

Historical Society

Projects Summary

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2016	2018	2020	2016	2018	2020
Historic Fort Snelling Visitor Center	1	GO	34,000	0	0	34,000	0	0
Historic Sites Asset Preservation	2	GO	5,755	4,290	3,865	2,500	2,500	2,500
County and Local Historic Preservation Grants	3	GO	1,500	1,500	1,500	0	0	0
Historic Fort Snelling Master Plan Phase 2 - Campus Enhancements	4	GO	0	13,600	0	0	0	0
Historic Fort Snelling Master Plan Phase 3 - Bldg 30 Stable Renovation	5	GO	0	0	11,200	0	0	0
Minnesota History Center - Predesign/Design	6	GO	0	0	3,000	0	0	0
Total Project Requests			41,255	19,390	19,565	36,500	2,500	2,500
General Obligation Bonds (GO) Total			41,255	19,390	19,565	36,500	2,500	2,500

www.mnhs.org

AT A GLANCE

- The Minnesota Historical Society preserves and provides access to Minnesota’s past.
- We serve **nearly one million** in-person customers each year, including visitors to historic sites, the History Center Museum and Library
- We host **over three million visits** each year to our award-winning website: mnhs.org
- We preserve **over one million collections items** such as objects, manuscripts, Minnesota State Archives collections items, books, photographs and works of art, including:
 - 336,777 photographs
 - 497,671 publications
 - 60,000 cubic feet in State Archives
 - 6,284 works of art
 - 50,000 cubic feet of manuscripts
 - 250,000 objects

PURPOSE

Created in 1849 by the Minnesota Territorial Legislature, the Minnesota Historical Society’s mission is:

**Using the Power of History to Transform Lives:
Preserving > Sharing >Connecting.**

As an educational organization, we carry out this mission of serving all Minnesotans by preserving the record of our state’s past, and making it accessible for today’s and future generations.

This is accomplished through various means, for a variety of audiences. We serve families, school groups, life-long learners and tourists at historic sites and museums, the History Center Library, and through publications, educational programs, extensive digital information through the Society’s web site, historic preservation education, and exhibits, among many, many other activities.

By telling the stories of our state’s past, our goal is to create community for all Minnesotans, whether new arrivals or citizens whose families have been in Minnesota for generations. We support the goal of having a well-informed citizenry that understands how people and events of the past have shaped the Minnesota of today.

The Minnesota Historical Society contributes to the fulfillment of the following statewide outcome goals:

- **Minnesotans have the education and skills needed to achieve their goals**
- **A thriving economy that encourages business growth and employment opportunities**
- **A clean, healthy environment with sustainable uses of natural resources**
- **Strong and stable families and communities**
- **Efficient and accountable government services**

STRATEGIES

The Minnesota Historical Society recently completed a strategic plan, from which the following strategic priorities were developed and adopted:

2012 - 2017 Strategic Priorities

- **Educational Achievement:** The Society is engaged in partnerships that leverage historical resources and educational expertise to *make a difference in the lives of more Minnesota youth*, with special focus on underachieving students.

- **Diversity and Inclusiveness:** The Society is continuously *engaged with communities of color and American Indian nations*, and the diversity of Minnesotans is reflected in the Society's collections, programs, staffing and governance.
- **Lifelong Learning:** The Society is deeply engaged in *cultivating meaningful relationships with adult audiences* as lifelong learners, members, donors, volunteers and supporters.
- **Historic Sites, including Oliver Kelley Farm and Historic Fort Snelling:** The Society is successfully addressing the major preservation and interpretive needs of its historic sites and museums, with special focus on *Oliver Kelley Farm and Fort Snelling*.
- **Content Development:** The Society develops engaging historical information and resources that inspire the public. This content is shared effectively and broadly through exhibits, programs, books and products, reaching audiences digitally and through print, outreach and other media.
- **Sustainability and Stewardship:** The Society develops and manages its resources to ensure the *long-term sustainability* of the programs it provides in service to the people of Minnesota. It provides good stewardship of all resources - financial, human, capital and collections.

A full listing of the Society's Mission, Vision and Values Statement can be found at:
<http://www.mnhs.org/about/mission>

Public funds, including funding from the State's general fund and bond funds, provide a foundation of support and enable us to leverage non-public funds to create a nationally recognized history program. Typically, two thirds of our overall funding comes from the State of Minnesota. We deliver functions designated by law, such as preserving historic landmarks and resources, managing critical records and collections and operating cultural destinations important to tourism. State support includes capital funding for facilities to support educational programs, including preserving historic buildings and constructing new ones, as well as Legacy Amendment (Arts and Cultural Heritage Fund) support for new, statewide history programs, including grants for local history organizations. Federal dollars support historic preservation programs mandated by federal law.

The Minnesota Historical Society also receives support from donors and members. Their gifts support everything from general operations and school field trips to important acquisitions, conservation work and community outreach. Endowment funds give MNHS strength for today and tomorrow. Finally, earned revenue from rental events, museums stores, admission fees, publication sales and many other activities also provide a base of funding while keeping history accessible and at family-friendly prices.

Minnesota Statutes, Chapter 138 <https://www.revisor.mn.gov/statutes/?id=138&view=chapter> provides guidance for administration of Minnesota's history and historical organizations.

At A Glance

Over several years, the Minnesota Historical Society's board, staff and stakeholders have worked to develop a path to the future of Minnesota's history. The result of this strategic planning process has been the development of an updated mission statement, revised statements of vision and values and the following strategic priority areas:

- Educational Achievement
- Lifelong Learning
- Sustainability and Stewardship
- Diversity and Inclusiveness
- Historic Sites and Museums (focus on Historic Fort Snelling & the Oliver Kelley Farm)
- Content Development

Additional information about the Strategic Plan elements can be found at:
<http://www.mnhs.org/about/mission/>

Factors Impacting Facilities or Capital Programs

The Minnesota Historical Society (MNHS) is responsible for facilities statewide, including the Minnesota History Center and historic sites. As state-mandated educational facilities, it is important that the State of Minnesota prioritize taking care of its own assets in the capital budget process. The MNHS works to preserve educational / historical properties through Asset Preservation requests, as well as through requests to enhance existing facilities. The following trends describe the context of the Society's work to preserve and present history to Minnesotans and visitors from near and far.

Strategic Priorities

In its recently adopted Strategic Plan, one of the six strategic focus areas is to address the facilities and interpretive needs of historic sites and museums. This is reflected in this Capital Budget request, particularly through the Historic Fort Snelling and History Center pre-design requests. In addition, another of the six strategic priority areas is Sustainability and Stewardship.

For this priority area, the Society will manage its resources, including historic structures and more modern facilities, to ensure long-term viability of these irreplaceable resources.

Historic Sites

Historic sites are recognized by MN Statutes as important public resources worth preserving. The "Minnesota Historic Sites Act" (M.S 138.661-138.669), first passed by the legislature in 1965, sets up the state historic sites network as a state responsibility, and confers upon the Society the control and responsibility for preserving, developing, interpreting, and maintaining the sites for public use and benefit.

Asset Preservation

Historic resources are like natural resources in that if lost, they cannot be replaced. Without a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The Society's 31 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only

because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.

Public Demand and Attendance

The state historic sites network is in its fifth decade of heavy use by patrons. Over successive budget challenges in recent years, the upkeep and repair of the 141 structures at the 31 state historic sites have suffered. Operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 annual visitors over time) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Asset preservation appropriations have helped with larger preservation projects, but regular and periodic maintenance has suffered.

The Changing Nature of Education

Education is no longer solely a classroom-based function for young people. Now and in the future, education will be less defined by formal structure; learning will be recognized as a lifelong activity that will take place in many non-traditional settings. The state's historic sites and the Minnesota History Center are places where citizens will learn about our common history. New technologies enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with an Internet connection to access the vast resources contained within the Society. This expanded role of lifelong learning and a focus on academic achievement for all will demand facilities to adequately serve these needs.

Heritage Tourism and Economic Impact

Visiting historic sites is one of the primary reasons that tourists travel in Minnesota and across the nation. A recent survey by the Travel Industry Association of America found that 49 percent of U.S. adult travelers included a cultural, arts or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey. In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism, including the significant number of visitors to historic sites and museums who are from out of state. Explore Minnesota Tourism estimates that tourism is a \$13 billion industry in Minnesota. Heritage tourism plays a significant part in this important element of our state's economy.

Self-Assessment of Agency Facilities and Assets

The Society estimates the total scope of its deferred maintenance/ asset preservation/ capital improvement needs for the next six years to be approximately \$13.85 million for Asset Preservation needs as well as an additional \$80.55 million in future facilities requests over the six year planning period.

Historic Site Facilities

Since the enactment in 1965 of the state's historic sites program, the Society has pursued a planned approach to acquiring, developing, interpreting, and preserving historic sites. The Society owns or administers a network of 31 sites, comprising 141 significant historical structures and contemporary buildings, totaling 793,000 square feet of interior space. The very nature of 141 varied facilities, many of which are over 100 years old, makes it impossible to provide a single assessment of "physical condition, suitability and functionality" of the historic sites network.

The historic relevance and importance of the state's historic sites coupled with their educational value cannot be disputed, but century old buildings are in need of a range of substantive levels of stabilization, restoration and preservation. Some components of the historic sites network are in constant need of cosmetic and surface attention, which may range from paint and carpeting to window repair; while other components may require immediate structural repair, such as roofs, foundations, support members, egress routes and utility access. Without that attention, these historic resources will deteriorate beyond repair. Preserving historic facilities that contain unique and expensive architectural features or period-

specific construction techniques (such as Hill House copper gutters or log structures) require capital funds that are greater than the need of contemporary buildings, even as visitor centers built in the 1970s and 1980s are now in need of new roofs and improved or replaced HVAC systems.

Exhibits

In addition to the buildings and landscapes of the historic sites themselves, exhibits form the core of the educational program at historic sites. The steady stream of patrons who visit the historic sites takes its toll on structures, exhibits, audio-visual equipment and artifacts. Exhibits require periodic restoration and refurbishing to keep them presentable for public use. If they are not regularly refurbished, they become dirty, damaged, and unsightly. New technologies, contemporary design concepts, recent historic resources and research have made older exhibits outdated and unappealing. Exhibits at several sites are in need of updating or replacement.

Minnesota History Center

The 1992 opening of the History Center, with 483,300 square feet on nine acres of land in the Capitol Complex, provided Minnesotans with a facility to showcase, preserve, and use the state's historic resources. Since opening, over four million individuals have visited the History Center. The History Center provides state of the art museum exhibits, workshops, lectures, and public programs designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for over 100,000 school children each year are further enriched by hands-on activities in specially designed classrooms. In the library, visitors enjoy access to the state's archives and to the manuscript, newspaper, audio-visual, map, art, and artifact collections. Environmentally controlled storage facilities enable staff to care for and preserve the collection of over three million artifacts (including 2.5 million archaeological artifacts and 260,000 historical artifacts).

New information technologies have allowed the Society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 9,500 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction to address collections space and visitor services needs will be included in a future capital budget; the Society is currently undertaking planning to determine space needs and opportunities.

Sustainability

As a citizen of our community, the Society recognizes its responsibility to conserve our resources for the next generations. As an organization dedicated to preserving the past for the future, we have put this into practice in our daily work. In order to strengthen these efforts, the Society has established a sustainability program, called "More for the Mission," that examines energy, water, and waste practices across the institution. Over 50 projects have been planned or implemented that will reduce our greenhouse gas emissions by 18%. This includes early leadership in energy conservation -- the Society was recently cited by the Governor as a leader in energy conservation efforts in the Capitol Complex. Specific to the Capital Budget, we put these priorities to work in our efforts to preserve the historic buildings of the historic sites network. It has been said that "The greenest building is the one that is already built" and the Society puts this goal to work in our efforts to preserve the state's most significant structures for future generations.

Markers and Monuments

The overall condition of the 170 state markers and 29 monuments is fair. Markers require maintenance and upkeep including preservation, coating of bronze markers, casting of new markers, and foundation stabilization. Most urgently in need of ongoing maintenance and repair are the 29 state monuments; several of these large stone structures require new joints, replacement of granite blocks, and foundation

stabilization. Sixty-five markers are at highway and interstate rest areas. Hundreds of thousands of people use these rest areas, and pause to read these markers. In this way, travelers from other states and countries, as well as citizens of Minnesota, learn about the state's rich historic heritage. Funding for monuments and markers is included in the asset preservation request.

Agency Process for Determining Capital Requests

The process that the Society's management team used to develop these requests began with the identification of all appropriate needs by staff, including the Historic Sites and Facilities & Risk Management Departments' restoration and construction staff using a matrix which factored in life safety, historical significance, cost and sustainability. A series of meetings was held with staff to further develop and refine this information including cost information. These needs were then put in priority order by the Society's management team and reviewed and approved by the Society's Executive Council.

Major Capital Projects Authorized in 2014 & 2015

2014

Oliver Kelley Farm Historic Site Visitor Center design and construction	\$ 10,562,000
Historic Sites Asset Preservation	\$ 1,440,000
County and Local Historic Preservation Grants	\$ 1,400,000

2015

Historic Fort Snelling Visitor Center Predesign	\$ 500,000
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Historic Fort Snelling Visitor Center

AT A GLANCE

2016 Request Amount: \$34,000

Priority Ranking: 1

Project Summary: The Minnesota Historical Society is requesting funding to design and construct a visitor center facility within a historic 1904 cavalry barracks building adjacent to Historic Fort Snelling. This facility will provide opportunities for the Fort’s rich stories to be shared through a dynamic, inclusive visitor experience featuring new exhibits with innovative, community-based interpretive features.

Project Description

Funding for design and construction of an improved visitor center will provide enhanced facilities and services for Fort Snelling’s many visitors. The goal of the project is to improve public service, interpretation, and operations at this nationally significant site in order to increase access, services, use of current assets, and visitors.

Information from a recently completed Master Plan for the site and adjacent area will inform the planning for the project. The first step will be predesign, which is taking place in 2015 with funding from the 2015 Capital Budget bill.

It is currently anticipated that the facility will be approximately 50,000 gross square feet within a historic structure, and will include visitor services including classrooms, restrooms, museum exhibits and other visitor amenities. Funding will support demolition of the existing deteriorating and outdated visitor center and improved landscaping, parking, and wayfinding. Further details will be determined during the predesign process, currently underway.

The Minnesota Historical Society anticipates raising \$12 million in non-state funding for this overall \$46 million project.

Programming will be co-created with various stakeholder communities and will include guided and self-guided experiences, special events, living history, films, exhibits and other experiences that allow visitors to examine differing perspectives and many aspects of the site’s stories, particularly featuring the interpretive themes of confluence, place, remembrance, healing and community.

In the recently completed Master Plan for Historic Fort Snelling, the Minnesota Historical Society (MNHS) has outlined a four phase plan for the Historic Fort:

- In the first phase, one cavalry barracks building (Building 18) will be renovated into a visitor center, with some upgrades to the physical landscape, including site work and wayfinding/signage, in order to improve visitor navigation, as well as demolition of the current visitor center.
- The second phase, anticipated for a 2018 request, will feature additional landscape improvements, including additional wayfinding enhancements, to create a park-like setting featuring the magnificent views of the Mississippi and Minnesota River confluence, as well as

improvements to Building 22, in order to better serve visitors.

- A third phase, anticipated for a 2020 request, will upgrade Building 30, the stable / mule barn, to provide improved visitor services, with potential revenue streams for the site.
- A fourth phase will improve the second cavalry barracks building (Building 17) for a compatible use on the historic campus. For this phase, MNHS will continue to explore entering into a partnership with another organization that could assist with the cost of improving this structure.

This phased approach will provide for an orderly plan of improvements to this nationally significant historic campus, while maximizing the possibility for non-state sources to extend the impact of state dollars.

Project Rationale

Historic Fort Snelling is one of the most significant historic places in the state--Minnesota's first National Historic Landmark has been a crossroads for the many peoples who have lived in Minnesota and is therefore an appropriate platform for telling important stories of American Indian history, westward expansion, societal changes, and global conflict. This project will provide modern facilities to replace current deteriorating visitor facilities so visitors can explore our history, while preserving a highly significant historic structure that we are responsible for preserving.

As Fort Snelling approaches its bicentennial in the year 2020, Minnesotans will want to learn more about the many diverse stories of this historic place's rich history.

Since the Fort is well-known and beloved by many Minnesotans, the Minnesota Historical Society believes that there is capacity for private funding for this project, thus leveraging state funding to attract significant non-state funding. It is important for the state, therefore, to make a commitment so that additional donors can help to make the Fort a dynamic educational experience.

Other Considerations

MNHS has made great strides in the interpretive program at the site in recent years. After comprehensive studies of visitors and non-visitors to the site, we now have a better grasp of what Minnesotans want and need from Historic Fort Snelling. There is widespread appreciation for what we are doing now, but also a hunger for more stories to be told, more amenities to improve a visit, a community-based gathering place, as well as better orientation and wayfinding. As the planning process continues, we will continue extensive stakeholder involvement to help guide the future of this important historic place.

In response to public demand, we have changed the interpretive program incrementally, year by year, within the limitations of the current facilities. Broader stories are now beginning to be told, including:

- The history of the first inhabitants of the site, the Dakota Indians, including pre-European contact, the era of treaties and statehood, and the U.S.-Dakota War of 1862.
- The fascinating history of African Americans in early Minnesota is now coming to light for Minnesotans, as they learn about the existence of slavery in this free territory. Dred and Harriet Scott used their residence at Fort Snelling to champion their freedom in a landmark Supreme Court decision, one of the sparks for the Civil War.
- A more recent story unknown to most Minnesotans is the experience of Japanese American

language interpreters who worked at Fort Snelling during WWII.

In order for this history to be properly interpreted, dramatic investment is needed.

Fort Snelling enjoys a 99 percent awareness rate among all Minnesotans. Its central location within minutes of the airport and the Mall of America puts it within the reach of tourists from around the world. At its peak in the 1970s, the site served over 150,000 visitors annually. If the site's full potential is realized, reaching these visitation numbers from 40 years ago should be a goal that we are able to achieve.

Significant momentum is also building on development projects in the greater Fort Snelling district, adjacent to the historic fort, at the Upper Post and beyond: a base camp facility built by the Boy Scouts; light rail-driven development in the area of the federal Whipple Building, including a new veterans housing facility opening this year; and further development opportunities at the Upper Post are being pursued by the Department of Natural Resources, assisted by an interagency Joint Powers Agreement. A sense of synergy is finally being created to make the Fort Snelling district a full-fledged destination for many types of activities. An attractive and functional Historic Fort Snelling should and will be the hub of this activity.

Impact on Agency Operating Budgets

Further information about operating costs will be explored in the predesign process, which will include an economic analysis. Our approach will be similar to other work we have done in recent years. The planning assumption is that operating cost increases should be minimized as much as possible, and any unavoidable increases should be covered with earned revenue rather than state appropriations.

Description of Previous Appropriations

Funding has been provided for various asset preservation projects to preserve historic structures on this National Historic Landmark site.

In the 2015 Capital Budget, \$500,000 in funding was appropriated for predesign for a visitor center for Historic Fort Snelling.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$34 million in general obligation bonds for this request.

Historical Society

Project Detail

(\$ in thousands)

Historic Fort Snelling Visitor Center

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
General Obligation Bonds	\$ 500	\$ 34,000	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
Non-Governmental Funds	\$ 0	\$ 12,000	\$ 0	\$ 0
TOTAL	\$ 500	\$ 46,000	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 500	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 4,073	\$ 0	\$ 0
Project Management	\$ 0	\$ 488	\$ 0	\$ 0
Construction	\$ 0	\$ 28,915	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 150	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 340	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 1,639	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 10,395	\$ 0	\$ 0
TOTAL	\$ 500	\$ 46,000	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 34,000	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	Yes
M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)	
Does this request include funding for predesign?	No
Has the predesign been submitted to the Department of Administration?	No
Has the predesign been approved by the Department of Administration?	No
M.S. 16B.325(1): Sustainable Building Guidelines Met	Yes
M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	Yes
Does the project demonstrate compliance with the standards?	Yes
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	Yes
M.S. 16A.695(2): Use Agreement Required	N/A
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	N/A
M.S. 16A.86 (4b): Matching Funds Required	N/A
M.S. 16A. 642: Project Cancellation in 2021	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

Historic Sites Asset Preservation

AT A GLANCE

2016 Request Amount: \$5,755

Priority Ranking: 2

Project Summary: The Minnesota Historical Society (MNHS) is requesting \$5.8 million in 2016 for the preservation and restoration of historic structures, landscapes and building systems in the State Historic Sites Network and for monuments located statewide.

Project Description

Funding for the Minnesota Historical Society’s Historic Sites Asset Preservation request will help to preserve some of the state’s most significant historic structures, which are preserved for the education and enjoyment of our citizens. Over the past three decades more than 21 million students, families, and tourists have visited the 141 landmark buildings, trails and museums of the State Historic Sites Network. MNHS is committed to keeping these extraordinary properties open and accessible to the public now and for future generations. Although many of the historic structures are now more than one hundred years old and holding up remarkably well, age and modern visitation do take their toll. While keeping pace with the impacts of visitor traffic and continuous aging of the historic structures is always one of our chief concerns, we also must keep up with changes in life/safety systems, environmental issues, security, infrastructure upgrades and renovations necessary to support building use. In addition to the necessary work on historic structures, many of the modern visitor centers erected 30 to 40 years ago are now in need of renewal or are reaching the end of their useful life. The asset preservation investment for such a vast network of varied structures is an indispensable complement to the Society’s repair and replacement funding in the operating budget.

In recognition of the integral part that these buildings and landscapes play in public education, the people of Minnesota have invested significantly in the State Historic Sites Network. Maintaining these resources is expensive, but it is a good cost-benefit ratio for the people of Minnesota and the nearly 600,000 visitors each year. As non-renewable social and cultural resources, historic buildings require a high standard of care. The skills of specially qualified architects, engineers and contractors are required to assess, design and implement repairs, maintenance, and systems improvements. The cost of high-quality materials increases every year. The investment is well rewarded by the educational benefits and 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. Preservation of historic structures, by definition, meets the state’s goal of funding sustainable, high-performance buildings, since historic structures preserve previous energy and financial investments. It has been said that “the greenest building is the one that is already built.”

The Society’s Facilities and Risk Management Department is responsible for all 141 of the structures in the Historic Sites Network. Every year the staff typically manages five or six large projects totaling

over \$1 million and dozens of small projects scattered across the state. Staff prioritizes work projects based upon long-range planning, building analysis, and structural conditions. Working in consultation with preservation architects and specialty engineers, cost estimates are prepared for appropriation requests. Each of the projects named below are part of the State Historic Sites Network, as defined in Minnesota Statutes, 138.661, and have strong local and regional support from the areas in which they are located, since historic sites are an important component of our state's tourism economy. Local citizens, businesses, and support group members have assisted these sites with volunteer hours, in-kind contributions, and grass-roots leadership. Minnesotans are rightfully proud of the sites.

The historic buildings, artifacts, and landscapes within the State 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.

Project Rationale

This request is for work that is critical to the preservation and maintenance of important historic resources, which are a state responsibility under Minnesota Statutes 138.661, the authorizing statute for the State Historic Sites Network. Preservation of historic structures, by definition, meets the state's goal of funding sustainable, high performance buildings, since historic structures preserve previous energy and financial investments.

Other Considerations

Specific Elements of the Asset Preservation request include:

2016 Asset Preservation Requests

Historic Fort Snelling

Building 17 - Interior stabilization, foundation and structural repairs., \$ 1,000,000

Mill City Museum

Mill Ruins Preservation, \$ 750,000

Grand Mound

Site/Structure/Trails projects, \$ 500,000

Historic Forestville

Building Exterior repair & refinishing, including barn, \$ 500,000

Statewide

Security & Fire Control & Monitoring System Replacement, \$ 450,000

Historic Fort Snelling

Commandant's House - Interior Preservation / Drainage Improvements, \$ 275,000

Lindbergh House,

Visitor Center - HVAC upgrade from electrical heat coils to natural gas boiler heating plant, or other, \$ 175,000

Lindbergh House

Visitor Center drainage improvements, civil work, re-waterproofing of theater wall, \$ 275,000

Historic Forestville

Interior Restoration, Residence, \$ 350,000

Historic Fort Snelling

Bluff retaining wall preservation, \$ 400,000

Marine Mill,

Ruins stabilization and trail rehab, \$ 500,000

Statewide,

Design for Future Asset Preservation Projects, \$ 430,000

Statewide,

Monument/Markers, \$ 150,000

Total \$5,755,000

2018 Asset Preservation Requests

Folsom House,

Site Landscape Preservation, \$ 250,000

Historic Fort Snelling

Building 30 - Exterior Rehabilitation, \$ 350,000

Split Rock Lighthouse

Facilities and Enhancements, interpretive areas and rebuild barn, \$ 1,400,000

James J. Hill House

Gatehouse Restoration - Interior Preservation, \$ 350,000

Forest History Center

Rehab of Gun Club Building including Storage, new HVAC, New Roof, \$ 150,000

Statewide

Trail and interpretive markers: Birch Coulee, Kelley, Laq Qui Parle, Forestville, Lower Sioux Agency, \$ 150,000

Oliver Kelley Farm

Farmhouse Interior Restorations, \$ 250,000

Lower Sioux Agency

Landscape Preservation, \$ 250,000

Lac Qui Parle

Landscape Preservation, \$ 250,000

Lindbergh House

"Upper" landscape preservation, \$ 350,000

Statewide,

Design for Future Asset Preservation Projects, \$ 390,000

Statewide

Monument/Markers, \$ 150,000

Total \$4,290,000

2020 Asset Preservation Requests

James J. Hill House

Site Landscape Preservation & Site Feature Restoration, \$ 350,000

James J. Hill House

House - Air Conditioning, \$ 3,000,000

North West Company Fur Post

Roof replacements – Visitor Center, \$ 165,000

Harkin Store

Exterior preservation, upgrade HVAC & plumbing system in House for efficiency & safety, \$ 200,000

Statewide

Design for Future Asset Preservation Projects, TBD

Statewide

Monument/Markers, \$ 150,000

Total \$3,865,000

Impact on Agency Operating Budgets

Generally, not applicable. There may be some minor savings from energy efficiencies.

Description of Previous Appropriations

Appropriations for asset preservation of the state Historic Sites Network have been made in nearly every capital budget bill since 1990. In 2014, this activity received \$1.440 million, in 2012, it received \$2.5 million, in 2011 it received \$1.9 million, in 2010 it received \$3.4 million; in 2009 it received

\$2.165 million; and in 2008 it received \$4 million.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$2.5 million in general obligation bonds for this request. Also included are budget estimates of \$2.5 million for each planning period for 2018 and 2020.

Historical Society

Project Detail

(\$ in thousands)

Historic Sites Asset Preservation

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
General Obligation Bonds	\$ 9,240	\$ 5,755	\$ 4,290	\$ 3,865
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 9,240	\$ 5,755	\$ 4,290	\$ 3,865

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 9,240	\$ 5,755	\$ 4,290	\$ 3,865
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 9,240	\$ 5,755	\$ 4,290	\$ 3,865

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 5,755	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	No
M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
M.S. 16B.325(1): Sustainable Building Guidelines Met	N/A
M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	Yes
M.S. 16A.695(2): Use Agreement Required	N/A
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	N/A
M.S. 16A.86 (4b): Matching Funds Required	N/A
M.S. 16A. 642: Project Cancellation in 2021	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A

County and Local Historic Preservation Grants

AT A GLANCE

2016 Request Amount: \$1,500

Priority Ranking: 3

Project Summary: This project provides funding, on a competitive matching basis, for county and local historic preservation projects. This program will allow local communities to preserve their most significant historical resources.

Project Description

The county and local historic preservation program provides grants on a local match basis to preserve historic assets owned by public entities. These properties are historically significant structures, with priority given to those that are listed on the National Register of Historic Places. This program is one of the most successful of its type, with relatively small amounts of money leveraging 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 2014 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

This project also has the effect of reducing the state’s overall share of investment in preserving historic resources while fulfilling the state’s statutory commitment to preserving elements of the state’s inventory of historic resources (according to M.S. Sec. 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 (MNHS) 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.

Since 1969 more than 2,400 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, 219 grants from the Society’s capital bond-funded grant program have assisted in preserving and making accessible such projects as historic county courthouses (52 grants to 26 different courthouses); historic city halls (29 grants to 17 different city halls); and historic library buildings (20 grants to 16 different libraries). In addition, grants have helped to preserve publicly owned historic structures that provide a unique lens on our state’s history.

Types of historic structures preserved with grants funds include depots, senior and community centers, schools, bridges, theaters, park buildings, museums, water towers, and township halls. Specific examples include Norman County Courthouse Preservation (Norman County); the Andrew Volstead House roof replacement (City of Granite Falls); the Olof Swensson House roof replacement (Chippewa County); the O.G. Anderson and Company Store restoration (City of Minneota); the Anna and Mikko Pyhala Farm Restoration project (Town of Embarrass); the Mahnomen City Hall Restoration; Winona Masonic Hall/Senior Center (City of Winona); the Rensselaer Hubbard House restoration (City of Mankato); Robbinsdale Branch Library restoration (City of Robbinsdale); and the Minneapolis Pioneers and Soldiers Memorial Cemetery Preservation.

From a financial perspective, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, and 2014 appropriations totaling over \$ 8.5 million have leveraged at least an equal amount in local match funding, as well as countless hours of volunteer effort.

Project Rationale

The county and local historic preservation grants program enables city and county government to fulfill their obligations to preserve historic structures, under MN Statutes 138.665, while sharing the cost with the State of Minnesota.

Other accomplishments and rationale include:

- Grants for historic preservation have stimulated local economies. Local matches used to implement projects have more than doubled the over \$8 million in state funds. Tourists coming to visit these historic resources bring new dollars to Minnesota communities.
- Professional standards and expertise have been increased among staff and volunteers at county and local units of government and 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.

Other Considerations

Against a backdrop of economic challenges and heightened concern for the environment, historic preservation has a proven track record in stimulating local economies and revitalizing local communities, large and small.

It has been said: “the greenest building is the one that is already built.” Continuation of funding for this grant program leverages local resources and helps to preserve the built environment, thereby conserving the resources already put into these buildings and further the efforts to contribute to a sustainable future.

Impact on Agency Operating Budgets

The funding of this program will not impact operating budgets.

Description of Previous Appropriations

Funding for the County and Local Historic Preservation Grant program has been included in every major capital budget bill since 1994. In the most recent three major capital budget bills, funding has been appropriated as follows: 2014: \$1,400,000 (GF); 2012: \$750,000 (GO); 2010: \$1,000,000 (GO).

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

Historical Society

Project Detail

(\$ in thousands)

County and Local Historic Preservation Grants

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2016	FY 2018	FY 2020
State Funds Requested				
General Obligation Bonds	\$ 1,750	\$ 1,500	\$ 1,500	\$ 1,500
General Fund Cash	\$ 1,400	\$ 0	\$ 0	\$ 0
Funds Already Committed				
Other Local Government Funds	\$ 3,150	\$ 0	\$ 0	\$ 0
Pending Contributions				
TOTAL	\$ 6,300	\$ 1,500	\$ 1,500	\$ 1,500

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2016	FY 2018	FY 2020
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 0	\$ 0	\$ 0
Construction	\$ 6,300	\$ 1,500	\$ 1,500	\$ 1,500
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL	\$ 6,300	\$ 1,500	\$ 1,500	\$ 1,500

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2016	FY 2018	FY 2020
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 1,500	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

M.S. 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)	No
M.S. 16B.335(3): Predesign Review Required (by Dept. of Administration)	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
M.S. 16B.325(1): Sustainable Building Guidelines Met	N/A
M.S. 16B.325(2) and M.S. 16B.335(4): Energy Conservation Guidelines	
Do the project designs meet the guidelines?	N/A
Does the project demonstrate compliance with the standards?	N/A
M.S. 16B.335(5 & 6): Information Technology Review (by MN.IT)	N/A
M.S. 16A.695: Public Ownership Required	Yes
M.S. 16A.695(2): Use Agreement Required	No
M.S. 16A.695(5): Program Funding Review Required (by granting agency)	Yes
M.S. 16A.86 (4b): Matching Funds Required	Yes
M.S. 16A. 642: Project Cancellation in 2021	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 174.93: Guideway Project	
Is this a Guideway Project?	No
Is the required information included in this request?	N/A