-two 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

Kim Hennings
Wildlife Land Acquisition Coordinator
DNR Division of Fish and Wildlife
500 Lafayette Road
St. Paul, Minnesota 55155-4007
Phone: (651) 259-5210
Kim.Hennings@dnr.state.mn.us

Governor's Recommendations

State Park Recreational Facility Improvements

2008 STATE APPROPRIATION REQUEST: $12,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 is for $12 million to fund improvements to recreational facilities at selected state parks. These parks are among the most popular in the state park system, and 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:

1) 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.
2) 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.
3) Interstate – projects will include rehabilitation of the pothole area parking lot, and rehabilitation of the pothole area buildings and interpretive facilities.
4) 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.
5) Whitewater – projects will include major road rehabilitation, extensive water system replacement, restoration of a historic stone house for possible rental, and contact station improvements.
6) Maplewood – projects will include road rehabilitation, and substantial campground renovation, including additional electric hookups.
7) 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, and represent the most urgent needs of the state park system.

Project Contact Person

Larry Peterson, State Park Development and Real Estate Manager
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

Shoreline & Aquatic Habitat Acquisition (AMA)

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 is for $10 million 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 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 shoreline miles protected in 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 partners in donations of land or cash.

Project Contact Person

Linda Erickson-Eastwood, Fisheries Program Manager
DNR, Division of Fish and Wildlife
500 Lafayette Road
St. Paul, Minnesota 55155-4012
Phone: (651) 259-5206
Linda.Erickson-Eastwood@dnr.state.mn.us

Governor's Recommendations

State Forest Land Reforestation

2008 STATE APPROPRIATION REQUEST: $6,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 $6 million for site preparation and tree planting/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.

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 Minn.); and
- Addresses the long-term sustainability of Minnesota's forests, which should be considered a capital investment rather than a yearly operating expense.
- 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 5 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:

1. Site preparation
2. Planting or seeding
3. Protection
4. 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

Alan Jones, Supervisor
Silviculture & Roads
Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 296-4482
Fax: (651) 296-59
Email: alan.jones@dnr.state.mn.us

Governor's Recommendations

Native Prairie Conservation and Protection

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 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 is for $5 million to 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 1% 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 us 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 $7M 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, 140 SNAs statewide protect about 180,800 acres, including about 12,700 acres of native prairie in 58 designated SNA's. Twelve high priority prairie sites comprising about 1640 acres in western Minnesota and the Metro area valued at over $6 million have 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 & 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 Department of Natural Resources (DNR) *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	Env. Trust	191,600
(Phase 2 – Habitat Corridor Partnership)		
L2003, Ch. 128	Bond	1,000,000
L2001, 1SS, Ch. 2	Env. Trust	300,000
(Phase 1 - Habitat Corridor Partnership)		
L2000, Ch. 492	Bond	1,000,000
L1998, Ch. 492	General	400,000

*** Plus approximately $4.0M for SNA acquisition & development statewide.

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

Margaret Booth
500 Lafayette Road, Box 25
St. Paul, Minnesota 55155-4025
Phone: (651) 259-5088
Fax: (651) 296-1811
E-mail: peggy.booth@dnr.state.mn.us

Governor's Recommendations

RIM Critical Habitat Match

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Matches $5 million in private donations
- Acquire 4,000 acres of critical fish, wildlife, and native plant habitat

Project Description

This request is for $5 million 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 one half million to four 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 the Critical Habitat License Plate sales. Additional CHM funds would also 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	Env 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

Kim Hennings
Wildlife Acquisition Consultant
Box 7, DNR Building
500 Lafayette Road
St. Paul, Minnesota 55155-4007
Phone: (651) 259-5210
E-mail: Kim.Hennings@dnr.state.mn.us

Governor's Recommendations

State Forest Land Acquisition

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 is for $2 million in state funds 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 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% 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.

Impact on Agency Operating Budgets (Facilities Notes)

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

Dave Schuller, Lands Program Coordinator
Division of Forestry
Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 259-5255
Fax: (651) 296-5954
E-mail: dave.schuller@dnr.state.mn.us

Governor's Recommendations

SNA Acquisition and Development

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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: $1,800,000

At present, 140 SNAs protect about 180,800 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	$200,000
L2005, 1SS, Ch. 1	Trust Fund	89	45,000
L2005, Ch. 20	Bond	150	150,000
L2003, Ch. 128	Trust Fund	664	80,000
L2003, Ch. 20	Bond	1,800	200,000
L2001, ISS, Ch. 2	Trust Fund	455	0
L2000, Ch. 492	Bond	150	350,000

*Trust Fund includes restoration $s that are not all bondable

Other Considerations

Funds historically have 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

Margaret Booth, Supervisor
Scientific and Natural Areas Program
500 Lafayette Road, Box 25
St. Paul, Minnesota 55155-4025
Phone: (651) 259-5088
Fax: (651) 296-1811
E-mail: peggy.booth@dnr.state.mn.us

Governor's Recommendations

Stream Protection and Restoration

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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.

Impact on Agency Operating Budgets (Facilities Notes)

None.

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

Ian Chisholm, Program Supervisor
Ecological Services Division
Minnesota DNR
500 South Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 296-0781
E-mail: ian.chisholm@dnr.state.mn.us

Governor's Recommendations

Fish Hatchery Improvements

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

Project At A Glance

- Various capital improvements to fish culture facilities
- Feasibility studies for alternate fish hatchery facilities

Project Description

This request is for $2 million 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
- Feasibility studies, where feasible, on design, construction or acquisition of drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

The 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% 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, muskellunge, trout and salmon, 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

Linda Erickson-Eastwood, Fisheries Program Manager
DNR, Fisheries
500 Lafayette Road
St Paul, Minnesota 55155-4012

Fish Hatchery Improvements

Phone: (651) 259-5206
Linda.Erickson-Eastwood@dnr.state.mn.us

Governor's Recommendations

Community Conservation Assistance

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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% 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: 1) 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 2) 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.

Other Considerations

Project Contact Person

Sharon Pfeifer, Community Assistance Manager
Department of Natural Resources, Central Region
1200 Warner Road
St. Paul, Minnesota 55106
Phone: (651) 772-7982
Fax: (651) 772-7977
E-mail: Sharon.pfeifer@dnr.state.mn.us

Governor's Recommendations

Water Control Structures

2008 STATE APPROPRIATION REQUEST: $1,000,000

AGENCY PROJECT PRIORITY: 2 of 28

PROJECT LOCATION:

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 lands. The Department of Natural Resources (DNR) Fish and Wildlife Division manages over 325 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 large 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

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 impacts 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 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 the capital 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

Dennis Simon, Wildlife Management Section Chief
DNR, Division of Fish and Wildlife
500 Lafayette Road
St Paul, Minnesota 55155-4012
Phone: (651) 259-5237
Dennis.Simon@dnr.state.mn.us.

Governor's Recommendations

State Trail Acquisition, Rehabilitation and Repair

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- Acquire or develop segments of five state trails
- Rehabilitate portions of four state trails
- Implement projects including: erosion control, culvert replacement, grade stabilization, bituminous replacement, and bridge rehabilitation

Project Description

This request is for $15 million 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 at $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) Resurface 13 miles of trail $200,000
The limestone surface on this segment of trail was last renovated 22 years ago and is in need of being resurfaced. Normal life of a limestone surface is ten years.

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 one 55-foot, and one 80-foot bridge, 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 $150,000; 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 $200,000.

Pengilly/Alborn Trail Railroad Bridge Repair. 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 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 (10 miles) $1,500,000
This project is to develop 10 miles of abandon grade that is already in public ownership and the bridges have already been built. Trail just needs to be developed along with the planned access sites.

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 $1,275,000 has been secured for this project.

Root River – Forestville (5 miles) $2,700,000
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 5 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 to the east seven miles 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)

It is anticipated that the completion of these 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.

Previous Appropriations for this Project

L2006, Ch. 258	Bond	$2,000,000
L2005, 1SS, Ch. 1	Env Trust	2,000,000
L2005, Ch. 20	Bond	7,910,000
L2003, Ch. 128	Env Trust	1,300,000
L2003, 1SS, Ch. 20	Bond	475,000
L2002, Ch. 33	Bond	900,000
L2001, 1SS, Ch. 2	Env 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.

Project Contact Person

Ron Potter
Program & Policy Manager
DNR Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5632
Fax: (651) 297-5475
E-mail: ron.potter@dnr.state.mn.us

Governor's Recommendations

Water Acess Acquisition, Dev and Fishing Piers

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

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 shorefishing sites

Project Description

This request is for $10 million in state funds 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 1,580 boat access sites and over 275 fishing piers and shorefishing 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 835,000 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% 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% 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 also are 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 10% 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	Env Trust	1,150,000
L2001, 1 SS Ch. 2	Env Trust	1,760,000
L2001, 1 SS Ch. 2	Future Resources	2,000,000
L2000, Ch. 492	Bond	4,000,000

Other Considerations

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% of its federal apportionment on boat access. These funds are earned in part using state capital funds and are reimbursed at 75%. 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, 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

Forrest Boe, Director
DNR Trails and Waterways
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5615
Fax: (651) 297-5475
E-mail: Forrest.boe@dnr.state.mn.us

Governor's Recommendations

State Park Development on North Shore

2008 STATE APPROPRIATION REQUEST: $8,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- This project is linked to Minnesota Department of Transportation (MN/DOT) 2010 highway upgrade on T.H. 61 near Split Rock Lighthouse State Park, and leverages highway funding to accomplish important recreational facility goals at Split Rock Lighthouse and Tettegouche State Parks.
- A new inland full-service campground is proposed at Split Rock Lighthouse, and is made possible by a new crossing under T.H. 61 being constructed by MN/DOT.
- A major rehabilitation of the visitor service area / highway rest area complex at Tettegouche State Park is proposed by the Department of Natural Resources (DNR) and MN/DOT, to be funded jointly through bonding funds and highway funds.
- A new trail center is proposed at Tettegouche State Park, serving the Superior Hiking Trail and ultimately the Gitchi Gami State Trail (when constructed).
- Additional recreational facility enhancements in high-use North Shore Parks.

Project Description

This request is for $8 million to provide major upgrades to Split Rock Lighthouse and Tettegouche state parks as part of the T.H. 61 highway project scheduled for 2010. The MnDOT 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, MnDOT rest area funding and 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.

State Park Development on North Shore

Project Contact Person

Larry Peterson, State Park Development and Real Estate Manager
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

State Park and Rec Area Acquisition

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- $25 million to acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries.
- $500,00 to restore land within state parks to pre-settlement conditions through prairie restoration, wetland restoration, deciduous forest restoration, and pine forest restoration.

Project Description

This request is for $3 million to acquire private lands from willing sellers within legislatively established state park and recreation area boundaries ($2.5 million), and to implement natural resource restoration projects on those lands ($500,000).

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. A list of potential acquisitions is available, as is a list of proposed natural resource restoration projects.

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% of the state park system's 267,000 acres is privately owned. Total cost to acquire all of these private in-holdings (if they were for sale) could approach $100 million.

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. Restoration of natural areas will require operating budget support, but transforming land to pre-settlement conditions should mean that operating funds are used more effectively to maintain healthy plant communities, which are more resistant to invasive exotic 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

Larry Peterson, State Park Development and Real Estate Manager
Department of Natural Resources
Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

Iron Range OHV Recreation Area

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- $750,0000 for Highway underpass between two sites.
- $250,000 to construct maintenance building.
- $1,000,000 develop access trail between the two sites, perimeter fencing and new trails.

Project Description

This request is for $2 million 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.

Bonding 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.

Bonding would also 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 2500 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 $1,000,000.

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 the 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 and a one-time appropriation from the IRRB 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

Ron Potter
Program & Policy Manager
Department of Natural Resources
Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5632
Fax: (651) 297-5475
E-mail: ron.potter@dnr.state.mn.us

Governor's Recommendations

Cuyuna County SRA Enhancements

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

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 County State Recreation Area near Crosby, Minnesota
- $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 is for $2 million for the development of the Cuyuna County State Recreation Area (SRA) near Crosby. 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 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 County SRA operating budget. New sales of park permits and camping fees will partially offset the increase in operating costs.

Previous Appropriations for this Project

None

Other Considerations

Cuyuna County 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

Larry Peterson, State Park Development and Real Estate Manager
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, Minnesota 55155-4039
Phone: (651) 259-5593
Fax: (651) 296-6532
E-mail: larry.peterson@dnr.state.mn.us

Governor's Recommendations

Off-Highway Vehicle Rec Area (Rev Bond)

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 28

PROJECT LOCATION:

Project At A Glance

- $2 million for acquisition of site(s) for Off-Highway Vehicles (OHV) use.
- Project site(s) in southern Minnesota where majority of lands are privately owned.

Project Description

This request is for $2 million to acquire a public OHV recreation area in southern Minnesota. This proposal is for user financing from the OHV Accounts; user fees will pay debt service.

Although a number of sites have been identified by OHV enthusiasts and their supporters, 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 (DNR) *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.

Project Contact Person

Ron Potter
Program & Policy Manager
Department of Natural Resources

Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, Minnesota 55155-4052
Phone: (651) 259-5632
Fax: (651) 297-5475
E-mail: ron.potter@dnr.state.mn.us

Governor's Recommendations

Renewable Energy Technologies

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

Project At A Glance

- Reduce energy consumption and CO2 emissions at Department of Natural Resources (DNR) facilities
- Install energy saving retrofits on DNR facilities
- Increase the DNR's use of renewable energy
- Demonstrate integrated use of energy saving and renewable energy technologies at three pilot sites
- Sequester Carbon on DNR administrative sites

Project Description

This request is for $10 million to retrofit selected facilities using a range of energy efficiency and renewable energy technologies. Three pilot sites will be selected, which will demonstrate integrated energy and environmental performance solutions.

Energy-saving retrofits along with complementary investments in renewable and clean energy production capacity will be selected and installed at these sites. Funding would be used to improve building envelopes, mechanical systems, and lighting to reduce energy demand, and then seek to use the most site appropriate clean energy technologies including solar electric, solar hot water, geothermal heating and cooling, biomass, on-site combined heat and power potentially using hydrogen fuel cells or micro turbines. In addition, additional reduction in carbon dioxide emissions will be achieved through use of trees and deep rooted plants to increase the capture and storage of carbon dioxide on site.

Energy Saving Retrofits: DNR has participated in the State's Energy Benchmarking process, and recognizes the need for further selective metering and energy improvements. Funds from this request will be invested in building improvements across DNR facilities that will secure the greatest return through reduced energy consumption and expenditures.

Pilot Sites: DNR will identify and select at least three sites to make significant investments to achieve major energy and environmental performance improvements. These pilot projects will provide 1) meaningful reduction in DNR energy consumption, 2) demonstrate opportunities and technologies in high visibility facilities, and 3) help drive market transformation by investing in emerging as well as demonstrated technologies. Criteria for selection as a demonstration site include feasibility for emerging technology, representation of the three largest ecological provinces, renewable energy opportunities, priority in the Facility Master Plan, cost effectiveness, partnership opportunities, staff commitment to the project, high public visibility, and the ability to track measurable outcomes.

Specific projects are not yet identified; the DNR has conducted several energy focus groups, and is in the process of seeking applications based on the selection criteria

Carbon Sequestration: As noted by the US Department of Energy, "Microbes and plants play substantial roles in the global cycling of carbon through the environment" DNR sites with significant areas of grass require mowing and contribute minimally to carbon sequestration. Replacing much of the grass with sustainable native landscape and trees will have a positive impact on reduction of global warming through carbon sequestration, as well as reduce the amount of mower emissions, water, and maintenance. Improved facility landscaping will also reduce water use, storm water runoff, as well as building heating and cooling.

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 renewable energy strategies a basic component of everyday life;
- Demonstrate in a highly public manner a variety of ways to use renewable energy sources;
- Highlight simple ways of saving energy that have direct application for private citizens; and
- Showcase both relatively inexpensive and straightforward strategies and those that are more complex.

Project Contact Person

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Field Office Consolidation and Renovation

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

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 is for $5 million to replace an inadequate facility at Glenwood, construct an additional drill core library for Lands and Minerals in Hibbing, and provide pre-design 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 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 stair. 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.

Bemidji: This request will fund a pre-design 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.

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.

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

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

Project At A Glance

- Design and construction of 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 is for $4 million for landscaping and interpretation of both the 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 FY2008 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 floral 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

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Statewide Asset Preservation

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

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 is for $2 million 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 assests are valued at $390 million;
- The average age of DNR buildings over 120 sq. ft., and their infrastructure, is 45 years old;
- 8 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

Kath Ouska, Facilities Manager
Department of Natural Resources
Management Resources
500 Lafayette Road, Box 16
St. Paul, Minnesota 55155-4016
Phone: (651) 259-5501
Fax: (651) 296-3500
E-mail: kath.ouska@dnr.state.mn.us

Governor's Recommendations

Forest Roads and Bridges

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 4 of 28

PROJECT LOCATION:

Project At A Glance

- Replace and upgrade 5 bridges
  - 2 bridges in the George Washington State Forest
  - 1 bridge in the Beltrami Island State Forest
  - 1 bridge in the Pine Island State Forest
  - 1 bridge in the Kabetogama State Forest
- Replace 1 tank car culvert in the Pine Island State Forest

Project Description

This request is for $2 million to replace six aging and unsafe water crossing structures. Engineering studies recommend replacing or upgrading these structures. Proposed increasing road weight limits make it critical to replace these structures immediately. The bridges and tank car culvert 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 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 funding in this request will help address the backlog of identified road and water crossing needs required to maintain the state forest road system to a standard appropriate for current use.

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 our 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.

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. Capital funding supplements dedicated gas tax dollars and other annual appropriations for critical rehabilitation of portions of the state forest road system. The repair and replacement of out-of-date water crossing structures bring facilities up to required use and safety standards.

Impact on Agency Operating Budgets (Facilities Notes)

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.

Project Contact Person

Alan Jones, Supervisor
Silviculture & Roads
500 Lafayette Road
St. Paul, Minnesota 55155
Phone: (651) 296-4482
Fax: (651) 296-5954
E-mail: alan.jones@dnr.state.mn.us

Governor's Recommendations

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 Update & Pre-design	1	$206	$0	$0	$206			
Asset Preservation	2	192	0	0	192			
Delta Dorm-Windows & Cooling Project	3	500	0	0	500			
Pre-Fab Storage Building	4	53	0	0	53			
Total Project Requests		$951	$0	$0	$951			

Perpich Center for Arts Education | Project Narrative

Master Plan Update & Pre-design

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.

Project Description
Assess and plan for the next decade of Perpich Center activity by aligning the strategic goals of the agency with current and future facility needs. This project includes campus planning relating to:

1) Technology and Distance Learning
2) Student Wellness and Health
3) Statewide Mission Hosting Conferences and Events
4) Campus Maintenance and Storage
5) Address removing Alpha Bldg

Impact on Agency Operating Budgets (Facilities Notes)
We do not anticipate an impact on agency operating budgets.

Previous Appropriations for this Project
None.

Other Considerations
The Perpich Center 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
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Perpich Center for Arts Education | Project Narrative

Asset Preservation

2008 STATE APPROPRIATION REQUEST: $192,000

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 and south sides of the Administration Building on the Perpich Center 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 and the library.

Impact on Agency Operating Budgets (Facilities Notes)
We do not anticipate an impact on agency operating budgets.

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

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

Project Contact Person
Nathan Davis
Executive Director
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Perpich Center for Arts Education | Project Narrative

Delta Dorm-Windows & Cooling Project

2008 STATE APPROPRIATION REQUEST: $500,000

AGENCY PROJECT PRIORITY: 3 of 4

PROJECT LOCATION: Perpich Center Campus, Golden Valley

Project At A Glance:
Installing of new windows and room air conditioning units in the Perpich Center's Delta Dormitory.

Project Description
This work will complete the building renovation and mold removal project, and will provide climate control throughout the Perpich Center's Delta Dormitory by installing new windows and room air conditioning units.

Impact on Agency Operating Budgets (Facilities Notes)
We do not anticipate a significant impact on agency operating budgets. Improved efficiency with up-to-date energy efficient windows will be off-set by some additional cost in operating air conditioners. Greater use of the Dormitory in the summer could generate additional dedicated revenue of up to $100,000.

Previous Appropriations for this Project
None.

Other Considerations
The Perpich Center has begun to host summer programs for youth and adults from across the state. Environment control will assist the agency in attracting adult summer programs and youth camps to its campus.

Project Contact Person
Nathan Davis
Executive Director
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 pre-fab storage/workshop building for added storage to address the current needs of the campus.

Project Description
Place a pre-fabricated 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

Previous Appropriations for this Project
None.

Other Considerations
The Perpich Center 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
Executive Director
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 Update & Pre-design	1	$206	$0	$0	$206			
Asset Preservation	2	192	0	0	192			
Delta Dorm-Windows & Cooling Project	3	500	0	0	500			
Pre-Fab Storage Building	4	53	0	0	53			
Total Project Requests		$951	$0	$0	$951			

Perpich Center for Arts Education | Project Narrative

Master Plan Update & Pre-design

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.

Project Description
Assess and plan for the next decade of Perpich Center activity by aligning the strategic goals of the agency with current and future facility needs. This project includes campus planning relating to:

1) Technology and Distance Learning
2) Student Wellness and Health
3) Statewide Mission Hosting Conferences and Events
4) Campus Maintenance and Storage
5) Address removing Alpha Bldg

Impact on Agency Operating Budgets (Facilities Notes)
We do not anticipate an impact on agency operating budgets.

Previous Appropriations for this Project
None.

Other Considerations
The Perpich Center 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
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Asset Preservation

2008 STATE APPROPRIATION REQUEST: $192,000

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 and south sides of the Administration Building on the Perpich Center 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 and the library.

Impact on Agency Operating Budgets (Facilities Notes)
We do not anticipate an impact on agency operating budgets.

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

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

Project Contact Person
Nathan Davis
Executive Director
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Perpich Center for Arts Education | Project Narrative

Delta Dorm-Windows & Cooling Project

2008 STATE APPROPRIATION REQUEST: $500,000

AGENCY PROJECT PRIORITY: 3 of 4

PROJECT LOCATION: Perpich Center Campus, Golden Valley

Project At A Glance:
Installing of new windows and room air conditioning units in the Perpich Center's Delta Dormitory.

Project Description
This work will complete the building renovation and mold removal project, and will provide climate control throughout the Perpich Center's Delta Dormitory by installing new windows and room air conditioning units.

Impact on Agency Operating Budgets (Facilities Notes)
We do not anticipate a significant impact on agency operating budgets. Improved efficiency with up-to-date energy efficient windows will be off-set by some additional cost in operating air conditioners. Greater use of the Dormitory in the summer could generate additional dedicated revenue of up to $100,000.

Previous Appropriations for this Project
None.

Other Considerations
The Perpich Center has begun to host summer programs for youth and adults from across the state. Environment control will assist the agency in attracting adult summer programs and youth camps to its campus.

Project Contact Person
Nathan Davis
Executive Director
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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 pre-fab storage/workshop building for added storage to address the current needs of the campus.

Project Description
Place a pre-fabricated 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

Previous Appropriations for this Project
None.

Other Considerations
The Perpich Center 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
Executive Director
nathan.davis@pcae.k12.mn.us
763.591.4719

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Pollution Control 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
Closed Landfill Program	1	$27,800	$0	$0	$27,800			
Capital Assistance Program	2	10,981	10,000	20,000	40,981			
Total Project Requests		$38,781	$10,000	$20,000	$68,781			

Closed Landfill Program

2008 STATE APPROPRIATION REQUEST: $27,800,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION: 15 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 for $27.8 million to design and construct landfill remedial systems (cover, 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 in perpetuity. Currently, 112 landfills are qualified under the Closed Landfill Program (CLP). This bonding authority was intended to be one of the three major funding sources for the closed landfill cleanup program. The other two are the solid waste tax and insurance recovery.

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 June 30, 1996; 2) $35 million by June 30, 1998; 3) $55 million by June 30, 2000; and 4) $75 million by June 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 the unused bonds that were earmarked for closed landfill cleanup construction.

In 2001, 2002, 2005 and 2006, the legislature authorized $20.5 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 $27.8 million is needed to complete remedial construction at 12 sites in FYs 2009-10 and to construct landfill gas-to-energy systems at four state owned closed landfills. Authorizing the $27.8 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	
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 $197 million. These financial obligations are based on needed remedial construction, and operation and maintenance of these systems.

Project Contact Person

Douglas Day
Supervisor, Closed Landfill Unit
Site Remediation Section
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 297-1780
E-mail: douglas.day@pca.state.mn.us

Shawn Ruotsinoja
Project Leader
Site Remediation Section
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 282-2382
E-mail: shawn.ruotsinoia@pca.state.mn.us

Jeff Lewis
Manager, Closed Landfill Program
Remediation Division
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 297-8505
E-mail: jeff.lewis@pca.state.mn.us

Governor's Recommendations

Capital Assistance Program

2008 STATE APPROPRIATION REQUEST: $10,981,000

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.

Project Description

This request is for $10,981,000 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 (MS 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; and
- special waste streams (i.e., household hazardous waste).

Depending on project type, a single-county project may receive funding of 25% or 50% of eligible capital costs, up to a maximum of $2 million. Multi-county cooperative projects can receive 25% or 50% 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% funding of eligible capital costs. Following are examples of eligible costs:

- final design, engineering, and architectural plans;
- land and structures;
- waste processing equipment; and
- 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% 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. Currently, these facilities produce 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, (MS §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 (MS §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 $10,981,000 million, have been received for FY 2008-09 CAP funding.

FY 2008-09	Project Type	Total Capital Cost	Applicant's Capital Cost	CAP Grant
Hennepin	HHW	$10,292,000	$ 8,292,000	$ 2,000,000
Pope/Douglas	W-to-E upgrade and expansion	$18,164,500	$ 9,183,250	$ 8,981,000
	Subtotal	$ 28,456,500	$ 17,475,250	$10,981,000
FY 2010-11				
North West Minnesota	Processing	$ 20,000,000	$ 15,000,000	$ 5,000,000
North Central Minnesota	Processing	$ 20,000,000	$ 15,000,000	$ 5,000,000
	Subtotal	$ 40,000,000	$30,000,000	$ 10,000,000
FY 2012-13				
West Central Minnesota	Processing	$ 20,000,000	$ 15,000,000	$ 5,000,000
South West Minnesota	Processing	43,000,000	28,000,000	15,000,000
	Subtotal	$ 63,000,000	$43,000,000	$ 20,000,000

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

Project Contact Person

Rick Patraw, Manager
Prevention and Assistance Division
Minnesota Pollution Control Agency
520 Lafayette Road North
Saint Paul, Minnesota 55155-4194
Phone: (651) 215-0193
Fax: (651) 215-0246
E-mail: Rick.Patraw@state.mn.us

Mary Baker, Grants Specialist Coordinator
Prevention and Assistance Division
Minnesota Pollution control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 215-0194
FAX: (651) 215-0246
e-mail: Mary.Baker@state.mn.us

Governor's Recommendation

Pollution Control 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	
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Total Project Requests		$38,781	$10,000	$20,000	$68,781			

2008 STATE APPROPRIATION REQUEST: $27,800,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION: 15 closed landfills statewide

Project At A Glance

- Design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems)
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Project Description

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In 2001, 2002, 2005 and 2006, the legislature authorized $20.5 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 $27.8 million is needed to complete remedial construction at 12 sites in FYs 2009-10 and to construct landfill gas-to-energy systems at four state owned closed landfills. Authorizing the $27.8 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	
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 $197 million. These financial obligations are based on needed remedial construction, and operation and maintenance of these systems.

Project Contact Person

Douglas Day
Supervisor, Closed Landfill Unit
Site Remediation Section
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 297-1780
E-mail: douglas.day@pca.state.mn.us

Shawn Ruotsinoja
Project Leader
Site Remediation Section
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 282-2382
E-mail: shawn.ruotsinoia@pca.state.mn.us

Jeff Lewis
Manager, Closed Landfill Program
Remediation Division
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 297-8505
E-mail: jeff.lewis@pca.state.mn.us

Governor's Recommendations

2008 STATE APPROPRIATION REQUEST: $10,981,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION: Statewide

Project At A Glance

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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, (MS §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 (MS §115A.94) requires counties to use an orderly and deliberate process to promulgate solid waste flow control.

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	Subtotal	$ 28,456,500	$ 17,475,250	$10,981,000
FY 2010-11				
North West Minnesota	Processing	$ 20,000,000	$ 15,000,000	$ 5,000,000
North Central Minnesota	Processing	$ 20,000,000	$ 15,000,000	$ 5,000,000
	Subtotal	$ 40,000,000	$30,000,000	$ 10,000,000
FY 2012-13				
West Central Minnesota	Processing	$ 20,000,000	$ 15,000,000	$ 5,000,000
South West Minnesota	Processing	43,000,000	28,000,000	15,000,000
	Subtotal	$ 63,000,000	$43,000,000	$ 20,000,000

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
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W-to-E	Waste-to-Energy

Project Contact Person

Rick Patraw, Manager
Prevention and Assistance Division
Minnesota Pollution Control Agency
520 Lafayette Road North
Saint Paul, Minnesota 55155-4194
Phone: (651) 215-0193
Fax: (651) 215-0246
E-mail: Rick.Patraw@state.mn.us

Mary Baker, Grants Specialist Coordinator
Prevention and Assistance Division
Minnesota Pollution control Agency
520 Lafayette Road North
St. Paul, Minnesota 55155-4194
Phone: (651) 215-0194
FAX: (651) 215-0246
e-mail: Mary.Baker@state.mn.us

Governor's Recommendation

Public Facilities Authority

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
State Matching Funds for USEPA Capitalization Grants	1	$45,000	$45,000	$45,000	$135,000			
Wastewater Infrastructure Fund	2	15,300	15,300	15,300	45,900			
Small Communtiy Wastewater Treatment	3	2,000	2,000	2,000	6,000			
Total Maximum Daily Load Grants	4	15,000	15,000	15,000	45,000			
Phosphorus Reduction Grants	5	10,000	10,000	10,000	30,000			
Phosphorus Reduction Grants - Reimbursement Projects	6	10,000	10,000	10,000	30,000			
Water Conservation Through Wastewater Reuse	7	5,000	0	0	5,000			
Total Project Requests		$102,300	$97,300	$97,300	$296,900			

Public Facilities Authority | Project Narrative

State Matching Funds for USEPA Capitalization Grants

2008 STATE APPROPRIATION REQUEST: $45,000,000

AGENCY PROJECT PRIORITY: 1 of 7

PROJECT LOCATION: Statewide

Project At A Glance
State Matching Funds for U.S. Environmental Protection Agency (EPA) 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 (MN Statutes 446A.07), and at the minimum required match of 1:5 for the Drinking Water Revolving Fund (MN Statutes 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, and the Department of Health.

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 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 badly needed to continue to fund high priority project needs.

State Matching Funds for USEPA Capitalization Grants

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% 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/AAA/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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Doug Mandy, Environmental Health Manager
Minnesota Department of Health
625 North Robert Street
St. Paul, MN 55155
Phone: (651) 201-4647
Fax: Not available
E-mail: Doug.Mandy@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations

Public Facilities Authority | Project Narrative

Wastewater Infrastructure Fund

2008 STATE APPROPRIATION REQUEST: $15,300,000

AGENCY PROJECT PRIORITY: 2 of 7

PROJECT LOCATION: Statewide

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% 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% of its median household income, with the total grant then providing for 100% 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% 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% would be used by the PCA to provide substantial project oversight, technical and environmental review, prioritizing projects, and permitting, and 10% 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 December 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 February 1, 2008.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority

1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations

Public Facilities Authority | Project Narrative

Small Communtiy Wastewater Treatment

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 7

PROJECT LOCATION:

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

The Public Facilities Authority (PFA) is seeking $2 million for the Small Community Wastewater Treatment Program (MN Statutes 446A.075). The programs provides 1% loans for 100% 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% 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 Minnesota Statutes Section 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 G.O. bonds and $100,000 from the state General Fund as part of the Clean Water Legacy funding package.

Other Considerations

In 2007, the Public Facilities Authority 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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building

332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Public Facilities Authority | Project Narrative

Total Maximum Daily Load Grants

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 4 of 7

PROJECT LOCATION:

Project At A Glance

The Total Maximum Daily Load Grant Program provides 50% 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 PFA is seeking $15 million for the Total Maximum Daily Load (TMDL) grant program (MN Statutes 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% 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% (one half on 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 remaining funds the PFA expects to award by the end of the December 2007.

Other Considerations

As the Clean Water Legacy Act continues to provide the framework to restore up 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

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155

Total Maximum Daily Load Grants

Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Public Facilities Authority | Project Narrative

Phosphorus Reduction Grants

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 5 of 7

PROJECT LOCATION:

Project At A Glance

The Phosphorus Reduction Grant Program was created as part of the Clean Water Legacy Act to provide 75% 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 (MN Statutes 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% 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% (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

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Public Facilities Authority | Project Narrative

Phosphorus Reduction Grants - Reimbursement Projects

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION:

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 March 28, 2000 and July 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 (MN Statutes 446A.074). The Pollution Control Agency (PCA) adopted a statewide phosphorus reduction strategy on March 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% (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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Public Facilities Authority | Project Narrative

Water Conservation Through Wastewater Reuse

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 7 of 7

PROJECT LOCATION:

Project At A Glance

This request will provide $5 million for a pilot program to seek opportunities to reuse treated municipal wastewater to support sound industrial development through reusing 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 2-3 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% (one half on one percent) fee charged to grantee at the time of the contract issuance.

Previous Appropriations for this Project

None

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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Laurie Martinson, Deputy Commissioner
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155
(651) 259-5027

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road

St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Public Facilities Authority

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
State Matching Funds for USEPA Capitalization Grants	1	$45,000	$45,000	$45,000	$135,000			
Wastewater Infrastructure Fund	2	15,300	15,300	15,300	45,900			
Small Communtiy Wastewater Treatment	3	2,000	2,000	2,000	6,000			
Total Maximum Daily Load Grants	4	15,000	15,000	15,000	45,000			
Phosphorus Reduction Grants	5	10,000	10,000	10,000	30,000			
Phosphorus Reduction Grants - Reimbursement Projects	6	10,000	10,000	10,000	30,000			
Water Conservation Through Wastewater Reuse	7	5,000	0	0	5,000			
Total Project Requests		$102,300	$97,300	$97,300	$296,900			

State Matching Funds for USEPA Capitalization Grants

2008 STATE APPROPRIATION REQUEST: $45,000,000

AGENCY PROJECT PRIORITY: 1 of 7

PROJECT LOCATION: Statewide

Project At A Glance
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Previous Appropriations for this Project

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Other Considerations

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State Matching Funds for USEPA Capitalization Grants

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Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Doug Mandy, Environmental Health Manager
Minnesota Department of Health
625 North Robert Street
St. Paul, MN 55155
Phone: (651) 201-4647
Fax: Not available
E-mail: Doug.Mandy@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations

2008 STATE APPROPRIATION REQUEST: $15,300,000

AGENCY PROJECT PRIORITY: 2 of 7

PROJECT LOCATION: Statewide

Project Description

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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 February 1, 2008.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority

1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations

Small Communtiy Wastewater Treatment

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 3 of 7

PROJECT LOCATION:

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

The Public Facilities Authority (PFA) is seeking $2 million for the Small Community Wastewater Treatment Program (MN Statutes 446A.075). The programs provides 1% loans for 100% 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% 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 Minnesota Statutes Section 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 G.O. bonds and $100,000 from the state General Fund as part of the Clean Water Legacy funding package.

Other Considerations

In 2007, the Public Facilities Authority 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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building

332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Total Maximum Daily Load Grants

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 4 of 7

PROJECT LOCATION:

Project At A Glance

The Total Maximum Daily Load Grant Program provides 50% 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 PFA is seeking $15 million for the Total Maximum Daily Load (TMDL) grant program (MN Statutes 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% 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% (one half on 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 remaining funds the PFA expects to award by the end of the December 2007.

Other Considerations

As the Clean Water Legacy Act continues to provide the framework to restore up 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

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155

Total Maximum Daily Load Grants

Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Phosphorus Reduction Grants

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 5 of 7

PROJECT LOCATION:

Project At A Glance

The Phosphorus Reduction Grant Program was created as part of the Clean Water Legacy Act to provide 75% 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 (MN Statutes 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% 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% (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

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Phosphorus Reduction Grants - Reimbursement Projects

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION:

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 March 28, 2000 and July 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 (MN Statutes 446A.074). The Pollution Control Agency (PCA) adopted a statewide phosphorus reduction strategy on March 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% (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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Water Conservation Through Wastewater Reuse

2008 STATE APPROPRIATION REQUEST: $5,000,000

AGENCY PROJECT PRIORITY: 7 of 7

PROJECT LOCATION:

Project At A Glance

This request will provide $5 million for a pilot program to seek opportunities to reuse treated municipal wastewater to support sound industrial development through reusing 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 2-3 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% (one half on one percent) fee charged to grantee at the time of the contract issuance.

Previous Appropriations for this Project

None

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.

Project Contact Person

Terry Kuhlman, Executive Director
Minnesota Public Facilities Authority
1st National Bank Building
332 Minnesota St., E200
St. Paul, MN 55101-1351
Phone: (651) 296-4704
Fax: (651) 296-8833
E-mail: Terry.Kuhlman@state.mn.us

Laurie Martinson, Deputy Commissioner
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155
(651) 259-5027

Lisa Thorvig, Director, Municipal Division
Minnesota Pollution Control Agency
520 Lafayette Road

St. Paul, MN 55155
Phone: (651) 296-8811
Fax: (651) 297-1456
E-mail: Lisa.Thorvig@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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
Mankato Headquarters Building	1	$23,973	$0	$0	$23,973			
Local Bridge Replacement Program	2	70,000	70,000	70,000	210,000			
Carver County Partnership-Chaska TS	3	8,654	0	0	8,654			
Greater MN Transit Facilities	4	4,000	4,000	4,000	12,000			
UPA Federal Match	5	40,000	0	0	40,000			
Local Road Improvement Fund Grants	6	30,000	30,000	30,000	90,000			
Rail Service Improvement	7	3,000	3,000	3,000	9,000			
Port Development Assistance	8	3,000	3,000	3,000	9,000			
Design Fees-Rochester/Other Major Projects	9	2,000	2,000	2,000	6,000			
Maple Grove/Osseo Truck Station		0	13,000	0	13,000			
Arden Hills Training Center Addition		0	5,627	0	5,627			
Rochester TS Construction		0	4,500	0	4,500			
Plymouth Truck Station		0	0	5,000	5,000			
Eden Prairie Truck Station		0	0	4,500	4,500			
Total Project Requests		$184,627	$135,127	$121,500	$441,254			

Transportation, Department of | Project Narrative

Mankato Headquarters Building

2008 STATE APPROPRIATION REQUEST: $23,973,000

AGENCY PROJECT PRIORITY: 1 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 agencies long-range strategic goals, such as upgrading regional corridors, require that we 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. We will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. We 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%, 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.

We 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 the 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 10 counties in south and southwestern Minnesota. The TOCC will serve Mn/DOT, the State Patrol and Department of Natural Resources (DNR) 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

Richard L. Post A/A
Facilities Program Director
395 John Ireland Boulevard, Mail Stop 715
St. Paul, Minnesota 55155
Phone: (651) 297-3591
Fax: (651) 282-9904
E-mail: richardl.post@dot.state.mn.us

Governor's Recommendations

Local Bridge Replacement Program

2008 STATE APPROPRIATION REQUEST: $70,000,000

AGENCY PROJECT PRIORITY: 2 of 9

PROJECT LOCATION: Statewide

Project At A Glance

- Replace 400 local deficient 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% 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% 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% 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% 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 10 years, another 661 bridges will reach that age, with another 1,445 and 1,946 in each of the following 10 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 2006, $55 million was appropriated for this program and is projected to result in the replacement, rehabilitation, or removal of about 199 bridges.

Funding for the program was first provided in 1976. In 1977, Minnesota had 4,856 deficient bridges on the local road systems. Minnesota's bridges are aging and each year more become structurally deficient or functionally obsolete due to deterioration and increased traffic. As of October 2006, there were 1,831 deficient county, city, and township bridges in Minnesota.

Project Contact Person

Patti Loken
State Aid Programs Engineer
Mail Stop 500
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3803
Fax: (651) 366-3801
E-mail: Patti.Loken@dot.state.mn.us

Governor's Recommendations

Carver County Partnership-Chaska TS

2008 STATE APPROPRIATION REQUEST: $8,654,000

AGENCY PROJECT PRIORITY: 3 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 (SF) 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 consist of new construction of an approximate 22.3 acre site with an approximated 49,000 SF 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 has moved to the top of the Mn/DOT priority list. 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. We will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. We 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 appropriatios 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, design and construction 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 we provide a quality facility.

Carver County will be a Mn/DOT partner in this project and will occupy approximately 11% of the facility and will also share in the costs to construct and operate.

We 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

Richard L. Post AIA
Facilities Program Director
Mail Stop 715
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 297-3591
Fax: (651) 282-9904
E-mail: RichardL.Post@dot.state.mn.us

Governor's Recommendations

Greater MN Transit Facilities

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 4 of 9

PROJECT LOCATION:

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% state, 20% 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. 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 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 rehabed 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 department 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

Donna Allan, Director
Office of Transit

Mail Stop 430
395 John Ireland Boulevard
St. Paul, Minnesota 55155
Phone: 651 366-4161
Fax: 651 366-4192
E-mail: donna.allan@dot.state.mn.us

Governor's Recommendations

UPA Federal Match

2008 STATE APPROPRIATION REQUEST: $40,000,000

AGENCY PROJECT PRIORITY: 5 of 9

PROJECT LOCATION:

Project At A Glance

- Provide $40 million in funding to be used for local match for the Urban Partnership Agreement (UPA) program. The UPA program is a US DOT initiative to fight congestion on urban freeways. Up to $1.1 billion in grant funds are potentially available. The Minnesota UPA application includes HOV to HOT conversion on I-35W, priced dynamic shoulder lanes on I-35W, and transit improvements on both I-35W and Hwy 77.

Project Description

The Minnesota Department of Transportation and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership Agreement (UPA) program. The Minnesota Congestion Coalition application proposes 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, MnDOT and Met Council have submitted 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 improvements that are proposed under the UPA.

If Minnesota is selected as a UPA partner and the grants are awarded, they must be matched 80 percent federal to 20 percent local. This capital bonding request is for a portion of the local funding that will be required to match the federal dollars. Additional local match will be sought from other sources, including Metro Transit and local stakeholders along the corridor.

Impact on Agency Operating Budgets (Facilities Notes)

Additional ITS equipment needs for priced dynamic shoulder lanes and HOT lanes may require additional maintenance and operations.

Previous Appropriations for this Project

None

Other Considerations

Funding for some of the park & ride expansions may also be eligible for CMAQ grants.

Project Contact Person

Name: Bernie Arseneau
Title: State Traffic Engineer
Address: 1500 W Cty Rd B2, Roseville, MN 55113
Phone: 651-234-7004
Fax: 651-234-7006
E-Mail: bernie.arseneau@dot.state.mn.us

Governor's Recommendations

Local Road Improvement Fund Grants

2008 STATE APPROPRIATION REQUEST: $30,000,000

AGENCY PROJECT PRIORITY: 6 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 to address 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 inter-regional 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. Such a system is a proper function and concern of state government and necessary to protect the safety and personal and economic welfare of all citizens (M.S. 174.50).

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.

Project Contact Person

Patti Loken, State Aid Programs Engineer
Mail Stop 500
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3803
Fax: (651) 366-3801
E-mail: patti.loken@dot.state.mn.us

Governor's Recommendations

Rail Service Improvement

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 railbank 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 shortlines 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. Funding for the MRSI Program was 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 rail lines that are marginally operable 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 FYs 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

Janelle Collier, Program Manager
Minnesota Department of Transportation
Office of Freight & Commercial Vehicle Operations
1110 Centre Pointe Curve, Mail Stop 420
Inver Grove Heights, Minnesota 55120
Phone: (651) 406-4794
Fax: (651) 406-4811
E-mail: Janelle.collier@dot.state.mn.us

Governor's Recommendations

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 up to (80% state, 20% local share) to improve freight handling efficiency on Minnesota's commercial waterway systems.

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 an additional $3 million in bonding funds and $1.5 million in general funds. In 2000 and 2001 the legislature appropriated an additional $2 million in general fund bonds and $1 million respectively in general funds. An additional $2 million was appropriated in 2003.

The 2005 bonding bill appropriated $2 million for this program, and the 2006 bonding bill appropriated another $3 million.

The 2003 legislature also authorized $3.5 million specifically for Winona for freight access improvement.

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

Dick Lambert
Director of Ports & Waterways
Office of Freight and Commercial Vehicle Operations
395 John Ireland Blvd., Mailstop 420
St. Paul, Minnesota 55155
Phone: (651) 366-3683
E-mail: dick.lambert@dot.state.mn.us

Governor's Recommendations

Design Fees-Rochester/Other Major Projects

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 9 of 9

PROJECT LOCATION:

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 Mn/DOT mission. Planning and design for these facilities needs to be accomplished to meet Mn/DOT's 6 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 SF 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 SF 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 SF 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 the Mn/DOT mission, but also those missions of our partners, the State Patrol and the Drivers License Examination functions of the Department of Public Safety.

Project Contact Person

Richard L. Post AIA
Facilities Program Director
395 John Ireland Blvd, Mail Stop 715
St. Paul, Minnesota 55155
Phone: (651) 366-3573
Fax: (651) 282-9904
Email: richardl.post@dot.state.mn.us

Governor's Recommendations

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
Mankato Headquarters Building	1	$23,973	$0	$0	$23,973			
Local Bridge Replacement Program	2	70,000	70,000	70,000	210,000			
Carver County Partnership-Chaska TS	3	8,654	0	0	8,654			
Greater MN Transit Facilities	4	4,000	4,000	4,000	12,000			
UPA Federal Match	5	40,000	0	0	40,000			
Local Road Improvement Fund Grants	6	30,000	30,000	30,000	90,000			
Rail Service Improvement	7	3,000	3,000	3,000	9,000			
Port Development Assistance	8	3,000	3,000	3,000	9,000			
Design Fees-Rochester/Other Major Projects	9	2,000	2,000	2,000	6,000			
Maple Grove/Osseo Truck Station		0	13,000	0	13,000			
Arden Hills Training Center Addition		0	5,627	0	5,627			
Rochester TS Construction		0	4,500	0	4,500			
Plymouth Truck Station		0	0	5,000	5,000			
Eden Prairie Truck Station		0	0	4,500	4,500			
Total Project Requests		$184,627	$135,127	$121,500	$441,254			

Mankato Headquarters Building

2008 STATE APPROPRIATION REQUEST: $23,973,000

AGENCY PROJECT PRIORITY: 1 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 agencies long-range strategic goals, such as upgrading regional corridors, require that we 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. We will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. We 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%, 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.

We 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 the 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 10 counties in south and southwestern Minnesota. The TOCC will serve Mn/DOT, the State Patrol and Department of Natural Resources (DNR) 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

Richard L. Post A/A
Facilities Program Director
395 John Ireland Boulevard, Mail Stop 715
St. Paul, Minnesota 55155
Phone: (651) 297-3591
Fax: (651) 282-9904
E-mail: richardl.post@dot.state.mn.us

Governor's Recommendations

Local Bridge Replacement Program

2008 STATE APPROPRIATION REQUEST: $70,000,000

AGENCY PROJECT PRIORITY: 2 of 9

PROJECT LOCATION: Statewide

Project At A Glance

- Replace 400 local deficient 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% 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% 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% 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% 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 10 years, another 661 bridges will reach that age, with another 1,445 and 1,946 in each of the following 10 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 2006, $55 million was appropriated for this program and is projected to result in the replacement, rehabilitation, or removal of about 199 bridges.

Funding for the program was first provided in 1976. In 1977, Minnesota had 4,856 deficient bridges on the local road systems. Minnesota's bridges are aging and each year more become structurally deficient or functionally obsolete due to deterioration and increased traffic. As of October 2006, there were 1,831 deficient county, city, and township bridges in Minnesota.

Project Contact Person

Patti Loken
State Aid Programs Engineer
Mail Stop 500
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3803
Fax: (651) 366-3801
E-mail: Patti.Loken@dot.state.mn.us

Governor's Recommendations

Carver County Partnership-Chaska TS

2008 STATE APPROPRIATION REQUEST: $8,654,000

AGENCY PROJECT PRIORITY: 3 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 (SF) 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 consist of new construction of an approximate 22.3 acre site with an approximated 49,000 SF 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 has moved to the top of the Mn/DOT priority list. 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. We will be able to consolidate like functions, and build a facility of a size to accommodate our larger snowplows and other highway engineering equipment. We 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 appropriatios 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, design and construction 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 we provide a quality facility.

Carver County will be a Mn/DOT partner in this project and will occupy approximately 11% of the facility and will also share in the costs to construct and operate.

We 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

Richard L. Post AIA
Facilities Program Director
Mail Stop 715
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 297-3591
Fax: (651) 282-9904
E-mail: RichardL.Post@dot.state.mn.us

Governor's Recommendations

Greater MN Transit Facilities

2008 STATE APPROPRIATION REQUEST: $4,000,000

AGENCY PROJECT PRIORITY: 4 of 9

PROJECT LOCATION:

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% state, 20% 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. 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 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 rehabed 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 department 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

Donna Allan, Director
Office of Transit

Mail Stop 430
395 John Ireland Boulevard
St. Paul, Minnesota 55155
Phone: 651 366-4161
Fax: 651 366-4192
E-mail: donna.allan@dot.state.mn.us

Governor's Recommendations

UPA Federal Match

2008 STATE APPROPRIATION REQUEST: $40,000,000

AGENCY PROJECT PRIORITY: 5 of 9

PROJECT LOCATION:

Project At A Glance

- Provide $40 million in funding to be used for local match for the Urban Partnership Agreement (UPA) program. The UPA program is a US DOT initiative to fight congestion on urban freeways. Up to $1.1 billion in grant funds are potentially available. The Minnesota UPA application includes HOV to HOT conversion on I-35W, priced dynamic shoulder lanes on I-35W, and transit improvements on both I-35W and Hwy 77.

Project Description

The Minnesota Department of Transportation and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership Agreement (UPA) program. The Minnesota Congestion Coalition application proposes 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, MnDOT and Met Council have submitted 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 improvements that are proposed under the UPA.

If Minnesota is selected as a UPA partner and the grants are awarded, they must be matched 80 percent federal to 20 percent local. This capital bonding request is for a portion of the local funding that will be required to match the federal dollars. Additional local match will be sought from other sources, including Metro Transit and local stakeholders along the corridor.

Impact on Agency Operating Budgets (Facilities Notes)

Additional ITS equipment needs for priced dynamic shoulder lanes and HOT lanes may require additional maintenance and operations.

Previous Appropriations for this Project

None

Other Considerations

Funding for some of the park & ride expansions may also be eligible for CMAQ grants.

Project Contact Person

Name: Bernie Arseneau
Title: State Traffic Engineer
Address: 1500 W Cty Rd B2, Roseville, MN 55113
Phone: 651-234-7004
Fax: 651-234-7006
E-Mail: bernie.arseneau@dot.state.mn.us

Governor's Recommendations

Local Road Improvement Fund Grants

2008 STATE APPROPRIATION REQUEST: $30,000,000

AGENCY PROJECT PRIORITY: 6 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 to address 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 inter-regional 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. Such a system is a proper function and concern of state government and necessary to protect the safety and personal and economic welfare of all citizens (M.S. 174.50).

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.

Project Contact Person

Patti Loken, State Aid Programs Engineer
Mail Stop 500
395 John Ireland Boulevard
Saint Paul, Minnesota 55155
Phone: (651) 366-3803
Fax: (651) 366-3801
E-mail: patti.loken@dot.state.mn.us

Governor's Recommendations

Rail Service Improvement

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 railbank 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 shortlines 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. Funding for the MRSI Program was 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 rail lines that are marginally operable 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 FYs 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

Janelle Collier, Program Manager
Minnesota Department of Transportation
Office of Freight & Commercial Vehicle Operations
1110 Centre Pointe Curve, Mail Stop 420
Inver Grove Heights, Minnesota 55120
Phone: (651) 406-4794
Fax: (651) 406-4811
E-mail: Janelle.collier@dot.state.mn.us

Governor's Recommendations

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 up to (80% state, 20% local share) to improve freight handling efficiency on Minnesota's commercial waterway systems.

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 an additional $3 million in bonding funds and $1.5 million in general funds. In 2000 and 2001 the legislature appropriated an additional $2 million in general fund bonds and $1 million respectively in general funds. An additional $2 million was appropriated in 2003.

The 2005 bonding bill appropriated $2 million for this program, and the 2006 bonding bill appropriated another $3 million.

The 2003 legislature also authorized $3.5 million specifically for Winona for freight access improvement.

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

Dick Lambert
Director of Ports & Waterways
Office of Freight and Commercial Vehicle Operations
395 John Ireland Blvd., Mailstop 420
St. Paul, Minnesota 55155
Phone: (651) 366-3683
E-mail: dick.lambert@dot.state.mn.us

Governor's Recommendations

Design Fees-Rochester/Other Major Projects

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 9 of 9

PROJECT LOCATION:

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 Mn/DOT mission. Planning and design for these facilities needs to be accomplished to meet Mn/DOT's 6 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 SF 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 SF 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 SF 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 the Mn/DOT mission, but also those missions of our partners, the State Patrol and the Drivers License Examination functions of the Department of Public Safety.

Project Contact Person

Richard L. Post AIA
Facilities Program Director
395 John Ireland Blvd, Mail Stop 715
St. Paul, Minnesota 55155
Phone: (651) 366-3573
Fax: (651) 282-9904
Email: richardl.post@dot.state.mn.us

Governor's Recommendations

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		$80,000	$80,000	$80,000	$240,000			
Bell Museum		36,000	0	0	36,000			
Civil Engineering Addition		15,000	0	0	15,000			
Classroom Renewal		3,000	3,000	3,000	9,000			
Clinical Care Exemplary Facility		20,000	0	0	20,000			
Community Services Building Renovation		7,500	0	0	7,500			
Folwell Hall		39,000	0	0	39,000			
General Laboratory Renovation		8,000	3,000	3,000	14,000			
NWROC Farm Support Facility		2,000	0	0	2,000			
Science Teaching Student Services		72,500	0	0	72,500			
WROC - Admin Bldg Addition		3,000	0	0	3,000			
Total Project Requests		$286,000	$86,000	$86,000	$458,000			

HEAPR

2008 STATE APPROPRIATION REQUEST: $80,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Univ. Campuses, Research Centers & Field Stations

Project At A Glance

- Health and Safety funds are used by the University to meet basic obligation of providing a safe, accessible environment for students, employees, and visitors.
- Replacing building components like roofs, elevators, chillers, windows, and mechanical systems extends the useful life of existing facilities.
- The investment in infrastructure reduces the risk to research caused by aging and unreliable systems.

Project Description

Higher Education Asset Preservation and Rehabilitation (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 to extend their useful life and to ensure the health, safety, and well being of their 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 improvements, or air quality improvement; 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 $3.2 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

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

Bell Museum

2008 STATE APPROPRIATION REQUEST: $36,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: St. Paul Campus

Project At A Glance

- The Bell Museum is the State's officially designated Natural History Museum.
- The project will locate the Bell Museum on the University's St. Paul campus.
- The new museum will allow the University to develop a modern, interactive natural history museum that will serve both the public and research community.

Project Description

This request is for funds to finalize design and construct a new Bell Museum of Natural History on the St. Paul campus. The museum functions as the state's official natural history center, charged with surveying and maintaining specimens and research, and serves as a living research museum for University faculty. The museum attracts thousands of visitors to campus each year.

Rationale

Changes in the public's expectation of a modern museum plus changes in the nature and scope of University research have left the museum dated and anachronistic as an institution, limited by its landmark building, yet highly effective as a provider of public outreach on behalf of the University. In response to the need for a change, the University developed an interpretive theme that would enable it to capitalize on the full potential of the museum.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 70,000 GSF for the new Bell Museum building to the St. Paul Campus will increase the University's operating costs by an estimated $847,000 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 $1,080,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Civil Engineering Addition

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Duluth Campus

Project At A Glance

- The project will allow the Duluth campus to enlarge its Civil Engineering program to serve students who go to other Universities to get their Civil Engineering degree.
- The proposed Bachelor of Science in Civil Engineering (BSCE) program would be a natural expansion direction for UMD Engineering and will fill a perceived need among companies and communities across Northern Minnesota.
- The Civil Engineering program will provide needed skills for the core business of mining and infrastructural maintenance that is key to a healthy and viable environment and economy for northern Minnesota.

Project Description

This request is for funds to design and construct an addition to Voss-Kovach Hall to provide instructional and laboratory space for a new civil engineering program at UMD. Offering a new bachelor of science degree in civil engineering is a strategic goal of the Duluth campus.

Rationale

The civil engineering department is expanding its facilities to meet the needs of its civil engineering program. The current facility is undersized and not capable of accommodating the current level of enrollment.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 34,000 GSF for the Civil Engineering addition to Voss-Kovatch Hall on the Duluth Campus will increase the University's operating costs by an estimated $895,000 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 $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.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

Classroom Renewal

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION:

Project At A Glance

- Will improve and upgrade classroom facilities system-wide
- Up-to-date classroom facilities are a vital to the University as it stays competitive with other major research and land grant Universities.

Project Description

This request is for system-wide funds used on all campuses, not only to finish remaining work on technology upgrades, but also to allow campuses to begin developing more innovative learning spaces required by changing pedagogy.

Rationale

The University must provide up-to-date research facilities in order to stay competitive with other regional universities and to attract the best and brightest students to its basic science programs.

Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these classrooms are included as part of other 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 laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

Clinical Care Exemplary Facility

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- Project will consolidate clinical science to support clinical education and improve patient access to services
- Project will allow medical students to interact with physician-scientists and patients as well as engage in clinical research
- Currently there are no such facilities located at the University with research and patient interaction done separately

Project Description

Planning is underway to develop the Ambulatory Care Center, which will enhance and consolidate the University's clinical sciences to support clinical education and research and improve patient access and services. The Ambulatory Care Center (ACC) will include facilities that support clinical education and research, primary care and specialty clinics, a cancer center, an ambulatory surgery center, and specialized imaging and diagnostic services.

Rationale

The delivery of clinical care occurs primarily in an outpatient setting. Education and research also occurs in this setting. The ACC will provide a site to enhance the medical education experience of students interacting with physician-scientists and patients as well as support clinical research. The University is requesting incremental funds to incorporate into the ACC an exemplary care and learning facility that would otherwise not be available in a typical non-teaching clinical facility.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 60,000 GSF for the Exemplary Care Clinic to the Minneapolis Campus will increase the University's operating costs by an estimated $1,47,000 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 $600,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

Community Services Building Renovation

2008 STATE APPROPRIATION REQUEST: $7,500,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Morris Campus

Project At A Glance

- Community Services will be a gateway building to the Morris Campus and will be the first building entered by many visitors and prospective students.
- The Community Services building is a contributing element to the Morris Historical District.
- Shared reception areas, meeting rooms, etc will allow efficient use of space and also provide opportunities for synergistic working relationships between two "outward" looking departments of the Morris campus.

Project Description

This request is for funds to renovate the Community Services Building to serve as a gateway to the UMM campus, housing units that meet and respond to external audiences. The renovated facility will strengthen student recruitment and retention, donor cultivation, and outreach to the region. Admissions, external relations, continuing education, and the Center for Small Towns will occupy the building.

Rationale

Shared reception areas, meeting rooms, and parking drop-offs will offer efficient use of space, marketing materials, and promotional displays, while creating opportunities for synergistic working relationships between these two externally focused areas, both of which are critical to UM-Morris's financial future.

Impact on Agency Operating Budgets (Facilities Notes)

The approximately 16,800 GSF for the UM – Morris Community Services will have estimated operating costs of $219,000 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 $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.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Folwell Hall

2008 STATE APPROPRIATION REQUEST: $39,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- Folwell Hall is one of the oldest buildings on campus and contributes greatly to the historic Knoll District.
- Project will allow the Writing Initiative to be based in Folwell Hall.
- Folwell will become a multilingual hub for the study of and research of languages, literature and writing.

Project Description

This request is for funds to design and renovate the interior of the building to modernize the programmatic function for College of Liberal Arts programs. This project includes renovation to accommodate the new Writing Initiative. Exterior improvements required to stabilize the building shell are being completed as part of a separate project.

Rationale

This project will allow Folwell Hall to become a multilingual and multicultural hub for both the study and research of languages, literature, and writing. The project will provide space that supports and enhances these disciplines as well as provide the community of scholars and students with attractive communal spaces.

Impact on Agency Operating Budgets (Facilities Notes)

The approximately 112,000 GSF for Folwell Hall will have an operating costs estimated at $1,167,000 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 $1,170,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

General Laboratory Renovation

2008 STATE APPROPRIATION REQUEST: $8,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION:

Project At A Glance

- Will improve and upgrade laboratory facilities system-wide
- Up-to-date research facilities are a vital to the University as it stays competitive with other major research Universities.

Project Description

This request is for system-wide funds used on all campuses, not only to finish remaining work on technology upgrades, but also to allow campuses to begin developing more innovative learning spaces required by changing pedagogy.

Rationale

The University must provide up-to-date research facilities in order to stay competitive with other regional universities and to attract the best and brightest students to its basic science programs

Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these laboratories are included as part of other 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 $800,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

NWROC Farm Support Facility

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Crookston

Project At A Glance

- Project will construct a new maintenance facility
- Project will allow the Regional Outreach Center to continue its research, education, and outreach activities.

Project Description

This request is for funds to construct a new maintenance and farm support facility. A new facility is necessary to accommodate the equipment required to sustain current research and operations at the Regional Outreach Center.

Rationale

These improvements will enhance the facilities of the Regional Outreach Center, allowing it to continue its research, education, and outreach activities.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 2,600 GSF for the new maintenance and farm support facility at the North Central Regional Outreach Center will increase the University's operating costs by an estimated $26,000 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 $60,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

University of Minnesota | Project Narrative

Science Teaching Student Services

2008 STATE APPROPRIATION REQUEST: $72,500,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- Provision of contemporary science classrooms will enhance undergraduate learning in two core academic programs of the Institute of Technology: Chemistry and Physics.
- Consolidation of academic services in a single location at a convenient site will increase the accessibility and effectiveness of these services for students
- This project will demolish the obsolete Science Classroom Building located on a prominent site on the river.

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 University-wide student services such as academic counseling, career counseling, registration, and bursar services. Demolition of the Science Classroom Building is included in the project.

Rationale

Located at the Washington Avenue bridgehead, a centrally located site that has one of the highest concentrations of pedestrian traffic on the entire Minneapolis campus, the center will provide

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 131,000 GSF for the Science Teaching Student Services building to the Minneapolis Campus will increase the University's operating costs by an estimated $1,095,000 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 $2,175,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

WROC - Admin Bldg Addition

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Morris

Project At A Glance

- Project will provide educational, research and demonstration space to the Regional Outreach Center.
- Project supports the University's Initiative on the Environment and Renewable Energy.

Project Description

This project will construct an addition to the Administration Building to provide educational and office space that will accommodate expanded education, research, and demonstration activities related to renewable energy sources and energy-efficient building technologies.

Rationale

These improvements will enhance the research, education, and outreach activities of the Regional Outreach Center. In addition, the renovations at the West Central ROC will support the University's Initiative on the Environment and Renewable Energy.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 5,000 GSF for the new Administration Building addition at the West Central Regional Outreach Center will increase the University's operating costs by an estimated $50,000 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 $90,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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		$80,000	$80,000	$80,000	$240,000			
Bell Museum		36,000	0	0	36,000			
Civil Engineering Addition		15,000	0	0	15,000			
Classroom Renewal		3,000	3,000	3,000	9,000			
Clinical Care Exemplary Facility		20,000	0	0	20,000			
Community Services Building Renovation		7,500	0	0	7,500			
Folwell Hall		39,000	0	0	39,000			
General Laboratory Renovation		8,000	3,000	3,000	14,000			
NWROC Farm Support Facility		2,000	0	0	2,000			
Science Teaching Student Services		72,500	0	0	72,500			
WROC - Admin Bldg Addition		3,000	0	0	3,000			
Total Project Requests		$286,000	$86,000	$86,000	$458,000			

2008 STATE APPROPRIATION REQUEST: $80,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Univ. Campuses, Research Centers & Field Stations

Project At A Glance

- Health and Safety funds are used by the University to meet basic obligation of providing a safe, accessible environment for students, employees, and visitors.
- Replacing building components like roofs, elevators, chillers, windows, and mechanical systems extends the useful life of existing facilities.
- The investment in infrastructure reduces the risk to research caused by aging and unreliable systems.

Project Description

Higher Education Asset Preservation and Rehabilitation (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 to extend their useful life and to ensure the health, safety, and well being of their 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 improvements, or air quality improvement; 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 $3.2 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

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

2008 STATE APPROPRIATION REQUEST: $36,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: St. Paul Campus

Project At A Glance

- The Bell Museum is the State's officially designated Natural History Museum.
- The project will locate the Bell Museum on the University's St. Paul campus.
- The new museum will allow the University to develop a modern, interactive natural history museum that will serve both the public and research community.

Project Description

This request is for funds to finalize design and construct a new Bell Museum of Natural History on the St. Paul campus. The museum functions as the state's official natural history center, charged with surveying and maintaining specimens and research, and serves as a living research museum for University faculty. The museum attracts thousands of visitors to campus each year.

Rationale

Changes in the public's expectation of a modern museum plus changes in the nature and scope of University research have left the museum dated and anachronistic as an institution, limited by its landmark building, yet highly effective as a provider of public outreach on behalf of the University. In response to the need for a change, the University developed an interpretive theme that would enable it to capitalize on the full potential of the museum.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 70,000 GSF for the new Bell Museum building to the St. Paul Campus will increase the University's operating costs by an estimated $847,000 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 $1,080,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Civil Engineering Addition

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Duluth Campus

Project At A Glance

- The project will allow the Duluth campus to enlarge its Civil Engineering program to serve students who go to other Universities to get their Civil Engineering degree.
- The proposed Bachelor of Science in Civil Engineering (BSCE) program would be a natural expansion direction for UMD Engineering and will fill a perceived need among companies and communities across Northern Minnesota.
- The Civil Engineering program will provide needed skills for the core business of mining and infrastructural maintenance that is key to a healthy and viable environment and economy for northern Minnesota.

Project Description

This request is for funds to design and construct an addition to Voss-Kovach Hall to provide instructional and laboratory space for a new civil engineering program at UMD. Offering a new bachelor of science degree in civil engineering is a strategic goal of the Duluth campus.

Rationale

The civil engineering department is expanding its facilities to meet the needs of its civil engineering program. The current facility is undersized and not capable of accommodating the current level of enrollment.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 34,000 GSF for the Civil Engineering addition to Voss-Kovatch Hall on the Duluth Campus will increase the University's operating costs by an estimated $895,000 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 $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.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Classroom Renewal

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION:

Project At A Glance

- Will improve and upgrade classroom facilities system-wide
- Up-to-date classroom facilities are a vital to the University as it stays competitive with other major research and land grant Universities.

Project Description

This request is for system-wide funds used on all campuses, not only to finish remaining work on technology upgrades, but also to allow campuses to begin developing more innovative learning spaces required by changing pedagogy.

Rationale

The University must provide up-to-date research facilities in order to stay competitive with other regional universities and to attract the best and brightest students to its basic science programs.

Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these classrooms are included as part of other 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 laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Clinical Care Exemplary Facility

2008 STATE APPROPRIATION REQUEST: $20,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- Project will consolidate clinical science to support clinical education and improve patient access to services
- Project will allow medical students to interact with physician-scientists and patients as well as engage in clinical research
- Currently there are no such facilities located at the University with research and patient interaction done separately

Project Description

Planning is underway to develop the Ambulatory Care Center, which will enhance and consolidate the University's clinical sciences to support clinical education and research and improve patient access and services. The Ambulatory Care Center (ACC) will include facilities that support clinical education and research, primary care and specialty clinics, a cancer center, an ambulatory surgery center, and specialized imaging and diagnostic services.

Rationale

The delivery of clinical care occurs primarily in an outpatient setting. Education and research also occurs in this setting. The ACC will provide a site to enhance the medical education experience of students interacting with physician-scientists and patients as well as support clinical research. The University is requesting incremental funds to incorporate into the ACC an exemplary care and learning facility that would otherwise not be available in a typical non-teaching clinical facility.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 60,000 GSF for the Exemplary Care Clinic to the Minneapolis Campus will increase the University's operating costs by an estimated $1,47,000 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 $600,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Community Services Building Renovation

2008 STATE APPROPRIATION REQUEST: $7,500,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Morris Campus

Project At A Glance

- Community Services will be a gateway building to the Morris Campus and will be the first building entered by many visitors and prospective students.
- The Community Services building is a contributing element to the Morris Historical District.
- Shared reception areas, meeting rooms, etc will allow efficient use of space and also provide opportunities for synergistic working relationships between two "outward" looking departments of the Morris campus.

Project Description

This request is for funds to renovate the Community Services Building to serve as a gateway to the UMM campus, housing units that meet and respond to external audiences. The renovated facility will strengthen student recruitment and retention, donor cultivation, and outreach to the region. Admissions, external relations, continuing education, and the Center for Small Towns will occupy the building.

Rationale

Shared reception areas, meeting rooms, and parking drop-offs will offer efficient use of space, marketing materials, and promotional displays, while creating opportunities for synergistic working relationships between these two externally focused areas, both of which are critical to UM-Morris's financial future.

Impact on Agency Operating Budgets (Facilities Notes)

The approximately 16,800 GSF for the UM – Morris Community Services will have estimated operating costs of $219,000 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 $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.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Folwell Hall

2008 STATE APPROPRIATION REQUEST: $39,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- Folwell Hall is one of the oldest buildings on campus and contributes greatly to the historic Knoll District.
- Project will allow the Writing Initiative to be based in Folwell Hall.
- Folwell will become a multilingual hub for the study of and research of languages, literature and writing.

Project Description

This request is for funds to design and renovate the interior of the building to modernize the programmatic function for College of Liberal Arts programs. This project includes renovation to accommodate the new Writing Initiative. Exterior improvements required to stabilize the building shell are being completed as part of a separate project.

Rationale

This project will allow Folwell Hall to become a multilingual and multicultural hub for both the study and research of languages, literature, and writing. The project will provide space that supports and enhances these disciplines as well as provide the community of scholars and students with attractive communal spaces.

Impact on Agency Operating Budgets (Facilities Notes)

The approximately 112,000 GSF for Folwell Hall will have an operating costs estimated at $1,167,000 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 $1,170,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

General Laboratory Renovation

2008 STATE APPROPRIATION REQUEST: $8,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION:

Project At A Glance

- Will improve and upgrade laboratory facilities system-wide
- Up-to-date research facilities are a vital to the University as it stays competitive with other major research Universities.

Project Description

This request is for system-wide funds used on all campuses, not only to finish remaining work on technology upgrades, but also to allow campuses to begin developing more innovative learning spaces required by changing pedagogy.

Rationale

The University must provide up-to-date research facilities in order to stay competitive with other regional universities and to attract the best and brightest students to its basic science programs

Impact on Agency Operating Budgets (Facilities Notes)

Due to the fact that these laboratories are included as part of other 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 $800,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

NWROC Farm Support Facility

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Crookston

Project At A Glance

- Project will construct a new maintenance facility
- Project will allow the Regional Outreach Center to continue its research, education, and outreach activities.

Project Description

This request is for funds to construct a new maintenance and farm support facility. A new facility is necessary to accommodate the equipment required to sustain current research and operations at the Regional Outreach Center.

Rationale

These improvements will enhance the facilities of the Regional Outreach Center, allowing it to continue its research, education, and outreach activities.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 2,600 GSF for the new maintenance and farm support facility at the North Central Regional Outreach Center will increase the University's operating costs by an estimated $26,000 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 $60,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Science Teaching Student Services

2008 STATE APPROPRIATION REQUEST: $72,500,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Minneapolis Campus

Project At A Glance

- Provision of contemporary science classrooms will enhance undergraduate learning in two core academic programs of the Institute of Technology: Chemistry and Physics.
- Consolidation of academic services in a single location at a convenient site will increase the accessibility and effectiveness of these services for students
- This project will demolish the obsolete Science Classroom Building located on a prominent site on the river.

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 University-wide student services such as academic counseling, career counseling, registration, and bursar services. Demolition of the Science Classroom Building is included in the project.

Rationale

Located at the Washington Avenue bridgehead, a centrally located site that has one of the highest concentrations of pedestrian traffic on the entire Minneapolis campus, the center will provide

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 131,000 GSF for the Science Teaching Student Services building to the Minneapolis Campus will increase the University's operating costs by an estimated $1,095,000 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 $2,175,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

WROC - Admin Bldg Addition

2008 STATE APPROPRIATION REQUEST: $3,000,000

AGENCY PROJECT PRIORITY:

PROJECT LOCATION: Morris

Project At A Glance

- Project will provide educational, research and demonstration space to the Regional Outreach Center.
- Project supports the University's Initiative on the Environment and Renewable Energy.

Project Description

This project will construct an addition to the Administration Building to provide educational and office space that will accommodate expanded education, research, and demonstration activities related to renewable energy sources and energy-efficient building technologies.

Rationale

These improvements will enhance the research, education, and outreach activities of the Regional Outreach Center. In addition, the renovations at the West Central ROC will support the University's Initiative on the Environment and Renewable Energy.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 5,000 GSF for the new Administration Building addition at the West Central Regional Outreach Center will increase the University's operating costs by an estimated $50,000 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 $90,000. This amount is equivalent to the annual depreciation of the laboratory components such as interiors, mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Richard Pfutzenreuter
Chief Financial Officer and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@umn.edu

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Veterans Homes Board

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	$9,000	$6,000	$6,000	$21,000			
Silver Bay Master Plan Renovation	2	3,800	0	0	3,800			
Fergus Falls Special Care Unit	3	9,700	0	0	9,700			
Hastings Supportive Housing	4	6,700	0	0	6,700			
Minneapolis Bldg. 17 Renovation	5	30,000	0	0	30,000			
Minneapolis Campus HVAC Upgrade	6	4,300	0	0	4,300			
Minneapolis Campus Security	7	2,300	0	0	2,300			
Total Project Requests		$65,800	$6,000	$6,000	$77,800			

Veterans Homes Board | Project Narrative

Asset Preservation

2008 STATE APPROPRIATION REQUEST: $9,000,000

AGENCY PROJECT PRIORITY: 1 of 7

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 updates to over 50 buildings statewide
- Continues to provide a safe environment for caring for vulnerable adults
- Ensures continued full use of all of our physical assets
- Repairing/replacing now eliminates future higher costs
- Does not qualify for 65% federal VA reimbursement

Project Description

The Minnesota Veterans Homes Board (MVHB) is requesting $9 million for agency-wide asset preservation. This request will assist the agency in addressing 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.

Included in this request are the replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, resident bathroom, and central shower updating. 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. Repairs on the Minneapolis campus are needed to the 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 require 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. In 2007, the agency received a total of $6.5 million for repair and betterment of facilities in the upcoming biennium. This funding will help with maintenance and improve the overall condition of each facility. In the past, funding in our operating account for repairs and betterment has largely been reprogrammed to address operating budget shortfalls. Because of this new funding, the agency is better equipped to address upkeep at every facility.

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 the 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 MVHB projects; and $6 million in the 2006 bonding bill. All of these accounts are being used with 90% of these funds encumbered for ongoing projects.

Project Contact Person

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Veterans Homes Board | Project Narrative

Silver Bay Master Plan Renovation

2008 STATE APPROPRIATION REQUEST: $3,800,000

AGENCY PROJECT PRIORITY: 2 of 7

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 for patient care
- Improved services with intergenerational care – adult day care/child care
- Qualifies for 65% federal VA reimbursement

Project Description

The Silver Bay Veterans Home is requesting $3.8 million for renovation of existing space and a structural building addition to the nursing care facility.

This initiative would renovate select space within the facility to provide additional clinical space, enlarge resident programming space, and 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. This nursing facility was originally constructed as an elementary school in 1953 – it needs modification to meet the needs of its residents.

This renovation is crucial because the current needs of the residents cannot be met by the facility's current condition. By renovating the building, resident programming needs can be better fulfilled, additional workplace efficiencies realized, and improved services provided. The overall quality of life will also be enhanced for the residents by reducing the current institutional character of the facility.

Also, the facility's support functions, maintenance, housing for vehicles, shipping and receiving, 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 increase the useful life of the home's vehicles, snow removal and lawn equipment, lower routine maintenance costs, 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.

Previous Appropriations for this Project

The 2006 bonding bill included $1.7 million, which represents the state portion needed to qualify for federal reimbursement. In 2004, $2.3 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 qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). While the state portion has already been appropriated, the agency is requesting full finding because of the uncertainty surrounding when VA approval will occur. The agency is and will continue to seek reimbursement for the federal share of the project's cost.

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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Douglas Rickabaugh, Financial Management Director
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20 West 12th Street
St. Paul, Minnesota 55155
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Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Veterans Homes Board | Project Narrative

Fergus Falls Special Care Unit

2008 STATE APPROPRIATION REQUEST: $9,700,000

AGENCY PROJECT PRIORITY: 3 of 7

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% federal VA reimbursement

Project Description

The Fergus Falls Veterans Home is requesting $9.7 million to construct 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% 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), we estimate 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 Department of Veterans Affairs (VA) at the facility that provides clinical services. Through a shared use agreement, the VA now serves over 600 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 is a necessary expansion in order 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 with full costs in FY 2011.

Previous Appropriations for this Project

$637,000 was provided in 2006 for design of this project.

Other Considerations

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's 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.

Fergus Falls Special Care Unit

Project Contact Person:
Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Veterans Homes Board | Project Narrative

Hastings Supportive Housing

2008 STATE APPROPRIATION REQUEST: $6,700,000

AGENCY PROJECT PRIORITY: 4 of 7

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
- May qualify for 65% federal VA reimbursement

Project Description

The Minnesota Veterans Home - Hastings (MVH-H) requests $6.7 million to design and construct 30 units of permanent supportive housing for veterans with disabilities on the Hastings campus. This housing will consist of 30 efficiency apartments for single adults. All veteran residents will have some disability but be able to live on their own with supportive services. Staff of the MVH-H 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 be able to piggyback on the services already in place to incrementally provide the necessary service package to veterans in the housing units.

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. In addition, the difficulty of locating low income housing units with a prevailing "not in my back yard" attitude is overcome by locating this housing unit on the campus. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction.

Impact on Agency Operating Budgets (Facilities Notes)

This project would essentially be revenue neutral. 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 2006.

Other Considerations

The U.S. Department of Veterans Affairs (VA) does not currently have a supportive housing program. As a result, it is unclear whether this project is eligible for the State Home Construction Grant program. If it does, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The original concept was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the agency 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.

Project Contact Person

Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155

Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Veterans Homes Board | Project Narrative

Minneapolis Bldg. 17 Renovation

2008 STATE APPROPRIATION REQUEST: $30,000,000

AGENCY PROJECT PRIORITY: 5 of 7

PROJECT LOCATION: 5101 Minneaha Avenue South, Minneapolis

Project At A Glance

- Update, remodel space to meet Department of Health requirements
- Re-design for "community" concept resident space
- Upgrade HVAC air handling entire building
- Upgrade kitchen food prep, dining room, building security
- Qualifies for 65% federal VA reimbursement

Project Description

The Minneapolis Veterans Home is requesting $30 million to fully fund the remodeling of its main nursing care building, Building 17. 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. The current layout does not provide the needed space for resident daily activity needs. The interior footprint needs extensive re-design to meet resident program needs. The "community" model will be incorporated into this design to provide a higher quality of life for residents. The interior will be code compliant and will include a new energy efficient mechanical system tied into the campus infrastructure.

The Minneapolis Veterans Home is in the process of reviewing all previously completed surveys and studies regarding Building 17 to gather information to determine if additional studies/surveys are necessary to identify remodeling needs. Depending upon the outcome of this review of existing studies/surveys as well as a potential additional study, the cost of remodeling could be upwards of $30 million. This funding would assure an updated, quality resident care facility is available for veterans in the metropolitan area.

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 facilities operating needs.

Previous Appropriations for this Project

None.

Other Considerations

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). The need for renovation is great, and there is uncertainty surrounding when VA approval will occur. Because of this situation, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process, which identifies the need to renovate this building. Our mission to provide high quality skilled health care services to veterans leads us to request this renovation of Building 17. 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 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

Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Veterans Homes Board | Project Narrative

Minneapolis Campus HVAC Upgrade

2008 STATE APPROPRIATION REQUEST: $4,300,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- Campus wide HVAC upgrade
- Upgrade equipment for reliability, and to reduce utility cost and ongoing maintenance
- Provides enhanced monitoring equipment allowing pro-active daily maintenance
- Advance the goal of lower power/equipment failures and lower on-site maintenance costs

Project Description

The Minnesota Veterans Homes Board is requesting $4.3 million to provide full funding to replace/upgrade mechanical equipment at the Minneapolis campus. This funding 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 403 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 campus wide HVAC study references replacement of all equipment exceeding life expectancy. This study also recommends installation of direct digital equipment used to monitor this equipment and provide utility efficiencies. The heating system will be changed from high pressure to low pressure steam to lower maintenance costs and provide operational efficiency. Costs associated with Building 17 have been included in a separate request.

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 should allow operational efficiencies giving maintenance staff more latitude to pro-actively maintain the campus.

Previous Appropriations for this Project

None.

Other Considerations

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur and the urgency of completing the project, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process, 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

Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Minneapolis Campus HVAC Upgrade

Veterans Homes Board | Project Narrative

Minneapolis Campus Security

2008 STATE APPROPRIATION REQUEST: $2,300,000

AGENCY PROJECT PRIORITY: 7 of 7

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% federal VA reimbursement

Project Description

The Minnesota Veterans Homes Board is requesting $2.3 million to provide full funding to install a fully developed and monitored security system for the Minneapolis campus.

The Minneapolis campus is home to 403 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. 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 through out the campus. Skilled nursing care Buildings 6, 9, and 17 will be provided with magnetic door locks 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

It is unclear whether this project is eligible for federal the State Home Construction Grant program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty and the need for security is urgent, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

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- safe-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.

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Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
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Governor's Recommendations (To be completed by the Department of Finance at a later date).

Veterans Homes Board

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	$9,000	$6,000	$6,000	$21,000			
Silver Bay Master Plan Renovation	2	3,800	0	0	3,800			
Fergus Falls Special Care Unit	3	9,700	0	0	9,700			
Hastings Supportive Housing	4	6,700	0	0	6,700			
Minneapolis Bldg. 17 Renovation	5	30,000	0	0	30,000			
Minneapolis Campus HVAC Upgrade	6	4,300	0	0	4,300			
Minneapolis Campus Security	7	2,300	0	0	2,300			
Total Project Requests		$65,800	$6,000	$6,000	$77,800			

Asset Preservation

2008 STATE APPROPRIATION REQUEST: $9,000,000

AGENCY PROJECT PRIORITY: 1 of 7

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 updates to over 50 buildings statewide
- Continues to provide a safe environment for caring for vulnerable adults
- Ensures continued full use of all of our physical assets
- Repairing/replacing now eliminates future higher costs
- Does not qualify for 65% federal VA reimbursement

Project Description

The Minnesota Veterans Homes Board (MVHB) is requesting $9 million for agency-wide asset preservation. This request will assist the agency in addressing 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.

Included in this request are the replacing of exterior envelope components, roof replacement, tuckpointing, sanitary sewer repairs, mechanical and electrical updates, resident bathroom, and central shower updating. 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. Repairs on the Minneapolis campus are needed to the 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 require 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. In 2007, the agency received a total of $6.5 million for repair and betterment of facilities in the upcoming biennium. This funding will help with maintenance and improve the overall condition of each facility. In the past, funding in our operating account for repairs and betterment has largely been reprogrammed to address operating budget shortfalls. Because of this new funding, the agency is better equipped to address upkeep at every facility.

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 the 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 MVHB projects; and $6 million in the 2006 bonding bill. All of these accounts are being used with 90% of these funds encumbered for ongoing projects.

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Phone: (651) 297-5253
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Governor's Recommendations (To be completed by the Department of Finance at a later date).

Silver Bay Master Plan Renovation

2008 STATE APPROPRIATION REQUEST: $3,800,000

AGENCY PROJECT PRIORITY: 2 of 7

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 for patient care
- Improved services with intergenerational care – adult day care/child care
- Qualifies for 65% federal VA reimbursement

Project Description

The Silver Bay Veterans Home is requesting $3.8 million for renovation of existing space and a structural building addition to the nursing care facility.

This initiative would renovate select space within the facility to provide additional clinical space, enlarge resident programming space, and 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. This nursing facility was originally constructed as an elementary school in 1953 – it needs modification to meet the needs of its residents.

This renovation is crucial because the current needs of the residents cannot be met by the facility's current condition. By renovating the building, resident programming needs can be better fulfilled, additional workplace efficiencies realized, and improved services provided. The overall quality of life will also be enhanced for the residents by reducing the current institutional character of the facility.

Also, the facility's support functions, maintenance, housing for vehicles, shipping and receiving, 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 increase the useful life of the home's vehicles, snow removal and lawn equipment, lower routine maintenance costs, 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.

Previous Appropriations for this Project

The 2006 bonding bill included $1.7 million, which represents the state portion needed to qualify for federal reimbursement. In 2004, $2.3 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 qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). While the state portion has already been appropriated, the agency is requesting full finding because of the uncertainty surrounding when VA approval will occur. The agency is and will continue to seek reimbursement for the federal share of the project's cost.

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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20 West 12th Street
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E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Fergus Falls Special Care Unit

2008 STATE APPROPRIATION REQUEST: $9,700,000

AGENCY PROJECT PRIORITY: 3 of 7

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% federal VA reimbursement

Project Description

The Fergus Falls Veterans Home is requesting $9.7 million to construct 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% 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), we estimate 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 Department of Veterans Affairs (VA) at the facility that provides clinical services. Through a shared use agreement, the VA now serves over 600 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 is a necessary expansion in order 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 with full costs in FY 2011.

Previous Appropriations for this Project

$637,000 was provided in 2006 for design of this project.

Other Considerations

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's 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.

Fergus Falls Special Care Unit

Project Contact Person:
Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Hastings Supportive Housing

2008 STATE APPROPRIATION REQUEST: $6,700,000

AGENCY PROJECT PRIORITY: 4 of 7

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
- May qualify for 65% federal VA reimbursement

Project Description

The Minnesota Veterans Home - Hastings (MVH-H) requests $6.7 million to design and construct 30 units of permanent supportive housing for veterans with disabilities on the Hastings campus. This housing will consist of 30 efficiency apartments for single adults. All veteran residents will have some disability but be able to live on their own with supportive services. Staff of the MVH-H 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 be able to piggyback on the services already in place to incrementally provide the necessary service package to veterans in the housing units.

A demographic study completed in October 2004 identifies housing as one of the unmet demands on campus and supports the proposed construction. In addition, the difficulty of locating low income housing units with a prevailing "not in my back yard" attitude is overcome by locating this housing unit on the campus. Sufficient space is available on campus for this construction and a renovated power plant will be able to support the new construction.

Impact on Agency Operating Budgets (Facilities Notes)

This project would essentially be revenue neutral. 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 2006.

Other Considerations

The U.S. Department of Veterans Affairs (VA) does not currently have a supportive housing program. As a result, it is unclear whether this project is eligible for the State Home Construction Grant program. If it does, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The original concept was to remodel an existing building on the Hastings campus to provide residents with supportive housing services. After further review, the agency 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.

Project Contact Person

Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155

Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Minneapolis Bldg. 17 Renovation

2008 STATE APPROPRIATION REQUEST: $30,000,000

AGENCY PROJECT PRIORITY: 5 of 7

PROJECT LOCATION: 5101 Minneaha Avenue South, Minneapolis

Project At A Glance

- Update, remodel space to meet Department of Health requirements
- Re-design for "community" concept resident space
- Upgrade HVAC air handling entire building
- Upgrade kitchen food prep, dining room, building security
- Qualifies for 65% federal VA reimbursement

Project Description

The Minneapolis Veterans Home is requesting $30 million to fully fund the remodeling of its main nursing care building, Building 17. 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. The current layout does not provide the needed space for resident daily activity needs. The interior footprint needs extensive re-design to meet resident program needs. The "community" model will be incorporated into this design to provide a higher quality of life for residents. The interior will be code compliant and will include a new energy efficient mechanical system tied into the campus infrastructure.

The Minneapolis Veterans Home is in the process of reviewing all previously completed surveys and studies regarding Building 17 to gather information to determine if additional studies/surveys are necessary to identify remodeling needs. Depending upon the outcome of this review of existing studies/surveys as well as a potential additional study, the cost of remodeling could be upwards of $30 million. This funding would assure an updated, quality resident care facility is available for veterans in the metropolitan area.

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 facilities operating needs.

Previous Appropriations for this Project

None.

Other Considerations

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). The need for renovation is great, and there is uncertainty surrounding when VA approval will occur. Because of this situation, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process, which identifies the need to renovate this building. Our mission to provide high quality skilled health care services to veterans leads us to request this renovation of Building 17. 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 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

Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Minneapolis Bldg. 17 Renovation

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Minneapolis Campus HVAC Upgrade

2008 STATE APPROPRIATION REQUEST: $4,300,000

AGENCY PROJECT PRIORITY: 6 of 7

PROJECT LOCATION: 5101 Minnehaha Avenue South, Minneapolis

Project At A Glance

- Campus wide HVAC upgrade
- Upgrade equipment for reliability, and to reduce utility cost and ongoing maintenance
- Provides enhanced monitoring equipment allowing pro-active daily maintenance
- Advance the goal of lower power/equipment failures and lower on-site maintenance costs

Project Description

The Minnesota Veterans Homes Board is requesting $4.3 million to provide full funding to replace/upgrade mechanical equipment at the Minneapolis campus. This funding 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 403 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 campus wide HVAC study references replacement of all equipment exceeding life expectancy. This study also recommends installation of direct digital equipment used to monitor this equipment and provide utility efficiencies. The heating system will be changed from high pressure to low pressure steam to lower maintenance costs and provide operational efficiency. Costs associated with Building 17 have been included in a separate request.

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 should allow operational efficiencies giving maintenance staff more latitude to pro-actively maintain the campus.

Previous Appropriations for this Project

None.

Other Considerations

This project qualifies for the State Home Construction Grant program administered by the U.S. Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty surrounding when VA approval will occur and the urgency of completing the project, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

The Minneapolis facility leadership conducted an in-depth strategic planning process, 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

Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Minneapolis Campus HVAC Upgrade

Minneapolis Campus Security

2008 STATE APPROPRIATION REQUEST: $2,300,000

AGENCY PROJECT PRIORITY: 7 of 7

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% federal VA reimbursement

Project Description
The Minnesota Veterans Homes Board is requesting $2.3 million to provide full funding to install a fully developed and monitored security system for the Minneapolis campus.

The Minneapolis campus is home to 403 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. 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 through out the campus. Skilled nursing care Buildings 6, 9, and 17 will be provided with magnetic door locks 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
It is unclear whether this project is eligible for federal the State Home Construction Grant program, administered by the federal Department of Veterans Affairs (VA). Under this program, the VA will pay or reimburse 65% of the project's cost once the state has appropriated their portion (35%). Because of the uncertainty and the need for security is urgent, the agency is requesting the full amount be appropriated and will seek reimbursement for the federal share of the project's cost.

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- safe-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
Douglas Rickabaugh
Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, Minnesota 55155
Phone: (651) 297-5253
Fax: (651) 296-6177
E-mail: dorickab@mvhmail.mvh.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date).

Water & Soil Resources Board

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
RIM Reserve Program	1	$70,000	$0	$0	$70,000			
Local Government Road Wetland Replacement	2	8,500	8,900	9,400	26,800			
RIM Clean Energy	3	46,000	0	0	46,000			
Clean Water Legacy - Streambank, Lakeshores	4	2,500	2,500	2,500	7,500			
Grass Lake	5	1,700	0	0	1,700			
Total Project Requests		$128,700	$11,400	$11,900	$152,000			

RIM Reserve Program

2008 STATE APPROPRIATION REQUEST: $70,000,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

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; and
- 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 reduces 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.

We expect 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 the 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% 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
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, Minnesota 55107
Phone: (651) 296-0878
Fax: (651) 297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Local Government Road Wetland Replacement

2008 STATE APPROPRIATION REQUEST: $8,500,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

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 Soil and Water 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 (1). 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 Board of Water and Soil Resources (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*); and
- 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. This 2.5 years is comprised of 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:

1. Increased need for replacement wetlands based on reporting to BWSR from local road authorities;
2. The need to establish a 2.5 year balance of wetland to avoid further program cost increases;
3. Increasing land prices are increasing BWSR's costs to supply the required replacement wetlands. Data on farmland sales has documented a 23% 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

Project Contact Person
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, Minnesota 55155

Governor's Recommendations (To be completed by the Department of Finance at a later date)

RIM Clean Energy

2008 STATE APPROPRIATION REQUEST: $46,000,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

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, generating electricity or heat, or 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% of this total as a RIM CE service grant to offset their cost to secure easements

Previous Appropriations for this Project
None.

Project Contact Person

John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, Minnesota 55107
Phone: (651) 296-0878
Fax: (651) 297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Water & Soil Resources Board | Project Narrative

Clean Water Legacy - Streambank, Lakeshores

2008 STATE APPROPRIATION REQUEST: $2,500,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

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 as a priority in comprehensive local water management plans or TMDL implementation plans. Cost-share grants will provide up to 75% 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% 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%. 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% 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

Other Considerations

Project Contact Person
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
St. Paul, MN 55155
Phone: 651-296-0878
Fax: 651-297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Grass Lake

2008 STATE APPROPRIATION REQUEST: $1,700,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

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; and
- 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 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 7 landowners. A state-county-city partnership is critical for this challenging, yet very beneficial, multi-purpose project.

Impact on Agency Operating Budgets (Facilities Notes)
No impact.

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.

Project Contact Person
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road N.
St. Paul, MN 55155
Phone: 651-296-0878
Fax: 651-297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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	$0	$0	$0
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	$0	$0	$0

Asset Preservation

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION:

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;
- addressing 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; and
- 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 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

$7.5 million was appropriated during the 2006 session. Two million dollars during the 2005 session and $3 million was appropriated from bond funds during the 2002 legislative session for the asset preservation needs of the Zoo facility. 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; and
- 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

Peggy Adelmann
Chief Financial Officer
13000 Zoo Boulevard
Apple Valley, Minnesota 55124
Phone: (952) 431-9309
Fax: (952) 431-9211
E-mail: peggy.adelmann@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Master Plan Design Construction

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION:

Project At A Glance

$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.

⇒ North Woods 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 (To be completed by the Department of Finance at a later date)

Zoological Gardens

Projects Summary

($ in Thousands)

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Asset Preservation

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION:

Project At A Glance

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Master Plan Design Construction

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AGENCY PROJECT PRIORITY: 2 of 2

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Chief Financial Officer
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Apple Valley, Minnesota 55124
Phone: (952) 431-9309
Fax: (952) 431-9211
E-mail: peggy.adelmann@state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Water & Soil Resources Board

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
RIM Reserve Program	1	$70,000	$0	$0	$70,000	$0	$0	$0
Local Government Road Wetland Replacement	2	8,500	8,900	9,400	26,800	0	0	0
RIM Clean Energy	3	46,000	0	0	46,000	0	0	0
Clean Water Legacy - Streambank, Lakeshores	4	2,500	2,500	2,500	7,500	0	0	0
Grass Lake	5	1,700	0	0	1,700	0	0	0
Total Project Requests		$128,700	$11,400	$11,900	$152,000	$0	$0	$0

2008 STATE APPROPRIATION REQUEST: $70,000,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

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; and
- 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 reduces 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.

We expect 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 the 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% 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
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, Minnesota 55107
Phone: (651) 296-0878
Fax: (651) 297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Local Government Road Wetland Replacement

2008 STATE APPROPRIATION REQUEST: $8,500,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

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 Soil and Water 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 (1). 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 Board of Water and Soil Resources (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*); and
- 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. This 2.5 years is comprised of 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:

1. Increased need for replacement wetlands based on reporting to BWSR from local road authorities;
2. The need to establish a 2.5 year balance of wetland to avoid further program cost increases;
3. Increasing land prices are increasing BWSR's costs to supply the required replacement wetlands. Data on farmland sales has documented a 23% 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

Project Contact Person
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, Minnesota 55155

Governor's Recommendations (To be completed by the Department of Finance at a later date)

RIM Clean Energy

2008 STATE APPROPRIATION REQUEST: $46,000,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

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, generating electricity or heat, or 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% of this total as a RIM CE service grant to offset their cost to secure easements

Previous Appropriations for this Project
None.

Project Contact Person

John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
Saint Paul, Minnesota 55107
Phone: (651) 296-0878
Fax: (651) 297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Clean Water Legacy - Streambank, Lakeshores

2008 STATE APPROPRIATION REQUEST: $2,500,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

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 as a priority in comprehensive local water management plans or TMDL implementation plans. Cost-share grants will provide up to 75% 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% 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%. 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% 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

Other Considerations

Project Contact Person
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road North
St. Paul, MN 55155
Phone: 651-296-0878
Fax: 651-297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Grass Lake

2008 STATE APPROPRIATION REQUEST: $1,700,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

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; and
- 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 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 7 landowners. A state-county-city partnership is critical for this challenging, yet very beneficial, multi-purpose project.

Impact on Agency Operating Budgets (Facilities Notes)
No impact.

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.

Project Contact Person
John Jaschke, Executive Director
Board of Water and Soil Resources
520 Lafayette Road N.
St. Paul, MN 55155
Phone: 651-296-0878
Fax: 651-297-5615
Email: john.jaschke@bwsr.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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	$0	$0	$0
Metropolitan Regional Parks	2	10,500	10,500	10,500	31,500	0	0	0
Urban Partnership Agreement	3	7,200	0	0	7,200	0	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
Affordable Housing Land Acquisition 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
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
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
Total Project Requests		$199,690	$73,500	$60,500	$333,690	$0	$0	$0

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	$0	$0	$0
Metropolitan Regional Parks	2	10,500	10,500	10,500	31,500	0	0	0
Urban Partnership Agreement	3	7,200	0	0	7,200	0	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
Affordable Housing Land Acquisition 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
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
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
Total Project Requests		$199,690	$73,500	$60,500	$333,690	$0	$0	$0

2008 STATE APPROPRIATION REQUEST: $140,000,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $140 million to provide 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 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.

Very strong 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, Full Funding Grant Agreement secured with the Federal Transit Administration (FTA) in latter 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, estimated at $932 million in year-of-expenditure dollars, will be reduced to approximately $840 million to meet federal cost effectiveness requirements. The FTA will fund 50% of the project capital cost, contingent upon meeting federal criteria. 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 expects 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. 50%, or $8 million annually, will be funded by the Metropolitan Council using 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

Central Corridor Light Rail Transit

The Central Corridor LRT is a vital and significant component of the region's transportation plan. Traffic congestion is already a problem today 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.

The Capitol Area Architectural and Planning Board (CAAPB) is highly supportive of the Central Corridor LRT and has endorsed the alignment serving the State Capitol complex. LRT will provide a high-quality alternative to single-occupancy driving and thus reduce the amount of land needed for parking in the Capitol Area – a long term goal of the *Comprehensive Plan for the Minnesota State Capitol Area*.

Project Contact Person

Arlene McCarthy
Director, Metropolitan Transportation Services
390 North Robert Street, St. Paul, MN 55101
Phone: 651-602-1754
Fax: 651-602-1739
Arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

2008 STATE APPROPRIATION REQUEST: $10,500,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $10,500,000 in state bonds to match $7,000,000 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 preliminary 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 following table illustrates the amount of each park agency's subgrant in the CIP as part of this State bond request.

Regional Park Implementing Agency	State bond request (thousands)	Metropolitan Council bond match (thousands)	Total Subgrant Amount per Agency (thousands)
Anoka County	$ 1,169	$ 725	$ 1,894
City of Bloomington	$ 330	$ 176	$ 506
Carver County	$ 0	$ 426	$ 426
Dakota County	$ 1,344	$ 460	$ 1,804
Minneapolis Park & Rec. Board	$ 2,098	$ 1,241	$ 3,339
Ramsey County	$ 1,069	$ 537	$ 1,606
City of St. Paul	$ 1,580	$ 974	$ 2,554
Scott County (including Three Rivers Park District projects in county)	$ 0	$ 570	$ 570
Three Rivers Park District	$ 2,496	$ 1,138	$ 3,634
Washington County	$ 414	$ 753	$ 1,167
Grand Total	**$ 10,500**	**$ 7,000**	**$ 17,500**

Over 33 million visits occurred in the Metropolitan Regional Park System in 2006. Of this amount, 40.0% 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% state/40% Metropolitan Council basis. This fairly spreads the costs of these capital improvements between all state taxpayers relative to their use of the park system and what they pay in taxes for debt service on the State bonds and Council bonds.

A preliminary list of projects in priority order for each park implementing agency that would be funded from these bonds is shown on Attachment 1. Any changes to this preliminary list will be included in the final request on October 10.

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 (bonds 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 $278.5 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% match to the $7 million of State bonds appropriated for the 2006-07 Parks CIP projects.

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

Arne Stefferud, Planning Analyst - Parks
Metropolitan Council, 390 North Robert Street
St. Paul, MN 55101
Phone: (651) 602-1360
Fax: (651) 602-1467
E-mail: arne.stefferud@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Attachment 1: Preliminary 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.	$ 602	$ 266	$ 868
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.	$ 447	$ 298	$ 745
Anoka County	4	Anoka County Riverfront Regional Park	Construct 9-hole disc golf course, reconstruct roadway and parking lots, lighting, landscaping/restoration, site furnishings, and utilities.	$ 120	$ 80	$ 200
			Anoka County Subtotal	**$ 1,169**	**$ 725**	**$ 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 Park Reserve - 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

Attachment 1: Preliminary 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 ($000's)
			City of Bloomington Subtotal	**$ 330**	**$ 176**	**$ 506**
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 Subtotal	$ -	**$ 426**	**$ 426**
Dakota County	1	Mississippi River Regional Trail	Match to $696,000 Federal TEA-21 grant for acquisition, construction, construction administration of approximately 3.4 miles of regional trail from Spring Lake Park Reserve to the west Hastings city limit.	$ 243	$ 82	$ 325
Dakota County	2	Mississippi River Regional Trail	Match to $773,000 Federal TEA-21 grant for acquisition, construction, construction administration of approximately 1.2 miles of regional trail from Cahill Avenue to the Pine Bend trailhead at 111th Street, all within city limits of Inver Grove Heights.	$ 137	$ 13	$ 150
Dakota County	3	Lebanon Hills Regional Park	This project includes design and development per master plan: 1) Loop connector trail of 1.1 miles around McDonough Lake, 2). Other connector trail spurs (approximately .3 miles) for connectivity, 3) Existing parking lot redevelopment for efficiency, sec	$ 529	$ 171	$ 700
Dakota County	4	Lebanon Hills Regional Park	Design and construct new parking lot (up to about capacity 60), with small restroom building, to serve western portion of park and primarily mountain bike, hike and ski trail use. Also to remove existing inadequate and poorly located/developed parking lot and restore site.	$ 287	$ 113	$ 400

Attachment 1: Preliminary 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)
Dakota County	5	Lebanon Hills Regional Park and other regional parks	Match to $30,000 County funds to install signs for branding, wayfinding, regulatory, etc. purposes. Sign needs for Lebanon Hills Regional Park and Spring Lake Park Reserve will be priorities.	$ 148	$ 19	$ 167
Dakota County	6	Lebanon Hills Regional Park	Reimbursement for county funds spent on the development of the campground project of 1999 to 2000.	$ -	$ 62	$ 62
			Dakota County Subtotal	**$ 1,344**	**$ 460**	**$ 1,804**
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, drink	$ 1,788	$ 1,012	$ 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	$ 310	$ 229	$ 539
			Minneapolis Park & Rec. Board Subtotal	**$ 2,098**	**$ 1,241**	**$ 3,339**

Attachment 1: Preliminary 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	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 turf establishment. Previous Metropolitan Council Grant will finance $455,000 of project costs.	$ -	$ 145	$ 145
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.	$ 1,039	$ 372	$ 1,411
			Ramsey County Subtotal	**$ 1,069**	**$ 537**	**$ 1,606**
City of Saint Paul	1	Lilydale Regional Park	Detailed site survey and design plans for major park improvements including infrastructure/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

Attachment 1: Preliminary 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 Saint Paul	2	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.	$ 412	$ 196	$ 608
City of Saint Paul	3	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.	$ 126	$ 84	$ 210
City of Saint Paul	4	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.	$ 300	$ 200	$ 500
City of Saint Paul	5	Como Regional Park	Design/engineering of a phased construction of an expanded outdoor aquatics facility at the site of the existing Como Pool including renovation of existing pool, new building with outdoor shower facilities, expanded parking area, wave pool, splash pad and infrastructure for future development phases.	$ 472	$ 314	$ 786
City of Saint Paul	6	Harriet Island Regional Park	Design and construction of 110+/- parking spaces adjacent to Water Street including lighting, utilities and storm water treatment.	$ 210	$ 140	$ 350
			City of Saint Paul Subtotal	**$ 1,580**	**$ 974**	**$ 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

Attachment 1: Preliminary 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 ($000's)
			Scott County Subtotal	**$ -**	**$ 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	$ 2,863	$ 771	$ 3,634
			Three Rivers Park District Subtotal	**$ 2,863**	**$ 771**	**$ 3,634**
Washington County	1	Lake Elmo Park Reserve	Reimburse County funding for replacing playground equipment 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.	$ 414	$ 68	$ 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 Subtotal	**$ 414**	**$ 753**	**$ 1,167**
			Grand Total	**$ 10,500**	**$ 7,000**	**$ 17,500**

2008 STATE APPROPRIATION REQUEST: $7,200,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $7.2 million to provide local match for funding from USDOT for park & ride construction and transit related intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

Project Description

The Minnesota Department of Transportation and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership Agreement (UPA) program. The Minnesota Congestion Coalition application proposes 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, MnDOT and Met Council have submitted 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 improvements that are proposed under the UPA.

If Minnesota is selected as a UPA partner and the grants are awarded, they must be matched 80% federal to 20% local. This capital bonding request is for a portion of the local funding that will be required to match the federal dollars. Additional local match will be sought from other sources, including MnDOT capital programs, the City of Minneapolis, Dakota County and others.

This request seeks local (nonfederal), match for two specific elements of the overall UPA project:

1. Construct 1,710 park & ride spaces in the I-35W north and I-35W south corridors. These park & ride spaces will provide capacity to handle the expected increase in express bus ridership generated by congestion pricing and other UPA program elements. The specific park & ride locations and spaces are as follows:

Corridor	City	Location	Spaces	Cost
I-35W North	Blaine	At 95th Ave	310	$5.50 M
I-35W North	Roseville	Snelling & TH 36	310	$5.50 M
I-35W South	Bloomington	At 82nd St	500	$9.00 M
I-35W South	Bloomington	At 98th St	150	$2.70 M
I-35W South	Lakeville	t.b.d.	440	$2.00 M
Total			1,710	$24.70 M

Total cost: $24.70 M Local Match: $4.94 M

2. Develop intelligent transportation systems (ITS) technologies to speed transit service and increase customer information and conduct operational testing these systems. These systems will de deployed and tested in the Tier 1 UPA corridors (I-35W North, I-35W South and Hwy 77).

Project	Cost
Bus operator lane guidance system	$4.30 M
Transit signal priority system	$5.50 M
Real-time bus arrival time	$0.16 M
Congestion conditions information	$0.09 M
Park & ride space availability information	$1.25 M
Total	$11.30 M

Total cost: $11.30 M Local Match: $2.26M

Grant Total: $36.00 M Local Match $7.2 M

Impact on Agency Operating Budgets (Facilities Notes)

The park & rides will also require purchase of expansion buses and funding for expansion of transit service operations.

The expansion buses have also been requested under the UPA Section 5309 grant application, and the local (nonfederal) match for those will be sought from other state and local capital sources.

The expansion of transit service operations is currently unfunded and will be expected to come from regional transit operating funds.

Previous Appropriations for this Project

None

Other Considerations

Funding for some of the park & ride expansions may also be eligible for Congestion Mitigation/Air Quality (CMAQ) grants.

Project Contact Person

Arlene McCarthy
Director, Metropolitan Transportation Services
390 North Robert Street, St. Paul, MN 55101
Phone: 651-602-1754
Fax: 651-602-1739
Arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Regional Park and Ride System Expansion

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION:

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 in leaps and bounds. From approximately 6,700 spaces and 4,700 users in 1999 to approximately 19,500 spaces and 15,300 users in 2006. That's a 191% increase in capacity and a 226% increase in usage over the last 7 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.

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.

Previous Appropriations for this Project

None

Other Considerations

Some of these projects are Congestion Mitigation/Air Quality (CMAQ)-eligible andUPA-eligible.

Project Contact Person

Arlene McCarthy
Director, Metropolitan Transportation Services
Metropolitan Council
390 Robert Street
St. Paul, MN 55101
Phone: (651) 602-1754
Fax: (651) 602-1739
E-Mail: arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Transitway Studies and Facilities

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $2 million to fund four to five in-depth transitway studies.

Project Description

This project will fund 4-5 in-depth studies of transitway corridors to determine their potential for light rail transit, commuter rail, or dedicated busways.

In 2007, the Metropolitan Council will be completing the 2030 Transit Master Plan. This study will include a screening of approximately 25 corridors for their potential for light rail, commuter rail and dedicated busways. 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 used for environmental studies, preliminary engineering and 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 ten 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

Arlene McCarthy
Director, Metropolitan Transportation Services
Metropolitan Council
390 Robert Street
St. Paul, MN 55101
Phone: (651) 602-1754
Fax: (651) 602-1739
E-Mail: arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metro Cities Inflow and Infiltration Reduction

2008 STATE APPROPRIATION REQUEST: $14,000,000

AGENCY PROJECT PRIORITY: 6 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council and Metro Cities request $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 ½ of the state's population, operates the Metropolitan Disposal System under M.S. 473.515 and other statutes. Inflow and Infiltration of clear (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). Since this proposal benefits both the metropolitan sewer system and metropolitan cities, it is being jointly sponsored by both the Metropolitan Council and Metro Cities (aka the Association of Metropolitan Municipalities).

The overall I/I mitigation program is projected to save the metropolitan ratepayers at least 6 times the cost of the program ($900 million in regional expenses), by 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 cost avoidance 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).

Up to $14 million would be granted to metropolitan communities to rehabilitate local sewer systems to eliminate excessive I/I. The cities would be required to match each grant dollar.

If the program is implemented, municipalities would:

1) Identify eligible I/I project capital costs (sewer system rehabilitation and improvements)
2) Secure City Council resolutions committing financing for the 50% matching funds
3) Apply to the Council for the grant
4) Contract for the repairs to city pipes
5) Account for the use of the proceeds

And the Metropolitan Council would:

1) Draft generic grant agreements and City Council resolutions
2) Develop a grant list by municipality.
3) Disburse funds and verify expenditures

Impact on Agency Operating Budgets (Facilities Notes)

There is no financial impact to the Council. The technical and accounting review of the municipal I/I project expenditures already are ongoing by the Council, regardless of this grant program, as the Council requires such accountability of its customer municipalities as part of its I/I surcharge program.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Metro Cities Inflow and Infiltration Reduction

Name: Jason Willett
Title MCES Finance Director
Address 390 North Robert Street
Phone 651-602-1196
Fax 651-602-1477
E-Mail: jason.willett@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Affordable Housing Land Acquisition Loan Fund

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $10 million 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 the accomplishment of this long-term housing needs objectives.

Impact on Agency Operating Budgets (Facilities Notes)

There is no direct impact on the Council's operating budget by this request.

Previous Appropriations for this Project

None

Other Considerations

An Affordable Housing Land Acquisition Loan Fund would complement the efforts by Minnesota Housing and other affordable housing partners in the region in accomplishing the Pawlenty administration's plan to end long-term homelessness by aiding in the acquisition of land for housing very low income households.

Project Contact Person

Guy Peterson
Director of Community Development
Metropolitan Council
390 Robert Street
St. Paul, MN 55101
Phone: (651) 602-1418
FAX (651) 602-1442
E-Mail: guy.peterson@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Renewable Fuel/Pollution Reduction Demonstration

2008 STATE APPROPRIATION REQUEST: $990,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $990,000 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

The Metropolitan Council and the University of Minnesota 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 biooils. The Council's 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. 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 $215k.

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 $500k. 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 $75k. Finally the U of M will procure equipment to characterize the products that are produced at an estimated cost of $200k.

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)

Metropolitan Council (Environmental Services) 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.

Previous Appropriations for this Project

None

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. PCA, DNR, Agriculture, Economic Development and Housing Finance 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

Dr. Robert Polta
Environmental Services
Metropolitan Council
2400 Childs Road
St. Paul, MN 55106-6732
Phone: (651) 602-8390
Fax: (651) 602-8215
E-mail: bob.polta@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan Council | Project Narrative

Central Corridor Light Rail Transit

2008 STATE APPROPRIATION REQUEST: $140,000,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $140 million to provide 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 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.

Very strong 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, Full Funding Grant Agreement secured with the Federal Transit Administration (FTA) in latter 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, estimated at $932 million in year-of-expenditure dollars, will be reduced to approximately $840 million to meet federal cost effectiveness requirements. The FTA will fund 50% of the project capital cost, contingent upon meeting federal criteria. 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 expects 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. 50%, or $8 million annually, will be funded by the Metropolitan Council using 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 and significant component of the region's transportation plan. Traffic congestion is already a problem today 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.

The Capitol Area Architectural and Planning Board (CAAPB) is highly supportive of the Central Corridor LRT and has endorsed the alignment serving the State Capitol complex. LRT will provide a high-quality alternative to single-occupancy driving and thus reduce the amount of land needed for parking in the Capitol Area – a long term goal of the *Comprehensive Plan for the Minnesota State Capitol Area*.

Project Contact Person

Arlene McCarthy
Director, Metropolitan Transportation Services
390 North Robert Street, St. Paul, MN 55101
Phone: 651-602-1754
Fax: 651-602-1739
Arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan Regional Parks

2008 STATE APPROPRIATION REQUEST: $10,500,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $10,500,000 in state bonds to match $7,000,000 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 preliminary 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 following table illustrates the amount of each park agency's subgrant in the CIP as part of this State bond request.

Regional Park Implementing Agency	State bond request (thousands)	Metropolitan Council bond match (thousands)	Total Subgrant Amount per Agency (thousands)
Anoka County	$ 1,169	$ 725	$ 1,894
City of Bloomington	$ 330	$ 176	$ 506
Carver County	$ 0	$ 426	$ 426
Dakota County	$ 1,344	$ 460	$ 1,804
Minneapolis Park & Rec. Board	$ 2,098	$ 1,241	$ 3,339
Ramsey County	$ 1,069	$ 537	$ 1,606
City of St. Paul	$ 1,580	$ 974	$ 2,554
Scott County (including Three Rivers Park District projects in county)	$ 0	$ 570	$ 570
Three Rivers Park District	$ 2,496	$ 1,138	$ 3,634
Washington County	$ 414	$ 753	$ 1,167
Grand Total	**$ 10,500**	**$ 7,000**	**$ 17,500**

Over 33 million visits occurred in the Metropolitan Regional Park System in 2006. Of this amount, 40.0% 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% state/40% Metropolitan Council basis. This fairly spreads the costs of these capital improvements between all state taxpayers relative to their use of the park system and what they pay in taxes for debt service on the State bonds and Council bonds.

A preliminary list of projects in priority order for each park implementing agency that would be funded from these bonds is shown on Attachment 1. Any changes to this preliminary list will be included in the final request on October 10.

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 (bonds 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 $278.5 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% match to the $7 million of State bonds appropriated for the 2006-07 Parks CIP projects.

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

Arne Stefferud, Planning Analyst - Parks
Metropolitan Council, 390 North Robert Street
St. Paul, MN 55101
Phone: (651) 602-1360
Fax: (651) 602-1467
E-mail: arne.stefferud@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Attachment 1: Preliminary 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.	$ 602	$ 266	$ 868
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.	$ 447	$ 298	$ 745
Anoka County	4	Anoka County Riverfront Regional Park	Construct 9-hole disc golf course, reconstruct roadway and parking lots, lighting, landscaping/restoration, site furnishings, and utilities.	$ 120	$ 80	$ 200
			Anoka County Subtotal	**$ 1,169**	**$ 725**	**$ 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 Park Reserve - 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

Attachment 1: Preliminary 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 ($000's)
			City of Bloomington Subtotal	**$ 330**	**$ 176**	**$ 506**
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 Subtotal	$ -	**$ 426**	**$ 426**
Dakota County	1	Mississippi River Regional Trail	Match to $696,000 Federal TEA-21 grant for acquisition, construction, construction administration of approximately 3.4 miles of regional trail from Spring Lake Park Reserve to the west Hastings city limit.	$ 243	$ 82	$ 325
Dakota County	2	Mississippi River Regional Trail	Match to $773,000 Federal TEA-21 grant for acquisition, construction, construction administration of approximately 1.2 miles of regional trail from Cahill Avenue to the Pine Bend trailhead at 111th Street, all within city limits of Inver Grove Heights.	$ 137	$ 13	$ 150
Dakota County	3	Lebanon Hills Regional Park	This project includes design and development per master plan: 1) Loop connector trail of 1.1 miles around McDonough Lake, 2). Other connector trail spurs (approximately .3 miles) for connectivity, 3) Existing parking lot redevelopment for efficiency, sec	$ 529	$ 171	$ 700
Dakota County	4	Lebanon Hills Regional Park	Design and construct new parking lot (up to about capacity 60), with small restroom building, to serve western portion of park and primarily mountain bike, hike and ski trail use. Also to remove existing inadequate and poorly located/developed parking lot and restore site.	$ 287	$ 113	$ 400

Attachment 1: Preliminary 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)
Dakota County	5	Lebanon Hills Regional Park and other regional parks	Match to $30,000 County funds to install signs for branding, wayfinding, regulatory, etc. purposes. Sign needs for Lebanon Hills Regional Park and Spring Lake Park Reserve will be priorities.	$ 148	$ 19	$ 167
Dakota County	6	Lebanon Hills Regional Park	Reimbursement for county funds spent on the development of the campground project of 1999 to 2000.	$ -	$ 62	$ 62
			Dakota County Subtotal	**$ 1,344**	**$ 460**	**$ 1,804**
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, drink	$ 1,788	$ 1,012	$ 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	$ 310	$ 229	$ 539
			Minneapolis Park & Rec. Board Subtotal	**$ 2,098**	**$ 1,241**	**$ 3,339**

Attachment 1: Preliminary 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	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 turf establishment. Previous Metropolitan Council Grant will finance $455,000 of project costs.	$ -	$ 145	$ 145
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.	$ 1,039	$ 372	$ 1,411
			Ramsey County Subtotal	**$ 1,069**	**$ 537**	**$ 1,606**
City of Saint Paul	1	Lilydale Regional Park	Detailed site survey and design plans for major park improvements including infrastructure/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

Attachment 1: Preliminary 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 Saint Paul	2	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.	$ 412	$ 196	$ 608
City of Saint Paul	3	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.	$ 126	$ 84	$ 210
City of Saint Paul	4	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.	$ 300	$ 200	$ 500
City of Saint Paul	5	Como Regional Park	Design/engineering of a phased construction of an expanded outdoor aquatics facility at the site of the existing Como Pool including renovation of existing pool, new building with outdoor shower facilities, expanded parking area, wave pool, splash pad and infrastructure for future development phases.	$ 472	$ 314	$ 786
City of Saint Paul	6	Harriet Island Regional Park	Design and construction of 110+/- parking spaces adjacent to Water Street including lighting, utilities and storm water treatment.	$ 210	$ 140	$ 350
			City of Saint Paul Subtotal	**$ 1,580**	**$ 974**	**$ 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

Attachment 1: Preliminary 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 ($000's)
			Scott County Subtotal	**$ -**	**$ 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	$ 2,863	$ 771	$ 3,634
			Three Rivers Park District Subtotal	**$ 2,863**	**$ 771**	**$ 3,634**
Washington County	1	Lake Elmo Park Reserve	Reimburse County funding for replacing playground equipment 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.	$ 414	$ 68	$ 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 Subtotal	**$ 414**	**$ 753**	**$ 1,167**
			Grand Total	**$ 10,500**	**$ 7,000**	**$ 17,500**

Metropolitan Council | Project Narrative

Urban Partnership Agreement

2008 STATE APPROPRIATION REQUEST: $7,200,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $7.2 million to provide local match for funding from USDOT for park & ride construction and transit related intelligent transportation systems (ITS) technology projects under the Urban Partnership Agreement program.

Project Description

The Minnesota Department of Transportation and the Metropolitan Council have jointly submitted an application to the US Department of Transportation to be considered for the Urban Partnership Agreement (UPA) program. The Minnesota Congestion Coalition application proposes 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, MnDOT and Met Council have submitted 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 improvements that are proposed under the UPA.

If Minnesota is selected as a UPA partner and the grants are awarded, they must be matched 80% federal to 20% local. This capital bonding request is for a portion of the local funding that will be required to match the federal dollars. Additional local match will be sought from other sources, including MnDOT capital programs, the City of Minneapolis, Dakota County and others.

This request seeks local (nonfederal), match for two specific elements of the overall UPA project:

1. Construct 1,710 park & ride spaces in the I-35W north and I-35W south corridors. These park & ride spaces will provide capacity to handle the expected increase in express bus ridership generated by congestion pricing and other UPA program elements. The specific park & ride locations and spaces are as follows:

Corridor	City	Location	Spaces	Cost
I-35W North	Blaine	At 95th Ave	310	$5.50 M
I-35W North	Roseville	Snelling & TH 36	310	$5.50 M
I-35W South	Bloomington	At 82nd St	500	$9.00 M
I-35W South	Bloomington	At 98th St	150	$2.70 M
I-35W South	Lakeville	t.b.d.	440	$2.00 M
Total			1,710	$24.70 M

Total cost: $24.70 M Local Match: $4.94 M

2. Develop intelligent transportation systems (ITS) technologies to speed transit service and increase customer information and conduct operational testing these systems. These systems will de deployed and tested in the Tier 1 UPA corridors (I-35W North, I-35W South and Hwy 77).

Project	Cost
Bus operator lane guidance system	$4.30 M
Transit signal priority system	$5.50 M
Real-time bus arrival time	$0.16 M
Congestion conditions information	$0.09 M
Park & ride space availability information	$1.25 M
Total	$11.30 M

Total cost: $11.30 M Local Match: $2.26M

Grant Total: $36.00 M Local Match $7.2 M

Impact on Agency Operating Budgets (Facilities Notes)

The park & rides will also require purchase of expansion buses and funding for expansion of transit service operations.

The expansion buses have also been requested under the UPA Section 5309 grant application, and the local (nonfederal) match for those will be sought from other state and local capital sources.

The expansion of transit service operations is currently unfunded and will be expected to come from regional transit operating funds.

Previous Appropriations for this Project

None

Other Considerations

Funding for some of the park & ride expansions may also be eligible for Congestion Mitigation/Air Quality (CMAQ) grants.

Project Contact Person

Arlene McCarthy
Director, Metropolitan Transportation Services
390 North Robert Street, St. Paul, MN 55101
Phone: 651-602-1754
Fax: 651-602-1739
Arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan Council | Project Narrative

Regional Park and Ride System Expansion

2008 STATE APPROPRIATION REQUEST: $15,000,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION:

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 in leaps and bounds. From approximately 6,700 spaces and 4,700 users in 1999 to approximately 19,500 spaces and 15,300 users in 2006. That's a 191% increase in capacity and a 226% increase in usage over the last 7 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.

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.

Previous Appropriations for this Project

None

Other Considerations

Some of these projects are Congestion Mitigation/Air Quality (CMAQ)-eligible andUPA-eligible.

Project Contact Person

Arlene McCarthy
Director, Metropolitan Transportation Services
Metropolitan Council
390 Robert Street
St. Paul, MN 55101
Phone: (651) 602-1754
Fax: (651) 602-1739
E-Mail: arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan Council | Project Narrative

Transitway Studies and Facilities

2008 STATE APPROPRIATION REQUEST: $2,000,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $2 million to fund four to five in-depth transitway studies.

Project Description

This project will fund 4-5 in-depth studies of transitway corridors to determine their potential for light rail transit, commuter rail, or dedicated busways.

In 2007, the Metropolitan Council will be completing the 2030 Transit Master Plan. This study will include a screening of approximately 25 corridors for their potential for light rail, commuter rail and dedicated busways. 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 used for environmental studies, preliminary engineering and 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 ten 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

Arlene McCarthy
Director, Metropolitan Transportation Services
Metropolitan Council
390 Robert Street
St. Paul, MN 55101
Phone: (651) 602-1754
Fax: (651) 602-1739
E-Mail: arlene.mccarthy@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metro Cities Inflow and Infiltration Reduction

2008 STATE APPROPRIATION REQUEST: $14,000,000

AGENCY PROJECT PRIORITY: 6 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council and Metro Cities request $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 ½ of the state's population, operates the Metropolitan Disposal System under M.S. 473.515 and other statutes. Inflow and Infiltration of clear (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). Since this proposal benefits both the metropolitan sewer system and metropolitan cities, it is being jointly sponsored by both the Metropolitan Council and Metro Cities (aka the Association of Metropolitan Municipalities).

The overall I/I mitigation program is projected to save the metropolitan ratepayers at least 6 times the cost of the program ($900 million in regional expenses), by 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 cost avoidance 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).

Up to $14 million would be granted to metropolitan communities to rehabilitate local sewer systems to eliminate excessive I/I. The cities would be required to match each grant dollar.

If the program is implemented, municipalities would:

1) Identify eligible I/I project capital costs (sewer system rehabilitation and improvements)
2) Secure City Council resolutions committing financing for the 50% matching funds
3) Apply to the Council for the grant
4) Contract for the repairs to city pipes
5) Account for the use of the proceeds

And the Metropolitan Council would:

1) Draft generic grant agreements and City Council resolutions
2) Develop a grant list by municipality.
3) Disburse funds and verify expenditures

Impact on Agency Operating Budgets (Facilities Notes)

There is no financial impact to the Council. The technical and accounting review of the municipal I/I project expenditures already are ongoing by the Council, regardless of this grant program, as the Council requires such accountability of its customer municipalities as part of its I/I surcharge program.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

Metro Cities Inflow and Infiltration Reduction

Name: Jason Willett
Title MCES Finance Director
Address 390 North Robert Street
Phone 651-602-1196
Fax 651-602-1477
E-Mail: jason.willett@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

Metropolitan Council | Project Narrative

Affordable Housing Land Acquisition Loan Fund

2008 STATE APPROPRIATION REQUEST: $10,000,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION:

Project At A Glance

The Metropolitan Council requests $10 million 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 the accomplishment of this long-term housing needs objectives.

Impact on Agency Operating Budgets (Facilities Notes)

There is no direct impact on the Council's operating budget by this request.

Previous Appropriations for this Project

None

Other Considerations

An Affordable Housing Land Acquisition Loan Fund would complement the efforts by Minnesota Housing and other affordable housing partners in the region in accomplishing the Pawlenty administration's plan to end long-term homelessness by aiding in the acquisition of land for housing very low income households.

Project Contact Person

Guy Peterson
Director of Community Development
Metropolitan Council
390 Robert Street
St. Paul, MN 55101
Phone: (651) 602-1418
FAX (651) 602-1442
E-Mail: guy.peterson@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)

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

Dr. Robert Polta
Environmental Services
Metropolitan Council
2400 Childs Road
St. Paul, MN 55106-6732
Phone: (651) 602-8390
Fax: (651) 602-8215
E-mail: bob.polta@metc.state.mn.us

Governor's Recommendations (To be completed by the Department of Finance at a later date)