



State of Minnesota
Department of Finance

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
Voice: (651) 296-5900
Fax: (651) 296-8685
TTY: 1-800-627-3529

June 30, 2003

04 - 0570

The Honorable Richard Cohen
Chair, Senate Finance Committee

The Honorable Jim Knoblach
Chair, House Ways and Means Committee

The Honorable Keith Langseth
Chair, Senate Capital Investment Committee

The Honorable Phil Krinkie
Chair, House Capital Investment Committee

Dear Members of the Minnesota Legislature:

Pursuant to Minnesota Statutes Chapter 16A.11 and 16A.86, I am pleased to forward preliminary agency capital budget requests for FY 2004-2009 as received by the Department of Finance.

Please note that these requests are preliminary and have not yet been reviewed by the Governor or the Department of Finance.

In anticipation of the Governor's Strategic Capital Budget being submitted to the Legislature by January 15, 2004, the Departments of Finance and Administration will work closely with agencies, higher education institutions, and local governments over the next several months to provide additional project information and refine cost estimates.

I am certain that you will find this project data useful as you begin consideration of these important and competing uses for the state's limited financing capacity. Should you need any additional information or assistance, please feel free to contact Peggy Ingison or Lee Mehrkens of my staff at (651) 296-5900. This information is also available at www.finance.state.mn.us.

Warmest regards,

Dan McElroy
Commissioner

Enclosure

cc: Charlie Weaver
Tom Hanson
Peggy Ingison
Lee Mehrkens

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
DOT Exterior -	1	THB	\$13,919	\$0	\$0	\$0	\$0	\$0
Statewide CAPRA	2	GO	5,000	0	0	0	0	0
Asset Preservation	3	GO	9,091	0	0	0	0	0
Ford Building Demolition	4	GO	1,232	0	0	0	0	0
Agency Relocation	5	GF	11,200	0	0	0	0	0
Energy Retrofit Funding	6	GO/UF	5,000	0	0	0	0	0
COB Building Security and Parking Expansion	7	GO	4,094	0	0	0	0	0
New State Building	8	GO	700	0	0	0	0	0
Property Acquisition	9	GO	10,000	0	0	0	0	0
Stassen/Freeman Tunnel	10	GO	1,776	0	0	0	0	0
Cedar Street Armory Demolition			0	0	0	0	0	0
Admin Ramp Replacement			0	0	0	0	0	0

Project Total	\$62,012	\$0	\$0	\$0	\$0	\$0	\$0
General Obligation Bonding (GO)	\$31,893	\$0	\$0	\$0	\$0	\$0	\$0
User Finance Bonding (UF)	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
General Fund Projects (GF)	\$11,200	\$0	\$0	\$0	\$0	\$0	\$0
Trunk Hwy Fund Bonding (THB)	\$13,919	\$0	\$0	\$0	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

- Permission to enter into a lease-purchase agreement with the St. Paul Port Authority for a 468 car parking ramp

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

Admin is focusing on an expanded leadership role in facility planning and development for state facilities. Significant issues to consider include customer service from a statewide perspective, sustainability, space/program requirements, life safety, location, service delivery, building maintenance, community partnerships, cost effectiveness, and shared services.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets**Agency Process Used to Arrive at These Capital Requests****Major Capital Projects Authorized in 2002 and 2003**

There were no Admin projects appropriated in 2003

Admin projects appropriated in 2002 include:

- Statewide CAPRA
- Capitol Complex Electrical Work
- Laboratory for the Departments of Agriculture and Health

Admin projects authorized in 2002 include:

- Permission to enter into a lease-purchase agreement with the St. Paul Port Authority for an office building for the Departments of Agriculture and Health
- Permission to enter into a lease-purchase agreement with the St. Paul Port Authority for an office building for the Department of Human Services

2004 STATE APPROPRIATION REQUEST: \$13,919,000

AGENCY PROJECT PRIORITY: 1 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests funding to repair the anchoring system for the exterior cladding of the Minnesota Department of Transportation Building located at 395 John Ireland Blvd.

Project Description

While in the process of tuck-pointing the building several years ago, workers discovered significant rusting of the shelf angles and retaining clips supporting the exterior granite panels. The original angles were 3/8 inch thick; in some cases the rusting has caused 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, impacting both the sill above and, more importantly, the ability of the slot to hold the panel to the wall. In addition to the expansion, it is estimated that up to 30% of the load bearing capability of the angles has been lost.

Work to repair and secure the panels would involve removing them, replacing the angles and clips, installing additional flashing and weeps, and repairing damage caused by the movement to adjacent sills and metal panels..

The biggest cost item would be the removal and reinstallation of the 3 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 cost effective or feasible.

The state needs to do this work in the near future before the panels begin to fall. Each year of additional rusting and resulting shifting of the panels increases the risk they will fall. When originally requested in FY02, Admin anticipated requesting funding in three phases, 1 in each of the next bonding

sessions. Considering the escalating deterioration and increasing risks, Admin is requesting all of the funding in FY04.

Impact on Agency Operating Budgets (Facilities Notes)

In as much as the Transportation Building is structurally sound and significant interior improvements have been made, the retention of this asset is appropriate stewardship of state resources.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

Local fire/safety codes citations in the 1980s prompted significant appropriations for renovation of the Transportation Building over the past decade. Subsequent interior renovations have now corrected the infractions. Once these life/safety issues were addressed, the state legislature appropriated funding in FY98 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, the 1,200 panel will fall.

The Transportation 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 to the continued use of the building for the next 30 years.

Project Contact Person

Kath Ouska, Assistant Commissioner

200 Administration Building
St. Paul, MN 55155-3000
Phone: (651)296-6852
Fax: (651) 297-7909
E-mail: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	691	0	0	691
4. Project Management	0	123	0	0	123
5. Construction Costs	0	12,480	0	0	12,480
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	625	0	0	625
TOTAL	0	13,919	0	0	13,919

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
Trunk Highway Fund	0	0	0	0	0
Trunk Hwy Fund Bonding	0	13,919	0	0	13,919
State Funds Subtotal	0	13,919	0	0	13,919
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	13,919	0	0	13,919

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Statewide CAPRA

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 2 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests bonded funds to support the emergency and unanticipated abatement facility needs portion of the Capital Asset Preservation and Replacement Account (CAPRA) program. CAPRA funds previously requested by Admin for known agency maintenance projects will now be included in agency 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 state agencies. The Higher Education Asset Preservation and Renewal Account (HEAPRA) is requested separately by the Minnesota State Colleges and Universities and the University of Minnesota, and should not be confused with this request. Asset Preservation Capital Budget Requests, requested by individual state agencies to address the known facility repair and maintenance needs of the facilities under their custodial control, should also not be confused with this request.

Projects that have typically received CAPRA funding have fallen into three categories: Emergencies of all kinds, hazardous material abatement, and 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 a project cost of over \$350,000.

Given the parallel nature of the Asset Preservation and CAPRA programs, and the need to more efficiently plan, manage, and complete projects, a

decision was made to reduce the amount of funding requested for CAPRA, and increase the amount of funding requested by agencies for Asset Preservation in FY04. The CAPRA program will fund emergencies and unanticipated hazardous material abatements, while agency Asset Preservation requests will fund known repair and maintenance projects.

State agencies served by this request are Administration, Corrections, Economic Security, Human Services, Military Affairs, Minnesota Historical Society, Natural Resources, Perpich Center for Arts Education, State Residential Academies, Veterans Homes Board, and the Minnesota Zoological Society.

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, \$72.9 million has been appropriated for CAPRA projects.

Other Considerations

This CAPRA request does not fund known agency repair and maintenance projects, making it imperative that agency Asset Preservation requests be funded. Deferred maintenance 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

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: 651.296.6852
Fax: 651.297.7909
Email: Kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	5,000	0	0	5,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	0	0	5,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	0	0	5,000
State Funds Subtotal	0	5,000	0	0	5,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	0	0	5,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$9,091,000

AGENCY PROJECT PRIORITY: 3 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) is requesting funds for asset preservation projects. Admin has identified key projects that must be completed in the near future to ensure the safety and well being of building tenants and visitors, and the preservation of state facility assets. The projects noted below represent only the most critical items on a long list of repair and maintenance work required to keep the 21 buildings under the custodial control of Admin operating in a manner that preserves them and provides suitable space to support agency operations.

Project Description

The following are listed in order of priority, with life/safety concerns noted first, followed by the need to address cited code violations. Projects which preserve critical building envelope concerns wrap up the list. Negative consequences of not doing the work include deterioration of indoor air quality (IAQ), the continued inability to bring buildings up to current safety standards, further building deterioration and structural decay, rapidly escalating repair or emergency repair costs.

*Veterans Service Building – First Floor and Basement Abatement and Renovation: Renovation of floors 2-5 of Veterans Service Building renovation is currently underway using funding from the Facility Repair and Replacement account (FR&R). Abatement and renovation of these last two floors needs to be completed to prevent major asbestos and IAQ problems from occurring, to address mechanical, technical and code changes, and for efficient operation of the building.

*Administration Building First Floor Abatement and Renovation: Asbestos is present in the fireproofing, insulation, and floor tile. The majority of ground, second, and third floors have been abated and renovated through prior projects, but first floor still needs to be done. Removal of the asbestos will allow the building to be properly serviced and maintained.

State Office Building Elevator Renovation: Upgrade and renovate freight and top floor elevators to prevent failure, ensure compliance with current codes, and promote efficient operation.

State Office Building Exterior Step Stabilization and Repair: The steps on the east side of the State Office Building have sub-structural deterioration that prevents proper sealing, maintenance, and drainage. This continues to worsen as water seeps under the stairs, is trapped, and then freezes.

Code Compliance and Interior Stair Safety Upgrades: Many of the existing interior stairs on the Capitol Complex have railings that no longer meet code, which requires a maximum of four inches between rails. The State Office, Centennial, Minnesota History Center, Capitol and Judicial Buildings are not in compliance, and the state has been cited by the City Fire Marshal's office for this deficiency.

*321 Grove Street Asbestos Abatement and Renovation: Abatement of asbestos in and above the ceiling is required in order to safely accommodate additional state employees and maximize the efficiency of the space.

History Center Roof Replacement: The roof of this building is nearing the end of its useful life, and timely replacement is critical to prevent water damage to the building and the archives of the state.

Centennial Air Handler Replacement – Final Phase: The main air handlers were replaced in 2002, and funds from this request would be used to complete this project by replacing the perimeter induction and other smaller units.

Unanticipated critical asset preservation projects: While the above projects represent the department's highest priorities at this time, events that occur between this request and funding may need to be added to this list.

Impact on Agency Operating Budgets (Facilities Notes)

The reduction in the FR&R account of \$9.1 million for FY04/05 leaves Admin with many planned and necessary projects un-funded. Coupled with a significant cutback in operating funds, the department also finds itself without any funds to cover emergencies. As preventative maintenance decreases, the number of emergencies or critical projects is expected to rise.

Previous Appropriations for this Project

There have been no previous appropriations for any of these projects. Funds used for asset preservation in the last biennium came from the depreciation collected as part of lease rates, which were put into the account referred to as FR&R.

Other Considerations

The cost of bond interest over 20 years and depreciation over 30 years will be recovered through Lease rate increases to building tenants. Not addressing the most critical asset preservation issues now will increase maintenance and temporary repair cost, and will ultimately result in far higher costs.

*Admin's "Agency Relocation Capital Budget Request" includes funding for the relocation required for this project.

Project Contact Person

Kath Ouska, Assistant Commissioner,
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
Email: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	706	0	0	706
4. Project Management	0	79	0	0	79
5. Construction Costs	0	7,772	0	0	7,772
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	60	0	0	60
9. Inflation	0	474	0	0	474
TOTAL	0	9,091	0	0	9,091

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	9,091	0	0	9,091
State Funds Subtotal	0	9,091	0	0	9,091
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	9,091	0	0	9,091

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	9,091	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,232,000

AGENCY PROJECT PRIORITY: 4 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) is requesting funding for the demolition of the Ford Building, and subsequent paving, striping, and landscaping the vacated area for inclusion in the Lot C parking lot.

Project Description

The Ford Building is in need of major structural, mechanical, electrical, interior, and exterior repairs. Seeking information on how to best invest funds on the building, Admin commissioned a study to assess the condition of the Ford Building, and suggest renovation and reuse options for the building and site. The study presented nine scenarios, including renovation of the existing facility, renovation and additions to the existing facility, a new facility with parking needs met on site, and a new facility with offsite parking. Upon review, Admin determined the most cost effective solution was to demolish the building.

The Ford Building is located at the southern end of the Lot C parking lot, which upon demolition would be expanded to include the area formerly occupied by the building.

Impact on Agency Operating Budgets (Facilities Notes)

Due to its size, age of systems, and condition, the Ford Building is currently one of the more costly buildings on the Complex to operate, and the extensive amount of work needed in the building to bring it up to good operating standards is prohibitive.

Previous Appropriations for this Project

There have been no other funds appropriated for this project.

Other Considerations

In keeping with Admin's strategic facility goal of owning two thirds of its facilities and leasing the other one third, it is anticipated that there will be a capital budget request for a new state office building at this location in the future. Consideration was given to incorporating the southern façade of the Ford Building into the new building, but to do so would required Admin to maintain the existing building for a minimum of four to six years; this is not a cost effective or safe option.

Project Contact Person

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
E-mail: kath.ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	50	0	0	50
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,147	0	0	1,147
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	35	0	0	35
TOTAL	0	1,232	0	0	1,232

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,232	0	0	1,232
State Funds Subtotal	0	1,232	0	0	1,232
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,232	0	0	1,232

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,232	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Agency Relocation

2004 STATE APPROPRIATION REQUEST: \$11,200,000

AGENCY PROJECT PRIORITY: 5 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests agency relocation funds to move the following state operations from their existing locations, either on a temporary or permanent basis. These requests are for needs not covered under other capital requests.

Project Description

Departments of Agriculture, Health and Human Services: Laws of Minnesota for 2002, Chapter 393, Section 13, Subd.6 appropriated \$60,000,000 to design, furnish, and equip a joint laboratory facility in St. Paul for the Departments of Agriculture and Health. Laws of Minnesota for 2002, Chapter 393, Section 13, Subd.7, authorized the state to enter into one or more long-term lease-purchase agreements with the St. Paul Port Authority for term of up to twenty five (25) years for the development of office facilities in the City of St. Paul for the Departments of Health, Agriculture and Human Services. Laws of Minnesota for 2002, Chapter 393, Section 13, Subd. 8 authorized the state to provide state-owned land that will be the subject of such a long-term lease-purchase agreement by leasing such land for a term equal to the term of the long-term lease-purchase agreement.

Three state-owned sites in the Capitol Complex were chosen for the construction of the facilities authorized. The Departments of Agriculture and Health office facility, named "The Orville L. Freeman Building" by the FY03 Legislature, is being constructed on the site located between the Stassen Building and the Centennial Building Parking Ramp. The Departments of Agriculture and Health laboratory facility is being constructed on the site to the east of the St. Paul National Guard Armory. The Department of Human Services office facility is being constructed on the former Capital Square Building site on Cedar Ave. The facilities will be completed in the fall of 2005.

This request is for funds to relocate the departments from their current locations to the newly constructed facilities upon completion, and includes move, furniture and equipment costs. Bonded funds are being requested for furniture, and equipment, and general funds for moving costs. The amount of funding requested is an estimate only, and will be further refined during the upcoming months.

Veterans Service Building Abatement and Renovation: The first phase of abatement and renovation has been implemented on the third and fourth floors of the Veterans Service Building with relocation funds appropriated in FY02. Relocation funds are now needed to move tenants off of the first floor to allow abatement on that floor, and then to move tenants from the first and second floor back. The work on these floors will occur from July 1, 2003 through June 30, 2006.

Administration Building First Floor Abatement and Renovation: As noted in the Admin Asset Preservation Capital Budget Request, relocation funding is required to support this work.

321 Grove Street Asbestos Abatement and Renovation: As noted in the Admin Asset Preservation Capital Budget Request, relocation funding is required to support this work.

Unanticipated Moves: Relocation funds are needed to relocate agencies where an unanticipated situation has occurred such as a landlord not renewing and agency's lease at its expiration, an agency that need to reduce its space, or an agency that needs to move due to reorganization.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
Email: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	11,200	0	0	11,200
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	11,200	0	0	11,200

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	11,200	0	0	11,200
State Funds Subtotal	0	11,200	0	0	11,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	11,200	0	0	11,200

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Energy Retrofit Funding

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 6 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests funds for an energy retrofit program that provides state agencies with the needed capital to make energy improvements in their buildings at a reduced interest rate. The participating state agencies repay the loans within a ten-year period from the savings that result from lower energy costs. The loan repayments will be used to service the bond.

Project Description

In this program, the state would sell general obligations (GO) bonds and the Department of Administration would issue loans to state agencies with the proceeds. The source of funds for repayments of these loans is the energy cost savings attributable to the funded projects. The state agencies would repay these loans within 10 years, and the repayments are used to pay the debt services on the bonds. This innovative program provides energy retrofit capital to state agencies not served by previous retrofit programs at a favorable interest rate and ensures that state GO bonds will be repaid. Utility costs for the affected buildings would be the same or less during the period of loan repayment. After loan repayment, the lower utility costs accrue to the benefit of the affected state agency (and state taxpayers).

In 1991, the Minnesota legislature created a funding mechanism through MS 16B.32 that provided energy retrofit capital to state agencies served by major utilities such as Xcel Energy and Minnegasco. Under this legislation, Xcel Energy provided \$28 million at no interest and Minnegasco issued \$600,000 as a gift. Using these funds, the Department of Administration retrofitted over 21 million square feet of state owned buildings resulting in over \$4.5 million a year in reduced energy costs. The Department of Administration also implemented energy retrofits in state agency buildings not eligible for the Xcel Energy and Minnegasco programs using third party financing under MS 16C.14.

Impact on Agency Operating Budgets (Facilities Notes)

There will be no impact on the operating budget of the Department of Administration. However, there will be a positive impact of reduced utility costs and healthier, more energy efficient buildings for the state agencies participating in the program.

Previous Appropriations for this Project

None

Other Considerations

The Department of Administration will design the program to be flexible for the customer, yet fully protect the interest of the bondholders in the event of unusual circumstances. This protection will be built into our rules, guidelines and contracts. Participating state agencies shall provide assurance that the building will continue to be operated and maintained in the future. The contract shall include irrevocable repayment resolution.

Project Contact Person

Kath Ouska, Assistant Commissioner
Department of Administration
50 Sherburne Avenue, Room 200
St. Paul, MN 55155
651.296.6852

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	5,000	5,000	5,000	15,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	0	0	5,000
State Funds Subtotal	0	5,000	0	0	5,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	0	0	5,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0.0%
User Financing	5000	100.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

COB Building Security and Parking Expansion

2004 STATE APPROPRIATION REQUEST: \$4,094,000

AGENCY PROJECT PRIORITY: 7 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests funds for the renovation of the Central Park parking ramp (AKA COB ramp), located east of the Centennial Office Building (COB), so it can accommodate about 280 additional cars; for the renovation of the entrances to COB to meet accessibility and security needs; and for the expansion of Lot Q so it can accommodate about 82 additional cars.

Project Description

Central Park Ramp: The Central Park Ramp is located adjacent to the new Orville L. Freeman office building, and close to the new lab building, under construction for the Departments of Agriculture and Health. These buildings are scheduled to be completed in the fall of 2005. There will be a total of about 1,100 employees in the new buildings, and the parking provided by this request will address a portion of those needs.

Currently, this ramp has park space located on the southern end of three of the levels. The project anticipates replacing the park features with paving for the additional cars. Note that the top deck will remain as a park.

COB Entrance Renovation: In addition to housing several state agencies, COB is the primary location of the State Data Center. Security risks several years ago led to the temporary installation of a security desk on ground level, and the rerouting of visitors to this desk for check-in using temporary partitions. This project would provide for a new entry into the building from Cedar Street, permanently addressing security, accessibility, the sloped walk, current split entry, and building character.

Lot Q: Extension of surface parking Lot Q to the east is a low-cost opportunity to increase the amount of parking on the Complex in preparation

for the opening of the new Orville L. Freeman office building and Ag/Health lab.

Impact on Agency Operating Budgets (Facilities Notes)

The cost of the work on the parking lot and ramp are low enough so that, coupled with the addition of the 362 parkers to the Complex, parking costs would not need to be increased to account for the work, and in fact may allow future increases to be delayed.

Previous Appropriations for this Project

There have been no other appropriations for these projects.

Other Considerations

Both of the parking projects represent a cost effective way to provide parking on the Complex. The construction cost per car for a ramp runs between \$12,000 and \$14,000; the cost at Lot Q is estimated to be about \$1,500, and at the Central Park ramp about \$4,800.

The Capitol Area Architectural Planning Board is supportive of the COB entrance project, and their advisors endorsed the plan as highly professional, creative, and sensitive to issues of public access, ADA requirements, and visibility.

Project Contact Person

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 29707909
Email: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	275	0	0	275
4. Project Management	0	27	0	0	27
5. Construction Costs	0	3,157	0	0	3,157
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	500	0	0	500
9. Inflation	0	135	0	0	135
TOTAL	0	4,094	0	0	4,094

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,094	0	0	4,094
State Funds Subtotal	0	4,094	0	0	4,094
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,094	0	0	4,094

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,094	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$700,000

AGENCY PROJECT PRIORITY: 8 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests funding for a predesign to determine the location and components of a new state building in Greater Minnesota.

Project Description

Most state agencies provide services in locations beyond the seven county metro area. Offices are often in leased space, and located separately from other agencies in the same city or area. Counties and cities also have office space, and are usually in different spaces. Admin believes services can be delivered faster, cheaper, and better by co-locating the similar functions of state, county and city together, and is requesting funding to explore and define where such opportunities exist.

Items to be reviewed include the location and condition of current facilities, the suitability, cost and lease terms of existing space, current and future demographics, existing infrastructure, technology, and transportation support, adjacency synergies, and partnering opportunities with local units of government.

Impact on Agency Operating Budgets (Facilities Notes)

Co-location allows for the sharing of services, from technical, communication, and infrastructure systems to receptionists, conference rooms, and copiers. This is anticipated to save agency operating dollars.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

Three Greater Minnesota counties, Stearns, Blue Earth, and St. Louis, have over 2,000 state employees working in them, and another sixteen, including Olmstead, Lyon, Douglas, Beltrami and Crow Wing, have 500 to 2000. Using the recently completed Criteria for Locating State Offices and Agencies, energy information from the B3 project, Connecting Minnesota Information, and MNDOT transportation, potential locations for new buildings can be identified. Funding for the construction of one or more new buildings, or the renovation of an existing building, will be requested in the FY06 Capital Budget.

Project Contact Person

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
Email: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	700	0	0	700
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	700	0	0	700

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	700	0	0	700
State Funds Subtotal	0	700	0	0	700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	700	0	0	700

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	700	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Property Acquisition

2004 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 9 of 10 ()

PROJECT LOCATION:

Any property acquisition opportunities that may arise in or adjacent to the Capitol Area would provide sites for the development of state facilities and/or parking, and further help consolidate appropriate government functions to the Capitol Area.

Project At A Glance

The Department of Administration requests funds to purchase available properties that meet existing needs and/or that can be used for future state development and consolidation.

Project Contact Person

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
Email: kath.Ouska@state.mn.us

Project Description

The land available for development in and around the Capitol area is limited. In addition, there is typically only a small window of opportunity to purchase a property once it becomes available in the market. Having funds available is the only way to take advantage of such opportunities as they arise in the market. There is currently a significant parcel of property adjacent to the Complex that would be in the best interest of the state to won for parking and long-term development.

The funding would also allow the state to perform due diligence activities (i.e. appraisal, environmental, title and inspections) on potential sites and have the ability to purchase options to hold property until the department received funding to complete the purchase.

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

Impact on Agency Operating Budgets (Facilities Notes)

Without property acquisition funds, the state is at a considerable disadvantage and in most situations unable to pursue any property that would be advantageous for the state to own.

Previous Appropriations for this Project

Other Considerations

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	10,000	5,000	2,000	17,000
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	10,000	5,000	2,000	17,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	0	0	10,000
State Funds Subtotal	0	10,000	0	0	10,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	10,000	0	0	10,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Stassen/Freeman Tunnel

2004 STATE APPROPRIATION REQUEST: \$1,776,000

AGENCY PROJECT PRIORITY: 10 of 10 ()

PROJECT LOCATION:

Project At A Glance

The Department of Administration (Admin) requests funds to construct a tunnel connecting the Stassen Building and the 14th Street Ramp to the rest of the Capitol Complex. The new tunnel would run under Robert Street, and connect the 14th Street Ramp to the Orville L. Freeman Office Building. The ramp is, in turn, connected by an existing tunnel to the Stassen Building.

Project Description

When the Stassen Building was constructed in 1998, there was not an appropriate building near enough for a tunnel connection to the rest of the Capitol Complex. The Laws of 2002, Section 13, Subd. 6 & 7, allowed Admin to enter into a 25 lease-purchase agreement for the construction of an office building for the Departments of Agriculture and Health. This facility, named the Orville L. Freeman Office Building, is currently under construction across Robert Street from the Stassen Building, and will be connected by tunnel to the rest of the Complex. This in turn allows the Stassen Building to be connected to the rest of the Complex in an economical manner.

Connecting the Stassen Building to the Complex will put it on the tunnel system that links the rest of the buildings, providing ease of access to all. Weather-protected connections are especially important in the winter and for those wishing barrier free travel routes. They also encourage sharing of facilities such as conference rooms and cafeterias.

Impact on Agency Operating Budgets (Facilities Notes)

Admin would recover the cost of the project through the established rent process, with interest recovered over 20 years and depreciation over 30 years.

Previous Appropriations for this Project

There have been no previous appropriations for this project.

Other Considerations

Connection of this building to the Capitol Complex loop is in keeping with both Admin's Strategic Plan for Locating State Agencies and the Comprehensive Plan of the Capital Area Architectural Planning Board (CAAPB).

Project Contact Person

Kath Ouska, Assistant Commissioner
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
Email: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	195	0	0	195
4. Project Management	0	19	0	0	19
5. Construction Costs	0	1,495	0	0	1,495
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	67	0	0	67
TOTAL	0	1,776	0	0	1,776

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,776	0	0	1,776
State Funds Subtotal	0	1,776	0	0	1,776
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,776	0	0	1,776

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,776	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Design of Capitol Interior Renovation	1	GO	\$1,700	\$1,500	\$60,000	\$0	\$0	\$0
Paint and Plaster of Capitol	2	GF	2,100	0	0	0	0	0
Capitol Signage and Elevators	3	GO	750	2,100	0	0	0	0
Project Total			\$4,550	\$3,600	\$60,000	\$0	\$0	\$0
General Obligation Bonding (GO)			\$2,450	\$3,600	\$60,000	\$0	\$0	\$0
General Fund Projects (GF)			\$2,100	\$0	\$0	\$0	\$0	\$0

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

Design of Capitol Interior Renovation

2004 STATE APPROPRIATION REQUEST: \$1,700,000

AGENCY PROJECT PRIORITY: 1 of 3 ()

PROJECT LOCATION: Capitol Campus, Saint Paul, MN

Project At A Glance

The *Minnesota State Capitol Predesign Study*, completed in June 2001, provides the basis for this request. The study determined the impending need for restoration to the Capitol's interior spaces and building infrastructure upgrade. The study also concluded the Capitol Building does not contain sufficient space to support the needs of the public and the current tenants, thus the study recommends exploring of expansion space, either in the form of a new building or converted space in an existing campus building. This request is in two parts:

1. \$1.2M to complete the Schematic Design of the Capitol Building's interior restoration study. (A \$1.5M request for Design Development will be forthcoming in 2006.)
2. \$500,000 for Predesign for expansion space for the Capitol Building.

As the Predesign Study of 2001 indicated, this request, though broken into two parts, is a continued response to the urgent demands being placed on the Capitol Building. When full restoration is complete, it will have taken over 10 to 12 years.

Project Description

The first part of this request would fund the Schematic Design work (at \$1.2M) for the phased renovation and restoration of the Capitol's interior, including all floors, ceremonial and public spaces, office suites, and spaces currently serving as hearing rooms. The Schematic Design is the next sequential step in the Capitol's interior restoration following the completed *Minnesota State Capitol Predesign Study* of 2001, which complies fully with the approved state procedure of three phases prior to construction.

The 2001 *Predesign Study* identified very critical deficiencies and future needs of the building's infrastructure, code compliance and adaptability to increased technology demands. Signage throughout the building fails to

meet the American Disabilities Act (ADA) Accessibility Guidelines or the Minnesota State Building Code. The east wing lacks fire sprinkler and smoke detection systems per code.

The Capitol's HVAC systems do not provide an adequate number of fresh air exchanges. Many of the existing mechanical units are near the end of their life, with most of the air intakes at ground level, making them totally vulnerable. Due to age and design of the existing system, balancing of air for heating, cooling, and humidity is inconsistent throughout the building. The unbalanced air is causing the visible deterioration of plaster and paint. Although new transformers were installed in 2001, the main electrical panel needs replacing, and the electrical distribution system does not meet the needs of the building. Lighting components are failing at a rate and a cost prohibitive compared to the cost of a system replacement.

The Schematic Design work would recommend more efficient and effective mechanical and electrical systems, as well as comprehensive, updated fire and life safety systems, and a full reassessment of security issues as a result of the findings of the Capitol Security Task Force following September 11, 2001. All work would be phased one wing at a time.

The second part of this request would fund the Predesign (at \$500,000) for the study of expansion space for the Capitol Building. This new space, either in the form of a new building, or converted space in an existing campus building, needs to be provided before the interior renovation work of the Capitol can proceed.

A direct finding of the 2001 *Predesign Study* is a critical need for new, improved, and expanded space for hearing rooms. These rooms must be capable of accommodating heightened security, so difficult to implement in the historic Capitol, while providing for the latest in technologies to address such advances as video conferencing, live feeds, and other outreach or access issues. Flexible hearing rooms are needed to accommodate fifty to several hundred participants, as state government assumes more responsibility on issues.

The CAAPB *Comprehensive Plan for the Minnesota State Capitol Area* (1998) and the Administration Department's *Strategic Plan for Locating State Agencies* (1995) precede the Capitol's 2001 *Predesign Study* in that those plans also recommended expansion space for the Capitol Building, on a site

Design of Capitol Interior Renovation

north of University Avenue. This new site would consolidate existing surface parking with a parking ramp shared with the Administration Building, whose current ramp has less than a five-year lifespan.

This Predesign for expansion space goes hand-in-hand with the Schematic Design as both need to address the needs of the building's occupants and the sequencing of all restoration projects to minimize disruption. Both will serve as the basis for CAAPB capital budget requests in 2006 and beyond.

Continuing to expect the Capitol Building to accommodate growing public needs with an infrastructure designed for vastly different purposes is a constant threat to its continued viability and life span. Other states have already come to acknowledge their state capitol building's need for major restoration projects, ranging from \$35 million to over \$145 million (Wisconsin) or even higher. Texas addressed restoration needs of their historic capitol and also expanded into an annex, spending over \$250 million.

This request is appropriate given the forthcoming Centennial of the Minnesota State Capitol Building in 2005, for which the previous and current Governor saw fit to establish the Capitol 2005 Commission by Executive Order, in order to plan the celebration as well as to raise funds for future restoration efforts.

Impact on Agency Operating Budgets (Facilities Notes)

The 2001 *Minnesota State Capitol Predesign Study* identified during the course of restoration, tenants may be temporarily or permanently relocated. The public will experience some inconvenience. The Schematic Design will address how to accomplish this restoration efficiently and with minimal disruption. It is anticipated that cost and time efficiencies are achieved by restoring a total wing of the Capitol, one at a time. Other states have proven this sequencing the most effective in restoring their capitols.

Previous Appropriations for this Project

\$300,000 for Capitol Building Predesign for interior restoration (2000).

Other Considerations

The 2005 Centennial Celebration will be a time to reflect on the value this historic building holds in the hearts of Minnesotans. The Capitol 2005 Commission is planning not only the celebration during that year, but also looking to establish a private endowment for future work on the Capitol

Building. At a time when there is the opportunity to seek private monies for the much needed interior restoration work for the Capitol Building (estimated at roughly \$60 million in the 2001 *Predesign Study*), the state has the responsibility to outline the needs, to develop a long term plan, and then to work toward a public match for future projects.

Project Contact Person

Paul Mandell, Principal Planner
204 Administration Building
50 Sherburne Avenue
Saint Paul MN 55155
Phone: 651-296-6719
Fax: 651-296-6718
E-mail: Paul.Mandell@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,700	1,500	60,000	63,200
State Funds Subtotal	0	1,700	1,500	60,000	63,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,700	1,500	60,000	63,200

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,700	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Paint and Plaster of Capitol

2004 STATE APPROPRIATION REQUEST: \$2,100,000

AGENCY PROJECT PRIORITY: 2 of 3 ()

PROJECT LOCATION: Capitol Campus, Saint Paul, MN

Project At A Glance

In preparation for the Centennial Celebration of the Capitol Building in 2005, the Department of Administration, the Capitol Area Architectural and Planning Board (CAAPB), and the Minnesota Historical Society (MHS) have examined the completed 2001 *Minnesota State Capitol Predesign Study* for interior restoration to determine those projects that can be completed prior to 2005 and that will have the greatest positive impact on improving the appearance of the building

The CAAPB is requesting funds for:

- ◆ Restoration including plastering and repainting of public spaces on floors G through 3.

THIS PROJECT, MINUS THE THIRD FLOOR, WAS SUPPORTED BY THE PRIOR GOVERNOR AND LEGISLATURE IN 2002, BUT WAS CANCELED IN 2003 BY GOVERNOR PAWLENTY IN THE FEBRUARY UNALLOTMENT.

Due to findings of more severe degradation of many ceiling areas in the original project scope, and inclusion now of the third floor (and possibly the dome where repairs can now be made based on findings of a humidity study), the work scope is now \$2.1 million. In 2002 this project was recommended by Finance for general funds. The CAAPB is recommending that due to the serious level of deterioration and impending threat to the integrity of large sections of walls and ceilings, this request clearly qualifies for a capital expenditure.

Project Description

This project would restore and repair the paint and plaster of walls and ceilings of the public spaces on floors G through 3 (and possibly the dome) of

the Capitol. This will include stairs, public corridors, ceilings, and new in this request, the third floor. The third floor and dome have been added to the scope after the near completion of a humidity study, which suggests inclusion of these areas without fear of further significant damage. As in the 2002 session, this project would also include the removal, restoration, and chronological repositioning of the Governor's portraits in order to place them in a more efficient manner for viewing by the public, while gaining more space for future portraits.

All this work, if funded now, could be completed in time for the capitol 2005 centennial year of celebration and would arrest the increasing deterioration and failure of 100-year old building materials in Minnesota's State Capitol.

Originally, in 2002, the request for restoration work for the public spaces on ground, first, and second floors was \$646,000. Upon further investigation, in preparation for bids last winter, the budget was found to be inadequate, with the total job pricing out at \$1.1M, requiring a prioritized list for inclusion under the available budget. Much of the increase was due to discovery that many areas showing the beginning of failure were actually far more advanced in their state of deterioration. Just prior to bids, the funds fell subject to unallotment as part of the 2003 Legislative session and cancellation by the Governor.

In the interim, humidity studies of the upper floors of the building and dome area are nearly complete, with findings that would allow the project to address the needs of public spaces throughout the building prior to the Centennial, with assurance that even the third floor ceilings, which have been the worst, could be permanently restored at this time. Pricing includes the dome, though it's possible that complications or this increase in scope of work may not be achievable over the remaining one-year window prior to 2005.

It is strongly recommended by the CAAPB and the Capitol 2005 Commission, that the restoration of the Capitol Building's public spaces be completed prior to the beginning of 2005.

WITH ESTABLISHMENT AND NOW START OF THE CAPITOL 2005 COMMISSION'S EFFORTS TO PLAN BOTH THE CELEBRATION IN 2005 AND BUILD AN ENDOWMENT FOR FUTURE RESTORATION OF THE

Paint and Plaster of Capitol

CAPITOL, IT BECOMES CRITICAL FOR THE STATE TO SHOW ITS COMMITMENT TO MINNESOTA'S PREMIER PUBLIC BUILDING.

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

Impact on Agency Operating Budgets (Facilities Notes)

Restoration at this time would quite possibly curtail the ever-increasing need to regularly patch and conduct temporary fixes to many of the areas undergoing failure.

Previous Appropriations for this Project

\$646,000 for ground through second floors and portrait work (2002).
(Canceled in 2003 unallotment.)

Other Considerations

Here in Minnesota, the CAAPB has secured roughly \$25.9 million over the past two decades to make the building watertight, completely replacing the roof and reworking the dome and lantern while working vigilantly to arrest deterioration of exterior stone. However, much remains to be done inside on a more wholesale basis, needing to approach it one wing at a time. In the interim, strong commitment is needed to do everything possible during these next few years to prepare the building for its 100th birthday and all the public exposure anticipated that year.

There is benefit in coordinating the planning and scheduling of these projects with MHS's Capital Budget requests for restoration/preservation of Capitol furnishings and artwork, which includes repositioning of all the Governor's portraits along the public corridor walls.

Project Contact Person

Paul Mandell, Principal Planner, CAAPB
204 Administration Building
50 Sherburne Avenue
Saint Paul MN 55155
Phone: 651-296-6719
Fax: 651-296-6718
E-mail: paul.mandell@state.mn.us

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	2,100	0	0	2,100
General	0	0	0	0	0
State Funds Subtotal	0	2,100	0	0	2,100
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,100	0	0	2,100

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Capitol Signage and Elevators

2004 STATE APPROPRIATION REQUEST: \$750,000

AGENCY PROJECT PRIORITY: 3 of 3 ()

PROJECT LOCATION: Capitol Campus, Saint Paul MN

Project At A Glance

In preparation for the Centennial Celebration of the Capitol Building in 2005, the Department of Administration, the Capitol Area Architectural and Planning Board (CAAPB), and the Minnesota Historical Society (MHS) have examined the completed 2001 *Minnesota State Capitol Predesign Study* for interior restoration to determine those projects that can be completed prior to 2005 and that will have the greatest positive impact on improving the appearance of the building.

The CAAPB is requesting the following for signage:

- ◆ to complete design, fabricate, and install a comprehensive signage program for the Capitol Building and Capitol grounds including, design fees, exterior directional, informational, parking, and building signage for the Capitol campus, and interior directional signage for the State Capitol Building.

In 2002, the CAAPB requested funding for the Capitol elevators to be restored. Had funding been secured, the elevators and signage projects both were achievable by 2005. Only signage design, fabrication, and installation is now possible for completion prior to 2005. Funding for the Capitol's elevator restoration will now be requested in 2006. Scope of the work will consist of:

- ◆ design and construction of historic "open-grille-work" passenger cabs for elevators (two cabs per shaft) for the west bank (Phase 1) with the future Phase 2 east bank converted to two cabs, tied to creation of a new freight elevator in the building's east wing. (\$2.1M to be requested in 2006.)

Project Description

Current signage, both exterior and interior, is inadequate. The Capitol's interior signage was installed in the late 1970s and earlier, as was that for the

Capitol campus. Added to over the years, it often confuses the one-million plus yearly visitors to the Capitol and lacks appropriate letter size and mounting heights for current Americans with Disabilities Act (ADA) requirements.

The Capitol campus has expanded significantly over the past two decades; new buildings have been built, streets closed, and parking lots and ramps have been added. ADA requirements have added to the demand for a comprehensive campus signage program.

Saint Paul emergency authorities demand building identification signs with street addresses to provide prompt response to calls from state government facilities. Existing signage for this purpose is incomplete and/or of substandard design and materials, and lacks consistency of appearance.

Similarly, visitors to the Capitol campus are ill served by a lack of directional signs and quick identification of public parking areas in the complex. "Way-finding" maps and directional signs at critical entry points to the Capitol campus would enable pedestrians and motorists to reach their destinations more quickly and safely, something that will be critically important in 2005 during the Centennial of the State Capitol Building.

As designed, the new sign system would meet traffic code, public safety requirements, and ADA standards, and would greatly improve services for visitors to the Capitol campus and within its buildings and tunnel system. This new sign system proposal is phased with an adjusted \$750,000 for the Capitol Building and campus for 2004 and a balance for future program needs in the tunnel, State Office Building, and other campus buildings.

The elevators have been updated over time, generally with regard to improved function. Unfortunately, in the 1950s, a screen wall installed in the cabs, closed off the tiled and naturally lit elevator shafts from the interior of the Capitol Building. This request would return the shafts and cabs to the original conditions as designed by Cass Gilbert. Two clear glass cabs in each shaft, designed with more dependable speeds, will allow riders to enjoy the fully tiled elevator shafts with windows opening out to the Capitol Mall. The benefit of this project would allow light into the interior of the building through the redesigned glass and iron walls in front of the cabs.

Impact on Agency Operating Budgets (Facilities Notes)

Capitol Signage and Elevators

None.

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

Previous Appropriations for this Project

Every two years since 1994, the CAAPB has unsuccessfully requested funds for a new signage program. In 1994, representatives of the CAAPB and the Department of Administration's Plant Management and Building Construction Divisions used existing agency funds (\$30,000) to select a design consultant to plan a comprehensive sign program. These funds were used for Predesign and to develop signage through the Schematic Design stage.

Other Considerations

Here in Minnesota, the CAAPB has secured roughly \$25.9 million over the past two decades to make the Capitol Building watertight, completely replacing the roof and reworking the dome and lantern while working vigilantly to arrest the deterioration of exterior stone. However, much remains to be done inside on a more wholesale basis, needing to approach it one wing at a time. In the interim, strong commitment is needed to do everything possible during this next year to prepare the building for its 100th birthday and all the public exposure anticipated that year.

Since the beginning of 1999, the CAAPB has received monthly calls from the public regarding lack of Capitol campus directional signage and the inability of existing signage to convey simple, clear, legible messages.

The Minnesota Historical Society maintains records that indicate the Capitol Building receives over several hundred thousand visitors each year. Combined with all other public business in the Capitol campus each year and the state employees relocating to the campus, the lack of consistent signage and "way finding" is a disservice to Minnesota citizens and visitors to the state.

Project Contact Person

Paul Mandell, Principal Planner, CAAPB
204 Administration Building
50 Sherburne Avenue
Saint Paul MN 55155
Phone: 651-296-6719
Fax: 651-296-6718
E-mail: paul.mandell@state.mn.us

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	750	2,100	0	2,850
State Funds Subtotal	0	750	2,100	0	2,850
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	750	2,100	0	2,850

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	750	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Asset Preservation	1	GO	\$4,000	\$4,500	\$5,000	\$0	\$0	\$0
Facility Life/Safety	2	GO	1,000	1,000	1,000	0	0	0
Indoor Range Abatement and Conversion	3	GO	1,029	0	0	0	0	0
Americans with Disabilities Act Updates	4	GO	1,300	1,000	700	0	0	0
Stillwater Training and Community Center		GO	0	9,600	0	0	0	0
Cambridge Training and Community Center		GO	0	6,500	0	0	0	0
West St Paul Training and Community Ctr		GO	0	6,500	0	0	0	0
Military Affairs - Emergency Management Fac		GO	0	3,421	36,706	0	0	0
Anoka Training and Community Center		GO	0	0	8,700	0	0	0
Blaine Training and Community Center		GO	0	0	8,500	0	0	0
Project Total			\$7,329	\$32,521	\$60,606	\$0	\$0	\$0
General Obligation Bonding (GO)			\$7,329	\$32,521	\$60,606	\$0	\$0	\$0

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

Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$4,000,000

AGENCY PROJECT PRIORITY: 1 of 4 ()

PROJECT LOCATION:

Project At A Glance

For reducing backlog of maintenance, repair, replacement, and renovation needs of existing facilities.

Will have federal match of 50% or 75% depending on scope of work.

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 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 \$23 million. Facility aging creates additional maintenance and repair problems. Currently, the average age of the department's armory facilities is 42 years. Phasing of asset preservation projects is (in priority order):

- 1) Building Envelope (roofs, windows, tuckpointing, etc)
- 2) Safety/Liability related projects;
- 3) Sanitary Issues (e.g. toilet facilities);
- 4) Functionality projects (e.g. rehabilitation of training rooms, lighting) and;
- 5) Aesthetics/livability 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 Requests (in thousands)

<u>2004</u>	<u>2006</u>	<u>2008</u>
\$4,000	\$4,500	\$5,000

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 further additions to 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

Asset Preservation

costs which in turn stretches the operating budget dollars.

Previous Appropriations for this ProjectCapital Budget

FY02 \$2.5 million
FY00 \$1.5 million
FY98 \$250 thousand
FY96 \$500 thousand

Centrally Managed CAPRA

FY02 \$1 million
FY00 \$2.4 million
FY98 \$1.65 million
FY96 \$1.025 million

Other Considerations

This year and future years requests are somewhat higher than last capital budget request in anticipation of the loss of the Department of Administration managed CAPRA fund that we had used to acquire matching federal funds for major facility repair and renovation projects.

Project Contact Person

Terrence J. Palmer, Comptroller, Dept of Military Affairs
Veterans Service Building, St. Paul, MN 55155-2098
Phone: (651) 282-4678 Fax: (651) 282-4493
E-mail: terry.palmer@mn.ngb.army.mil

Lieutenant Colonel Jama M. Davidson, Facilities Management Officer
Camp Ripley, 15000 Highway 115, Little Falls, MN 56345-4173
Phone: (320) 632-7315 Fax: (320) 632-7473
E-mail: jama.davidson@mn.ngb.army.mil

Major Donald M. Rodewald, Facilities Management Office-Operations
Camp Ripley, 15000 Highway 115, Little Falls, MN 56345-4173
Phone: (320) 632-7568 Fax: (320) 632-7473
E-mail: donald.rodewald@mn.ngb.army.mil

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	4,500	5,000	13,500
State Funds Subtotal	0	4,000	4,500	5,000	13,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,000	4,500	5,000	13,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006		2008	2006
Minnesota World War II Memorial	1	GO	\$750	\$0	\$0	\$0	\$0
		Project Total	\$750	\$0	\$0	\$0	\$0
		General Obligation Bonding (GO)	\$750	\$0	\$0	\$0	\$0

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

2004 STATE APPROPRIATION REQUEST: \$750,000

AGENCY PROJECT PRIORITY: 1 of 1 ()

PROJECT LOCATION:

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

Project At A Glance

Construction of the Minnesota World War II memorial on the Capitol Mall as authorized by the 2000 Legislature.

Project At A Glance:

Project Description:

The Minnesota World War II Memorial will recognize the contributions of Minnesota veterans who served their county in defense of liberty. The memorial will incorporate native materials to the extent practicable. Names of the individual veterans will not be included in the memorial design. This memorial will include an interactive kiosk which will provide visitor information about the WWII memorial.

Impact on Agency Operating Budgets (Facilities Notes):

Staff time processing donations, overseeing design, and oversight of actual construction.

Previous Appropriations for this Project:

\$150,000 appropriated by the 2000 legislature, which had to be matched by private donations from non-state sources before the design process could begin. The Department of Veterans Affairs raised the matching funds.

Other Considerations:

The WWII Veterans Memorial Advisory Board has been formed. It is imperative that this memorial be constructed to recognize the contributions of all WWII veterans while they are still able to appreciate the thanks of a grateful state. Nationwide, WWII veterans are dying at a rate of more than 1,000 per day.

Project Contact Person:

Michael Pugliese, Deputy Commissioner

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	750	0	0	750
State Funds Subtotal	0	750	0	0	750
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	750	0	0	750

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	750	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Northwest Busway	1	GO	\$30,000	\$0	\$0	\$0	\$0	\$0
Metropolitan Regional Parks Capital Improvements	2	GO	10,466	11,000	11,000	0	0	0
Park and Ride Facilities	3	GO	5,000	5,000	5,000	0	0	0
Cedar Avenue Busway	4	GO	5,000	25,000	25,000	0	0	0
Livable Communities Infrastructure Improvements	5	GO	3,000	3,000	3,000	0	0	0
Busways			0	3,000	25,000	0	0	0

Project Total	\$53,466	\$47,000	\$69,000	\$0	\$0	\$0
General Obligation Bonding (GO)	\$53,466	\$44,000	\$44,000	\$0	\$0	\$0
Unspecified	\$0	\$3,000	\$25,000	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

The Metropolitan Council provides regional planning and providing essential services for the Twin Cities seven-county metropolitan area. The Council works with local communities to provide these critical services:

- operates the region's largest bus system
- collects and treats wastewater
- engages communities and the public in planning for future growth
- provides affordable housing opportunities for low- and moderate-income individuals and families
- provides planning, acquisitions and funding for a regional system of parks and trails.

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

There are three program areas requesting capital funds:

Transit: Over the last 20 years, the number of daily vehicle miles traveled (VMT) in the region increased 90% while the number of highway lane miles increased only 33% and peak buses increased 11%. Because of this, the region is experiencing significant congestion. The Texas Transportation Institute (TTI) estimates that 62% of the of the region's highway lane miles experience congestion at the peak, up from 21% in 1982.

This increase in congestion is having a significant impact on citizens and businesses. The average commuter traveling during the peak spent 54 hours in congestion in 2000. 54 hours in congestion equaled \$1,050 in time and fuel or \$1.2 billion for the region in 2000. Business impacts include higher shipping costs; reduced worker productivity; smaller area to draw customers and employees from; and reduced regional competitiveness

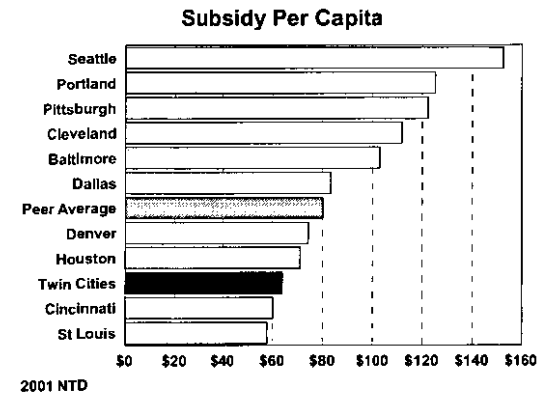
Transit is already making a substantial impact on reducing freeway congestion. A freeway lane can carry about 2000 cars per lane per hour. Buses are already carrying the equivalent of at least one lane of traffic on significantly congested highways. For example, from 7:00 am to 8:00 am (peak hour):

- On I-394 at Penn (three lanes eastbound) there are 63 buses carrying 2100 people or the equivalent of more than one lane.
- On I-35W at Lake (four lanes northbound) there are 97 buses carrying 3395 people or almost 2 lanes of traffic.

But transit's benefits are constrained by two issues:

First, transit funding is substantially lower than peer regions. This limits the amount of transit service that can be made available to citizens.

Second, buses have to operate in the same congested traffic that automobiles do. The region has constructed ramp meter bypasses and bus-only shoulders to allow buses to bypass some of the traffic, but it doesn't free the buses from traffic. If transit could operate in space dedicated to transit, citizens could get around the region without being impacted by congestion.



Regional Parks: Since 1974, when the Metropolitan Regional Park System was created, the size of the regional park system has grown from 31,000 acres to about 50,000 acres today. Concurrently, use has grown from 5 million visits in 1974 to 30 million visits in 2002. This has increased the need both for rehabilitation of existing parks and for new parkland.

The seven-county metropolitan area is expected to increase by 930,000 people from 2000 to 2030. As the metropolitan region continues to grow the demand for outdoor recreation facilities provided in the Metropolitan Regional Park System will be strong. Visits to regional parks are expected to continue to increase and the need to maintain existing parks and develop new or expanded parks will continue.

The State has had a strong commitment to regional parks. Since 1974, the State has provided \$198 million of bonds and \$30.7 million of Environmental Trust Funds to acquire land, and to rehabilitate existing and develop new regional parks and trails. The State investment has been leveraged with \$97.3 million of bonds issued by the Metropolitan Council.

Community Development: The seven-county metropolitan area is expected to increase by 930,000 people, 460,000 households, and 550,000 jobs between 2000 and 2030.

The region has one chance to influence how and where this development occurs -- when it happens. If the region can influence development so it occurs more efficiently, there can be significant savings to the public. Costs for roads, sewers, water pipes, electric lines, natural gas pipes, storm water management systems, phone and computer wiring, street lighting, traffic signals, and other infrastructure items can be significantly reduced by more efficient development patterns. These savings do not just accrue at the time that this infrastructure is developed - it is on going. It results in fewer roads to plow, less sewer pipe to repair, fewer streetlights to maintain, and fewer power lines to go down in a storm.

The only time that these savings can be achieved is when the development is occurring. Once the development pattern is set, the region has "locked into" an on-going set of costs that can only be changed through expensive redevelopment. Public infrastructure investments can influence how development occurs and provide an incentive to more efficient development. The location of roads, parks, parking structures, transit passenger facilities, bicycle trails, and pedestrian walkways can have significant impacts on creating more efficient development.

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

Transit: The 1965 "Highway Capacity Manual" published by the Transportation Research Board, is the de facto standard for measuring congestion. It defines congestion on a scale from the best, Level of Service A (relatively free flow of traffic, with little or no limitation on vehicle movement or speed) to the worst, Level of Service F (unsatisfactory stop-and-go traffic characterized by "traffic jams" and stoppages of long duration). Highway 81, where the Northwest Busway will operate, will be at Level of Service F by

2010. Cedar Avenue south of I-494 is already at Level of Service F. Many of the region's other freeways are also at or approaching Level of Service F. The functionality of the highway system during peak travel times is severely compromised by congestion and is simply not functioning as it should.

Regional Parks: Master plans for each regional park and trail unit are prepared by the regional park implementing agency that owns/manages each park. Updates to these plans are done to reflect new demand for recreation facilities and to help manage existing facilities and natural resources in the parks. With continued growth in the use of the park system--about 900,000 more visits each year--it is imperative to invest in facility rehabilitation and development. Furthermore, land acquisition for new park units needs to occur at a pace that will allow those units to be developed to meet demand and future population growth.

Community Development: The Twin Cities is continuing to grow and add infrastructure on an on-going basis. There is potential to influence this development into more efficient patterns.

Agency Process Used to Arrive at These Capital Requests

Transit: The Metropolitan Council prepares a ten-year CIP for transit each year as part of its annual budget process. This CIP includes funding for all transit providers in the region. It includes five categories: bus replacement, support facilities, public facilities, equipment, and transitways.

Parks: Capital projects proposed for funding in this request implement regional park and trail master plans that have been reviewed and approved by the Metropolitan Council. Projects were ranked by the Council in three separate categories: Acquisition, Rehabilitation and Development. By clustering projects in these categories, similar projects were ranked against each other.

The projects were ranked using a decision-tree model with three components in the following order:

1. **Unfunded Status:** Projects that were not funded from the 2002-03 regional parks capital improvement program (CIP) were given the highest ranking in this request. These projects were ranked in the same order that they were in the 2002-03 CIP.

2. **Phase 2 Projects:** Once the design/engineering phase of a project has been funded, construction phase funding is given a higher priority over other requests that start a new project.
3. **Matching Funds (TEA-21):** These projects leverage grants from the federal Transportation Enhancement Act of the 21st Century (TEA-21) program. TEA-21 grants fund 80 % of the construction cost of a project and require a non-federal fund match for the remaining 20 % of construction costs. The TEA-21 grant does not finance design/engineering costs, so the non-federal match may be as much as 50% of the total cost of a project.

Within each component, funding requests were ranked based on the amount of visits the park/trail had received as measured in visit hours and the number of visits by persons living outside a park agency's jurisdiction. Projects in parks that served more people and served more persons living outside the park agency's jurisdiction were ranked higher. Thus, funds invested would benefit the greatest number of persons and serve the widest geographic area as possible.

Community Development: The Council works with an advisory committee that considers market demand and community needs as it recommends development projects for funding based on criteria established by the Council.

Major Capital Projects Authorized in 2002 and 2003

Transit: In 2002, Northwest Busway was allocated \$20 million. In 2003, it was allocated \$1 million for Phase Two planning.

Regional Parks: In 2002, \$6 million of State bonds leveraged \$4 million of Metropolitan Council bonds to finance acquisitions in five regional parks, rehabilitate eleven worn out facilities, and develop new recreation facilities in seven parks and trails. In 2003, \$3,339,000 of Environmental Trust Funds leveraged \$2,396,000 of Council funds and \$2,629,000 of federal TEA-21 grants to finance the acquisition of land in one park reserve, rehabilitate 7 worn out facilities, and develop new facilities in eight parks and trails.

Northwest Busway

2004 STATE APPROPRIATION REQUEST: \$30,000,000

AGENCY PROJECT PRIORITY: 1 of 5 ()

PROJECT LOCATION: Northwest Metropolitan Region

Project At A Glance

The Metropolitan Council requests \$30 M to complete funding for the Northwest Busway to be built in conjunction with the reconstruction of Highway 81. This request of \$30 M is to complete the commitment of \$20 M for this project made in the 2002 bonding bill.

Project Description

A busway or Bus Rapid Transit (BRT) is a form of public transportation that uses advanced technology and transit advantages to provide dependable, efficient and economical bus service regardless of traffic conditions. For portions of the route, the project uses separate lanes for the exclusive use of buses. Advanced technology will include off-board fare collection, bypass ("queue jump") lanes, and signal prioritization at major intersections to allow buses to pass through quickly. Transit stations spaced about a mile apart use electronic messaging to let passengers know when the next bus will arrive.

BRT allows citizens to bypass congested highways and streets. This creates greater certainty in travel time and a marked improvement in transit service. More citizens use transit instead of driving, directly reducing congestion on highways and freeways.

The Northwest Busway will operate in the median of Hennepin County Road 81. This corridor runs from downtown Minneapolis through, Robbinsdale, Crystal, Brooklyn Park, Osseo, Maple Grove, Hassan, Dayton and Rogers. The length of the corridor is 22 miles.

Total cost of purchasing additional right of way, reconstructing the roadway, providing dedicated bus lanes and passenger amenities is estimated to be \$130 million. The busway component is about \$65 M and the roadway reconstruction is about \$65 M. This will fund the reconstruction of the roadway resulting in a four-lane highway with improved intersections, often

with double left turn lanes, create dedicated bus lanes between Bass Lake Road and 85th Avenue North; the acquisition of right-of-way; construction of transit stations and park and rides; purchase of buses; and priority for buses at signals.

It is expected that \$50 million of the busway component will come from the state and \$15 million from the Metropolitan Council. Hennepin County will be responsible for the roadway reconstruction. In 2002, the Legislature funded \$20 M of the \$50 M expected from the State. In 2003 the Legislature appropriated an additional \$1 M for design.

This project supports the State's strategic mission to provide an efficient, effective transportation system

One of the core missions of the State of Minnesota is to provide a safe, efficient, transportation system. The Texas Transportation Institute (TTI) estimates that 62% of the of the highway lane miles experience congestion at the peak, up from 21% in 1982. The average commuter spent 54 hours in congestion in 2000 which is the equivalent of \$1,050 in time and fuel or \$1.2 billion for the region

This busway will reduce traffic in the I-94, I-494, Highway 100, and Highway 169 corridors. Ridership in 2025 is expected to be over 23,000 passengers per day. This is the equivalent of two additional highway lanes of traffic during peak periods.

The cities in the project area will grow by 20% in the next 20 years, increasing congestion in this corridor.

The population of the cities of Golden Valley, Robbinsdale, Crystal, Brooklyn Park, Osseo, Maple Grove, Dayton, Rogers, Brooklyn Center, Champlin, Hassan, and Corcoran will grow by over 20% in the next 20 years. This will create additional stress on an already overwhelmed transportation system.

Traffic on County Road 81 will be at Service Level F (the worst rating possible, i.e. beyond the roadway's capacity) by 2010 and will continue to degrade.

Congestion is worsening on County Road 81. Projections of daily traffic show that the road will exceed its capacity by 2010 and continue to degrade. Growth in traffic on this roadway is projected to be:

Daily Traffic at:	2000	2020	% Change
CR 153 (Lowry)	15,400	27,500	79%
TH 100	17,900	41,000	129%
CR 10	24,700	45,500	84%
TH 169	24,100	49,500	105%
CR 202	16,700	39,000	134%

Cost savings by combining the busway with highway reconstruction

It is significantly cheaper to construct this busway when the roadway is being reconstructed than to do separately.

Strong local commitment exists

The comprehensive plans for the cities along the corridor envision road and transit improvements that will support new mixed-use projects embracing residential, commercial, and office uses. The Northwest Partnership has been created to ensure development and redevelopment of the corridor is coordinated among the jurisdictions. The Partnership includes cities, companies, and non-profit organizations in and along the corridor.

The project is ready to go

Feasibility, environmental studies, and project design are well underway. Local support is in place. The road project overall is ready to begin. If funding is made available, the project is ready to be advanced immediately.

Improving access to businesses, employment and homes

Significant amount of employment already exist in this corridor, with downtown Minneapolis, the Crystal Airport, North Memorial Hospital, several corporate headquarters, and other established commercial centers along the corridor. It is projected that there will be an intensification of commercial and industrial uses, substantially increasing employment in the area. In addition, this corridor currently contains 245,000 persons and projections for 2020 are 300,000 persons.

Impact on Agency Operating Budgets (Facilities Notes)

Approximately \$4.5 million per year net operating funding will be needed once the busway is fully implemented. This is based on a forecasted operating cost of \$6.7 million less fare revenues of \$2.2 million.

Previous Appropriations for this Project

The total state request is for \$50 M. In 2003, \$1 M was given for Phase Two planning costs. In 2002, \$20 M was authorized for this project.

Other Considerations

A technical correction is needed to implement the legislative intent of the 2002 Legislature. The 2002 Legislature appropriated \$20 M for this project. But 2002 Session Laws, Chapter 393, Section 19 Sub 2, authorizing language needs to be revised so the project scope fits the available bonding authority. In addition, the accompanying authorization for debt service needs to be provided for.

Project Contact Person

Natalio Diaz, Director, Metropolitan Transportation Services
Metropolitan Council
230 E 5th St, St. Paul, MN 55101-1626
Phone: (651) 602-1754
Fax: (651) 602-1550
E-mail: Natalio.Diaz@metc.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	20,000	30,000	0	0	50,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	20,000	30,000	0	0	50,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O. Bonds/Transp	20,000	30,000	0	0	50,000
State Funds Subtotal	20,000	30,000	0	0	50,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	20,000	30,000	0	0	50,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	13,400	14,200	27,600
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	13,400	14,200	27,600
Revenue Offsets	0	<4,400>	<4,400>	<8,800>
TOTAL	0	9,000	9,800	18,800
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	30,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Metropolitan Regional Parks Capital Improvements

2004 STATE APPROPRIATION REQUEST: \$10,466,000

AGENCY PROJECT PRIORITY: 2 of 5 ()

PROJECT LOCATION: Twin Cities Metropolitan Region

Project At A Glance

\$10.47 M is requested to improve and expand the metropolitan regional parks system.

Project Description

The Metropolitan Regional Park System consists of 50,000 acres of parks and 151 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 Board	Washington County

The Metropolitan Council, with the advice of the Metropolitan Parks and Open Space Commission, prepares a Metropolitan Regional Parks capital improvement program (CIP) under direction from MS 473.147. This request is to fund a portion of that CIP.

This request assumes 60% of funding from state sources and 40% from the Metropolitan Council. Over 30 million visits occurred in the Metropolitan Regional Park System in 2002. Of this amount, 40.0% or 12 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. Because of this, 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. These regional park agencies are responsible for spending the state and Metropolitan Council appropriations in their own jurisdiction.

Some of the regional park implementing agencies also own and operate non-regional parks and trails in addition to regional parks and trails. These non-regional parks and trails are not eligible for funding through the Metropolitan Regional Parks CIP.

The 2004 - 2009 Metropolitan Regional Parks Capital Improvement Program (CIP) proposes \$10.466 M of 2004 state bonding matched by \$8.017 M of Metropolitan Council bonds. Regional parks also receive funds from the Environmental Trust Fund. This request is exclusive of the Environmental Trust funds.

Proposed projects are as follows:

Agency	Park Name	Total Project	State Bonds	Met Council Bonds
Land acquisition				
Washington	Big Marine	412	412	0
Dakota	All Parks	258	258	0
Three Rivers	Silver Lake	1,496	0	1,496
Ramsey	Vento Trail	35	0	35
Ramsey	Long Lake	300	300	0
Anoka	Rice Creek	800	800	0
Carver	Lk Waconia	363	363	0
Washington	Big Marine	348	348	0
Dakota	All Parks	586	586	0
Subtotals		4,598	3,067	1,531
Park Rehabilitation				
St Paul	Lilydale/Harriet	670	670	0
Ramsey	Keller	614	614	0
St Paul	Como	425	0	425
Minneapolis	Minnehaha Pky	637	637	0
Minneapolis	Minnehaha	925	925	0
Bloomington	Hyland/Bush	52	52	0
Anoka	Bunker Hills	853	853	0

Metropolitan Regional Parks Capital Improvements

Agency	Park Name	Total Project	State Bonds	Met Council Bonds
Scott/Three Rivers	Cleary Lake	50	50	0
St Paul	Lilydale/Harriet	395	395	0
Minneapolis	Chain of Lakes	300	300	0
Ramsey	Keller	420	420	0
St Paul	Como	932	0	932
Three Rivers	Elm Creek	1,000	0	1,000
St Paul	Sam Morgan	187	187	0
	Subtotals	7,460	5,103	2,357
Development Projects				
Three Rivers	N Hennepin Trail	699	699	0
Three Rivers	Gale Woods	141	0	141
Carver	Lake Waconia	163	163	0
Dakota	North Urban Trail	111	111	0
Dakota	Miss. River Trail	721	0	721
Dakota	North Urban Trail	7	0	7
Minneapolis	Miss. Riverfront	350	0	350
Washington	Lake Elmo	240	240	0
Three Rivers	Gale Woods	2,344	0	2,344
Dakota	North Urban	84	0	84
Ramsey	Vadnais/Snail	225	225	0
Carver	Lake Waconia	187	187	0
Washington	St Croix Bluffs	240	0	240
Ramsey	Rice Creek	55	0	55
Bloomington	Hyland/Bush	187	0	187
Minneapolis	Above the Falls	641	641	0
Minneapolis	Miss Riverfront	30	30	0
	Subtotals	6,423	2,296	4,129
	Grand Total	18,483	10,466	8,017

Parks are part of the Strategic Mission of the State

Parks are part of the state's core mission. The State of Minnesota has provided funding for parks in the Twin Cities for the last 30 years.

Impact on Agency Operating Budgets (Facilities Notes)

There is no direct impact on state agency operating budgets as the State does not operate Metropolitan Regional Park System. However, the state's capital investment in the Metropolitan Regional Park System reduces the visitor impact on state parks. The reduced visitor pressure on the state parks and trails reduces State costs.

Previous Appropriations for this Project

The State has had a long-term commitment to this program, providing \$198.5 M in bonding for park improvements since 1974. In 1998, the Council received \$9 million. In 2000, the Council received \$5 million. \$6 M was received from the 2002 bonding bill.

Other Considerations

The Metropolitan Regional Parks CIP projects are also eligible for funding with Environmental Trust Funds or Minnesota Future Resources revenues as recommended by the Legislative Commission on Minnesota Resources (LCMR). The LCMR has recommended \$1,670,000 in FY 2004 and \$1,699,000 in FY 2005. This request is exclusive of those funds.

Project Contact Person

Arne Stefferud, Planning Analyst - Parks
 Metropolitan Council, 230 East Fifth Street St. Paul, MN 55101
 Phone: (651) 602-1360 Fax: (651) 602-1442
 E-mail: arne.stefferud@metc.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	6,000	10,466	11,000	11,000	38,466
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	6,000	10,466	11,000	11,000	38,466

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	6,000	10,466	11,000	11,000	38,466
State Funds Subtotal	6,000	10,466	11,000	11,000	38,466
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	6,000	10,466	11,000	11,000	38,466

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,466	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Park and Ride Facilities

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 3 of 5 ()

PROJECT LOCATION: Metro Area

Project At A Glance

This proposal is for \$5 M to build park and rides in the Twin Cities. This would support bus usage, reduce trips in single occupancy vehicles, and reduce congestion on the region's highways.

Project Description

Park and rides are large parking lots or decks, with pull-in facilities for buses, space for passenger loading and unloading, areas for cars to drop off passengers, and heated waiting areas. They are served by multiple bus routes, are a transfer point among routes, and are a terminus for some routes. These facilities would be operated by the Metropolitan Council or the opt out community that the facility is located in.

Funding includes a mix of State, Met Council Regional Transit Capital Bonds, and Federal Funds. Locations and funding sources include:

<to be determined>

Congestion is an increasing problem in the region. This is counter to the State's strategic mission to provide an efficient, effective transportation system

One of the core missions of the State of Minnesota is to provide a safe, efficient, transportation system. Over the last 20 years, the number of daily vehicle miles traveled (VMT) in the region increased 90% while the number of highway lane miles increased only 33%. Because of this, the region is experiencing significant congestion. The Texas Transportation Institute (TTI) estimates that 62% of the of the region's highway lane miles experience congestion at the peak, up from 21% in 1982. The average person taking a trip during the peak spent 54 hours in congestion in 2000. 54 hours in congestion equals \$1,050 in time and fuel or \$1.2 billion for the region.

Transit lessens congestion

Buses directly lessen congestion. Transit improves highway capacity by taking cars off the road during peak periods. From 7:00 am to 8:00 am, examples include:

- I-394 at Penn (three lanes) there are 63 buses carrying 2099 people or 25% of the people traveling in that corridor
- I-35W at Lake (four lanes) there are 97 buses carrying 3395 people or 28% of the people traveling in that corridor
- I-94 at 280 (three lanes) there are 30 buses carrying 1050 passengers carrying 14% of the people traveling in that corridor

Highways will directly benefit from these investments

Highways that will benefit directly from these projects include:

<to be determined>

Passenger facilities are an efficient way of providing transit in low-density areas.

It is cost-prohibitive to provide bus service within walking distance of many homes in low-density suburban areas. Park and ride facilities allow people to park their cars and take transit in a much more efficient operation. They also allow greater bus frequency and route alternatives.

Demand for more transit exists.

From 1996 to 2000, transit ridership increased 20.4%. In 2001, budget cuts and fare increases resulted in a flat ridership, and in 2002, increasing unemployment and a less vibrant economy resulted in further ridership declines.

Most existing park and rides are full

Because of the increased transit usage, most large park and rides are full or seeing rapidly increasing usage. New or expanded facilities are needed for additional service

Impact on Agency Operating Budgets (Facilities Notes)

The Metropolitan Council receives approximately two-thirds of its operating costs from the state to provide transit services. A portion of the maintenance costs of the facilities would be included in future state funding requests, although this impact is projected to be minor.

Previous Appropriations for this Project

None

Other Considerations

The other flexible source of funds for park and rides is Regional Transit Capital (RTC) funds. These are bond revenues supported by a property tax levied by the Metropolitan Council throughout the Transit Taxing District in the Twin Cities. Using state bonding funds will reduce the need for property taxes for transit purposes.

Project Contact Person

Natalio Diaz, Director, Metropolitan Transportation Services
Metropolitan Council
230 E 5th St, St. Paul, MN 55101-1626
Phone: (651) 602-1754
Fax: (651) 602-1550
E-mail: Natalio.Diaz@metc.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	5,000	5,000	5,000	15,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O. Bonds/Transp	0	5,000	5,000	5,000	15,000
State Funds Subtotal	0	5,000	5,000	5,000	15,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Cedar Avenue Busway

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 4 of 5 ()

PROJECT LOCATION: Metro Area South of I-494 along Cedar Ave

Project At A Glance

The Metropolitan Council requests \$5 M to do environmental work and preliminary engineering for the Cedar Avenue Transitway.

Project Description

Cedar Avenue, from I-494 South to Apple Valley, experiences severe congestion. Traffic across the Cedar Avenue Bridge is at Service Level F most workdays and often backs up into Apple Valley.

Few alternatives exist to Cedar Avenue, as the Minnesota River is a significant barrier. I-35W, the Mendota Bridge, and I-494 are the only viable alternatives to the Cedar Avenue Bridge and they are also experiencing severe congestion.

The Twin Cities "Transportation Policy Plan" does not forecast any major expansion or improvements to this highway between now and 2025. At the same time, population forecasts project that the population in the area directly around Cedar Avenue will grow over 50% over the next 20 years.

Because of this, a study was conducted to look at the feasibility of substantially improved transit service within a ten-mile corridor running from the Mall of America Transit Station to the Apple Valley Transit Station along Cedar Avenue.

After substantial analysis, bus rapid transit (BRT) was selected as the transitway mode of choice for further study. It was found that this was the most cost-effective alternative when cost, ridership, efficiency, and effectiveness were balanced out.

After completion of this feasibility study, the Minnesota Legislature and the Metropolitan Council granted funds to conduct a Phase Two study of the

corridor. Dakota County has been leading an interagency team to study the various options. The partnership members include Hennepin County, Eagan, Bloomington, Apple Valley, Burnsville, Minnesota Valley Transit Authority, MnDOT, and the Metropolitan Council.

The study is nearing completion and includes:

- (1) consideration of an extension of the transitway down Cedar Avenue to County Road 70 in Lakeville,
- (2) undertaking a detailed alternatives analysis, which is part of the federal planning process, and preparation of an environmental scoping study, and
- (3) a short-term, low-cost transitway improvement plan. The study began in November 2002 and will end in February 2004.

This request is for funds to complete environmental studies and preliminary engineering associated with the BRT once the Phase Two study is completed. In addition, \$1 M of federal funds have been provided for transit improvements in the corridor.

This project supports the State's strategic mission to provide an efficient, effective transportation system

Traffic on Cedar Avenue south of the Minnesota River Minnesota River is at Service Level F (the worst rating possible, i.e. beyond the roadway's capacity). Current daily traffic is 98,000 vehicles per day. 2020 forecast is 110,200 vehicles per day, or about 12%. The small amount of growth is because the road is already beyond capacity and simply cannot take substantially more traffic.

One of the core missions of the State of Minnesota is to provide a safe, efficient, transportation system. This busway will reduce traffic in the Cedar Avenue (Highway 77) and I-35W corridors. It is projected that a BRT transitway will generate 4,400 new riders. With peak hour occupancy averaging about 1.1 persons per automobile, 4000 cars per day would be taken off the roads.

Strong local commitment exists

Cedar Avenue Busway

The cities and counties along this corridor have been working since 1999 to develop the plan for this transitway.

A catalyst for redevelopment

Comprehensive plans for cities along the corridor envision transit improvements that will support new mixed-use projects embracing residential, commercial, and office uses. One example is Cedarvale, in the City of Eagan, which combines housing, retail, office space, open space, and a transit facility in one location.

Impact on Agency Operating Budgets (Facilities Notes)

No operating impact at this time. If the busway is built, operating funds will be needed at that time.

Previous Appropriations for this Project

In 1998, \$500,000 was authorized for a Phase 1 study from State funds. In 2001, \$500,000 was appropriated to conduct a Phase 2 study from State bonding funds. These funds have been matched with \$1 million from the federal government in February 2003.

Other Considerations

None

Project Contact Person

Natalio Diaz, Director, Metropolitan Transportation Services
Metropolitan Council
230 E 5th St, St. Paul, MN 55101-1626
Phone: (651) 602-1754
Fax: (651) 602-1550
E-mail: Natalio.Diaz@metc

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	500	5,000	0	0	5,500
4. Project Management	0	0	25,000	25,000	50,000
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	500	5,000	25,000	25,000	55,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O. Bonds/Transp	500	5,000	25,000	25,000	55,500
State Funds Subtotal	500	5,000	25,000	25,000	55,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	500	5,000	25,000	25,000	55,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Livable Communities Infrastructure Improvements

2004 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 5 of 5 ()

PROJECT LOCATION: Metropolitan Region

Project At A Glance

The Metropolitan Council requests \$3 M for grants to cities for public infrastructure to facilitate development in the Twin Cities region.

Project Description

Funds would be used for public infrastructure such as roads, public utilities, land acquisition public site improvements, open space, parking structures, transit passenger facilities, bicycle trails, and pedestrian walkways.

These expenditures would be made to ensure integration of land use and transportation needs in the development of communities that are convenient, walkable, with easy access to open space, amenities, transportation, and transit options. These investments would also be targeted to developments that support housing production.

Goals

The goals of these investments are to:

- Integrate transportation and development more closely, locating growth centers along transportation corridors.
- Save tax dollars by providing cost effective, efficient services (such as sewers, roads, transit, parks).
- Capture a portion of future growth and market interest through reinvestment in older cities.
- Ensure new development is as efficient as possible.
- Increase housing production.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

None

Other Considerations

Although these expenditures will not directly accrue savings to the State coffers, these expenditures will result in significant cost savings to the public. More efficient land use choices result in significantly lower infrastructure costs. Costs for roads, sewers, water pipes, electric lines, natural gas pipes, storm water management systems, phone and computer wiring, street lighting, traffic signals, and other infrastructure items can be significantly reduced by more efficient development patterns. These savings do not just accrue at the time that this infrastructure is developed - the savings are on going. The investments would result in fewer roads to plow, less sewer pipe to repair, fewer streetlights to maintain. The only time that these savings can be achieved is when the development is occurring.

Project Contact Person

Caren Dewar, Deputy Regional Administrator
Metropolitan Council
230 E 5th St
St. Paul, MN 55101-1626
Phone: (651) 602-1306
E-mail: Caren.Dewar@metc.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	3,000	3,000	3,000	9,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	3,000	3,000	3,000	9,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,000	3,000	3,000	9,000
State Funds Subtotal	0	3,000	3,000	3,000	9,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,000	3,000	3,000	9,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
LOCAL BRIDGE REPLACEMENT PROGRAM	1	GO	\$30,000	\$70,000	\$70,000	\$0	\$0	\$0
RAIL SERVICE IMPROVEMENT	2	GO	6,000	6,000	6,000	0	0	0
PORT DEVELOPMENT ASSISTANCE	3	GO	4,000	8,000	8,000	0	0	0
LOCAL ROAD IMPROVEMENT GRANTS	4	GO	10,000	20,000	20,000	0	0	0
SOO LOCK FUNDING	1	GF	6,600	0	0	0	0	0
ANALOG TO DIGITAL CONVERSION	2	THF	10,000	5,000	0	0	0	0
SMALL CAPITAL PROJECTS	2	THF	9,862	0	0	0	0	0
MANKATO HEADQUARTERS BUILDING	1	THB	15,720	0	0	0	0	0
SHARED PUBLIC SAFETY RADIO SYSTEM 911	1	OTH	17,000	49,000	51,000	0	0	0
STATE BRIDGE PROGRAM			0	70,000	70,000	0	0	0
ROCHESTER TRUCK STATION			0	5,000	0	0	0	0
ARDEN HILLS TRAINING CENTER ADDITION			0	4,600	0	0	0	0
MAPLE GROVE TRUCK STATION			0	4,500	0	0	0	0
GOLDEN VALLEY SHOP ADDITION			0	4,000	0	0	0	0
WILLMAR HQ ADDITION			0	1,700	0	0	0	0
DULUTH HQ ADDITION/REMODEL			0	1,250	0	0	0	0
SHAKOPEE TRUCK STATION			0	0	3,000	0	0	0
JORDAN TRUCK STATION			0	0	3,000	0	0	0
PLYMOUTH TRUCK STATION ADDITION			0	0	3,000	0	0	0
EDEN PRAIRIE TRUCK STATION			0	0	2,000	0	0	0
CROOKSTON TRUCK STATION ADDITION			0	0	1,000	0	0	0

Project Total	\$109,182	\$249,050	\$237,000	\$0	\$0	\$0
General Obligation Bonding (GO)	\$50,000	\$104,000	\$104,000	\$0	\$0	\$0
911 Emergency (OTH)	\$17,000	\$49,000	\$51,000	\$0	\$0	\$0
General Fund Projects (GF)	\$6,600	\$0	\$0	\$0	\$0	\$0
Trunk Highway Fund (THF)	\$19,862	\$5,000	\$0	\$0	\$0	\$0
Trunk Hwy Fund Bonding (THB)	\$15,720	\$0	\$0	\$0	\$0	\$0
Unspecified	\$0	\$91,050	\$82,000	\$0	\$0	\$0

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

LOCAL BRIDGE REPLACEMENT PROGRAM

2004 STATE APPROPRIATION REQUEST: \$30,000,000

AGENCY PROJECT PRIORITY: 1 of 4 (General Obligation Bonding Projects)

PROJECT LOCATION: Statewide

Project At A Glance

- Replace 200 local deficient bridges during the 2004-2006 construction seasons, maintaining our transportation infrastructure.
- Bridge projects requested in 85 counties and 19 cities across the State. Will be supplemented with \$108 million of Federal bridge replacement funds, state-aid funds, and local funds.

Project Description

This request for \$30 million in state funds is to replace or rehabilitate deficient bridges owned by local governments throughout the state.

One of 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 2,525 bridges built prior to 1942. Over the next 10 years, another 545 bridges will reach that age, with another 1,347 and 1983 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.

LOCAL BRIDGE REPLACEMENT PROGRAM

This request will replace, rehabilitate or remove about 200 deficient or obsolete bridges on local systems.

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

Impact on Agency Operating Budgets (Facilities Notes)

No impacts.

Previous Appropriations for this Project

In 2002, 45 million were made available to this program and are projected to have participated in the replacement, rehabilitation, or removal of about 260 bridges. (Approximately 240 additional bridges will have been replaced in the biennium through the Town Bridge Account.)

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. Since 1977, 6,949 bridges have been replace or rehabilitated, of which 5,438 utilized \$296 million of Local Bridge Replacement Program funds. As of December 2002, there were 2,454 deficient bridges in Minnesota, of which 2,100 are on the local road systems. Since 1976, the following total amount has been provided for the local bridge replacement and rehabilitation program from all sources:

State Funds	\$296,406
Federal Aid	260,709
Local and State-Aid Funds	210,615
Total	\$767,730

Other Considerations

Project Contact Person

Mark Gieseke, Program Delivery Engineer
 State Aid for Local Transportation Division
 395 John Ireland Blvd, Mail Stop 500
 St. Paul, MN 55155
 Phone: (651) 296-7679
 Fax: (651) 282-2727
 E-mail: mark.gieseke@dot.state.mn.us

LOCAL BRIDGE REPLACEMENT PROGRAM

(\$ in thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	30,000	70,000	70,000	170,000
G.O. Bonds/Transp	0	0	0	0	0
State Funds Subtotal	0	30,000	70,000	70,000	170,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	30,000	70,000	70,000	170,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	30,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

RAIL SERVICE IMPROVEMENT

2004 STATE APPROPRIATION REQUEST: \$6,000,000

AGENCY PROJECT PRIORITY: 2 of 4 (General Obligation Bonding Projects)

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, 2-3 Railbank projects and 1-2 Rehabilitations each year

Project Description

The Office of Freight and Commercial Vehicle Operations addresses rail transportation needs in part through the 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 Minnesota Rail Service Improvement 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 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

RAIL SERVICE IMPROVEMENT

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 & 2002, \$5 million and \$1 million, respectively. The 2003 Legislature has reduced the amount of funding available to the MRSI Program by \$6.4 million dollars.

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 institutional will take an increased role in the 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, MN 55120
Phone: (651) 406-4794
Fax: (651) 406-4811
E-mail: Janelle.collier@dot.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,000	6,000	6,000	18,000
State Funds Subtotal	0	6,000	6,000	6,000	18,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,000	6,000	6,000	18,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

PORT DEVELOPMENT ASSISTANCE

2004 STATE APPROPRIATION REQUEST: \$4,000,000

AGENCY PROJECT PRIORITY: 3 of 4 (General Obligation Bonding Projects)

PROJECT LOCATION: Statewide

Project At A Glance

The Port Development Assistance Program, M.S. Sec. 457A, was enacted in response to infrastructure needs of Minnesota's public ports on the Great Lakes and Inland River Navigation Systems. No federal funds are currently available for these types of projects. The program involves a state (up to 80%) and local (20%) partnership 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. 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. To date total appropriations amount to \$12.5 million.

Other Considerations

Neighboring states have had Port Development Assistance programs dating back to 1980 and have committed over \$35 million to rehabilitating their port infrastructure projects similar to Minnesota. Their programs are on a grant basis only.

Minnesota is further from the Atlantic Ocean and the Gulf of Mexico than all of our neighboring waterway states. This puts Minnesota at a geographic disadvantage as well as costing Minnesota shippers more to get their products to international markets.

According to Minnesota law, Port Development Assistance funds cannot be added to other state sponsored port investments. Port Development funds can be used with federal and local dollars to complete projects that benefit a port. An example of this is the rehabilitation of Port Terminal Drive in Duluth. Federal and City funds were used with Port Development funds. This was an opportunity to leverage Port Development funds with Federal, City and Port Authority funds to complete a total road project that would not have been possible without this partnership.

Project Contact Person

Dick Lambert
 Director of Ports & Waterways
 Office of Freight and Commercial Vehicle Operations
 1110 Centre Pointe Curve, Mailstop 470
 Mendota Heights, MN 55120
 Phone: (651) 406-4805
 Fax: (651) 406-4811
 E-mail: dick.lambert@dot.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	8,000	8,000	20,000
State Funds Subtotal	0	4,000	8,000	8,000	20,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,000	8,000	8,000	20,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

LOCAL ROAD IMPROVEMENT GRANTS

2004 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 4 of 4 (General Obligation Bonding Projects)

PROJECT LOCATION: Statewide

Project At A Glance

- Provide \$30 million to assist cities, counties, or townships with local road projects with statewide or regional significance 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 that cannot be reasonably funded through other sources.

One of Mn/DOT's strategic directions is investing in and improving the system of interregional corridors that connect the state's regional trade centers. Another strategic direction is 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 can also reduce 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 and the existing funding mechanisms are not designed to handle all of the situations and types of projects that are of importance 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 (Minnesota Statutes 174.50).

In 2002, the Legislature created the Local Road Improvement Program (Minnesota Statutes 174.52). The fund for this program has two 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 inter-regional corridors or other major highways, or eliminate hazards.

This request is for \$30 million for grants from the Local Road Account.

Impact on Agency Operating Budgets (Facilities Notes)

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 2003, \$20 million were placed in the Trunk Highway Corridor Projects Account for loans.

Other Considerations

Project Contact Person

Rick Kjonaas, Deputy State Aid Engineer
State Aid for Local Transportation Division
395 John Ireland Blvd, Mail Stop 500

LOCAL ROAD IMPROVEMENT GRANTS

St. Paul, MN 55155
Phone: (651) 296-9875
Fax: (651) 282-2727
E-mail: rick.kjonaas@dot.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	20,000	20,000	50,000
State Funds Subtotal	0	10,000	20,000	20,000	50,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	10,000	20,000	20,000	50,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

SOO LOCK FUNDING

2004 STATE APPROPRIATION REQUEST: \$6,600,000

AGENCY PROJECT PRIORITY: 1 of 1 (General Fund)

PROJECT LOCATION: Sault Ste. Marie, Michigan

Project At A Glance

In 1968 the Corps of Engineers completed a large lock between Lakes Superior and Huron at Sault Ste. Marie, Michigan on the St. Mary's River. In 1985 the Corps conducted a feasibility study to build a second large lock to ensure the continued flow of freight. In 1986 Congress authorized the project. Congress also passed the Waterways Development Act, which stated that this type of construction would have to be cost shared by non-federal partners. It was determined that the eight Great Lake states would be the non-federal partners as they would benefit most from the second lock.

Project Description

The new large lock would cost \$225 million and measure 1200 feet long by 110 feet wide and 30 feet deep. The non-federal cost share of \$54 million was to be divided between the eight Great Lakes States. Each state's participation was based on origin and destination of the freight tonnage passing through the lock. Minnesota's share, having the most tonnage was 33%. This amounted to \$18.1 million, which could be paid out at the rate of \$361,248.30 per year for 50 years. By setting aside a one-time authorization of \$6.6 million and letting interest accrue; the total obligation would be reached in 50 years. Being that the project would be constructed outside of Minnesota, the authorization must be from the general fund.

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

There has never been an appropriation for this lock from Minnesota state funds. Although in 2001, the Minnesota legislature passed a resolution that Minnesota would pay its share of the new Soo Lock.

Other Considerations

Minnesota is further from the Atlantic Ocean than any of its neighboring waterway states. After September 11th the project became a higher priority for the Corps of Engineers to complete as soon as possible. The last large lock in this system took six years to build after the funds were appropriated. The Corps will start construction when each of the eight Great Lakes States appropriates its share of the project. To date, Michigan, Illinois and Pennsylvania have appropriated their shares of the lock project.

Minnesota is pivotal. If Minnesota does not make a commitment, The Great Lakes Commission feels that the project will not go forward.

Project Contact Person

Dick Lambert
Director, Ports & Waterways
Office of Freight and Commercial Vehicle Operations
1110 Centre Pointe Curve, Mail Stop 470
Mendota Heights, MN 55120
Phone: (651) 406-4805
Fax: (651) 406-4811
E-mail: dick.lambert@dot.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	6,600	0	0	6,600
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	6,600	0	0	6,600

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	6,600	0	0	6,600
General	0	0	0	0	0
State Funds Subtotal	0	6,600	0	0	6,600
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,600	0	0	6,600

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

ANALOG TO DIGITAL CONVERSION

2004 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 2 of 2 (Trunk Highway Fund)

PROJECT LOCATION: Statewide

Project At A Glance

- Analog to Digital Microwave Conversion (ADMC)
- Overall project projected at \$18 million (multi-year)
- Requesting \$10 million in FY 04-05

Project Description

This project is the continuation of the conversion of the existing Mn/DOT analog microwave backbone equipment to digital equipment. The existing microwave system was implemented over twenty (20) years ago. The equipment uses analog technology. Mn/DOT's microwave system has limited channel capacity that prohibits system growth. There have been no upgrades to the system since its initial installation. Due to technological improvements and operational advantages inherent to digital microwave equipment, the industry has slowly migrated users from analog to digital technology. In recent years manufacturers have stopped manufacturing analog equipment, and have also indicated that part supplies will only be carried for a limited period of time (approximately 2005). Additionally, the FCC has reallocated the 2 GHz frequency band used by the current system. Mn/DOT has become a secondary user on the 2 GHz frequencies. Secondary status on these channels will ultimately result in the loss of the channels to the PCS or Satellite Services. State agencies have proposed projects and operational applications such as Mobile Data Computers (MDC's), Road Weather Information Systems (RWIS), and other Intelligent Transportation Systems (ITS) that use a digital format for communications. The present microwave system cannot support the proposed projects, and in some cases the current system cannot support the existing projects because of the use of a digital format. The system replacement will be designed and installed using existing staff resources. Ongoing maintenance will be provided out of existing operational budget from the Office of Electronic Communications.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

None

Other Considerations

- ⇒ Funding will be used to construct or improve communications towers and related facilities. This includes, but is not limited to: new towers, structural improvements to towers, new or replacement equipment shelters, new or replacement backup power generators, new microwave antenna's, new digital microwave radios.
- ⇒ The new digital microwave system will provide four (4) times the current capacity to move towards the final goal of a coordinated network to support voice, data, and video needs of state customers. The new system is also capable of expansion to provide additional channel capacity as future needs arise. Upgrading the current system to digital technology, and changing to the 6 GHz band eliminated the "secondary status" situation and potential loss of the frequencies used for the microwave system. The replacement of the analog equipment with digital equipment will assure reliable operation of the radio systems used by the Department of Public Safety, Department of Natural Resources, and Mn/DOT.
- ⇒ The measurement of success will be when 100% of all analog microwave stations have been replaced and the system is fully operational.

Project Contact Person

Andrew Terry, Director
 Office of Electronic Communications
 395 John Ireland Blvd., Mail Stop 730
 Phone: (651) 296-7402
 Fax: (651) 297-5735
 E-mail: andrew.terry@dot.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
Trunk Highway Fund	0	10,000	5,000	0	15,000
State Funds Subtotal	0	10,000	5,000	0	15,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	10,000	5,000	0	15,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

SMALL CAPITAL PROJECTS

2004 STATE APPROPRIATION REQUEST: \$9,862,000

AGENCY PROJECT PRIORITY: 2 of 2 (Trunk Highway Fund)

PROJECT LOCATION: Statewide

Project At A Glance

In 1996, the Governor recommended a more streamlined and efficient budget process by including smaller, ongoing building projects in a capital operating budget. These various statewide projects consist of small Truck Stations, Salt Storage Facilities and Cold Storage construction. Projects that will be funded in this request support the Mn/DOT mission and fit in this category.

Project Description

Facilities need to be routinely maintained, repaired, constructed and/or upgraded to provide support for the Minnesota Department of Transportation. Space is required for administration, vehicle storage and repairs, ancillary equipment, installed facility-supporting equipment, and office space. All at correct locations for operations so Mn/DOT employees can efficiently and promptly respond to the highway users needs. These facilities are constructed to program requirements; new equipment demands or is regulatory or building code driven. Mn/DOT facilities are built and maintained to support and meet transportation system user needs, and to respond to environmental and safety concerns.

The following facilities, which rated highest in the 10-year plan, will be either be designed, repaired, remodeled and/or replaced. This work is being performed to bring these facilities back into a complete, useful and functional facility.

TRUCK STATIONS/OTHER FACILITIES

Sandstone Truck Station Replacement
 Faribault Truck Station Remodel
 Garrison Truck Station
 Windom Warm Storage Addition
 Mankato Headquarters Site Work
 Baudette Truck Station

Fergus Falls Tech Center
 Lake Benton Truck Station
 Lakeville Truck Station
 Central Office Warehouse

DESIGN FEES

Sandstone Truck Station
 Faribault Truck Station
 Windom Warm Storage Addition
 Fergus Falls Tech Center
 Central Office Warehouse
 Lakeville Truck Station
 Rochester Truck Station

SALT STORAGE FACILITIES

Warren
 Brainerd
 Evansville
 Wabasha
 Mankato
 Redwood Falls

UNHEATED STORAGE FACILITIES

Mankato (2)
 Thief River Falls
 Cedar Avenue
 Arden Hills Training Center
 Plymouth Drivers Exam

Impact on Agency Operating Budgets (Facilities Notes)

Older, inefficient buildings, such as those replacements scheduled above, are currently a drain on existing operating budgets. Higher funding levels than normal are required to maintain old equipment, upgrade existing systems to accept new equipment, to address new codes, regulatory, and facility requirements, (Snow-plow trucks are larger and require a larger bay to store inside and keep the newer hydraulic equipment ready for emergency use).

Previous Appropriations for this Project

Previous appropriations for these facilities have not been requested or received.

SMALL CAPITAL PROJECTS

Other Considerations

Replacement and modifications at Truck Stations will meet space needs, code-required updates, and technology upgrades at these locations.

Salt Storage facility replacement is environmentally driven. Existing, older facilities are built of creosote and CCA, (arsenic), treated materials presenting a problem when corrosive agents, (salt and water), elements leach the treated chemicals into the surrounding environment. Mn/DOT is actively replacing these older facilities with newer concrete and Teflon covered salt storage facilities.

Mn/DOT facilities provide support services for activities that maintain the road infrastructure. This includes the construction, maintenance and repair, vehicle and equipment storage, and administrative functions that facilities support.

Our direct customers are the employees of Mn/DOT, indirectly the citizens of the State of Minnesota.

Project Contact Person

Richard L. Post A/A
Facilities Program Director
395 John Ireland Blvd., 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 (To be completed by the Department of Finance at a later date)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
Trunk Highway Fund	0	9,862	0	0	9,862
State Funds Subtotal	0	9,862	0	0	9,862
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	9,862	0	0	9,862

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

MANKATO HEADQUARTERS BUILDING

2004 STATE APPROPRIATION REQUEST: \$15,720,000

AGENCY PROJECT PRIORITY: 1 of 1 (Trunk Highway Bonds)

PROJECT LOCATION: Mankato

Project At A Glance

A new Minnesota Department of Transportation Facility housing District offices, shops, vehicle support and storage spaces. This facility provides highway and bridge construction and maintenance services for the Mankato area.

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 project has been planned since pre-design studies were completed in the mid-1980's as a key to providing transportation planning, design and construction for south and southwestern Minnesota, (Mn/DOT 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.
- ⇒ Cost estimates for an addition to this facility, plus remodeling and rehabilitation of existing spaces, is at least 85% of this facilities replacement cost.

- ⇒ Larger, more technology driven snowplows and highway equipment, has required facility infrastructure to grow, adapt and become more technology oriented. Personnel requirements for highway engineering, laboratory testing and administrative spaces have grown such that in 1993 a temporary, wooden prefabricated unit was attached to existing facilities to provide additional square footage. 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 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 apply state of the art technologies in constructions, communications, 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 Public Works facility, allowing for downtown expansion and redevelopment. 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.

MANKATO HEADQUARTERS BUILDING

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 ten counties in south and southwestern Minnesota. The TOCC will serve Mn/DOT, the State Patrol and DNR Conservation Officers.

By deferring this project, Mn/DOT would lose the opportunity to sell the 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 Blvd., 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 (To be completed by the Department of Finance at a later date)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
Trunk Hwy Fund Bonding	0	15,720	0	0	15,720
State Funds Subtotal	0	15,720	0	0	15,720
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	15,720	0	0	15,720

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

SHARED PUBLIC SAFETY RADIO SYSTEM 911

2004 STATE APPROPRIATION REQUEST: \$17,000,000

AGENCY PROJECT PRIORITY: 1 of 1 (Special Revenue Fund)

PROJECT LOCATION: Rochester and St. Cloud Patrol Districts

Project At A Glance

- ♦ Shared Public Safety Radio System (SPSRS)
- ♦ Construct a statewide radio system that can be shared by state and local agencies

Project Description

A shared public safety radio system is proposed to replace the current systems in use by the State of Minnesota agencies today. A shared public safety radio system can fulfill the interoperability requirements, as well as solve numerous other problems facing the aging mobile communication systems in use today. The radio system proposed in this plan will create a seamless statewide system or network. This single shared system could gradually replace the hundreds of individual radio systems currently operated by state agencies and local units of government. This system could provide for a high degree of reliability and interoperability between state agencies as well as between state and local and federal agencies.

This is a quantum leap in technology, going from the old 1965 technology to the state of the art system of the next century. The digital network represents improved performance, increased capacity and new capabilities. The statewide shared system or network will enable instantaneous interoperability among multiple state agencies as well as those jurisdictions routinely working with state agencies. The shared public safety radio system will enable users in one area of the state, to communicate to another individual or group of individuals in another area of the state. The 800 MHz trunked system will provide 95% reliable coverage for portable radios throughout the state. The statewide system will be fully compatible with, and utilize components implemented in the Metro 800 MHz system.

Implementation of the new-shared public safety radio system in Greater Minnesota will occur in four (4) phases. Each phase will consist of

implementing components of the system within two the three complete Patrol districts. Phase 3 includes all counties with the Rochester and St. Cloud Patrol Districts.

Impact on Agency Operating Budgets (Facilities Notes)

Unknown

Previous Appropriations for this Project

\$28 million as referenced in Laws of 1996, Chapter 463, Section 19 (Phase 1 & 2). \$27 million as referenced in Laws of 2003, 1st Special Session, Chapter 1, Section 116 (Phase 3).

Other Considerations

This request for \$17 million is to complete funding for Phase 3 (Rochester and St. Cloud Patrol Districts), together with the \$27 million authorized in bonds by the 2003 Legislature. An assessment of the revenues from 911 fees that could be used to support debt service on an additional revenue bond authorization will be completed by the end of 2003.

Project Contact Person

Andrew Terry, Director
Office of Electronic Communications
395 John Ireland Blvd., Mail Stop 730
Phone: (651) 296-7402
Fax: (651) 297-5735
E-mail: andrew.terry@dot.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	17,000	0	0	17,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	17,000	0	0	17,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	0	0	0	0
911 Emergency	0	17,000	49,000	51,000	117,000
Misc Special Revenue	0	0	0	0	0
State Funds Subtotal	0	17,000	49,000	51,000	117,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	17,000	49,000	51,000	117,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
MCF-FRB - Expansion	1	GO	\$74,310	\$30,590	\$0	\$0	\$0	\$0
DOC - Asset Preservation	2	GO	23,250	22,460	24,080	0	0	0
MCF-STW - 150-Bed Segregation Unit	3	GO	17,129	0	0	0	0	0
MCF-RW - New Vocational Building	4	GO	5,259	0	0	0	0	0
MCF-WR/ML - Activities Bldg. (WR)	5	GO	1,619	0	0	0	0	0
MCF-WR/ML - CIP Expansion (WR)	6	GO	350	0	0	0	0	0

Project Total	\$121,917	\$53,050	\$24,080	\$0	\$0	\$0
General Obligation Bonding (GO)	\$121,917	\$53,050	\$24,080	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

The mission of the Minnesota Department of Corrections (DOC) is to ensure sanctions and services of the criminal justice system are designed and delivered to create a safer Minnesota. The department is authorized under M.S.241.

In carrying out the mission of the DOC, the department has the following objectives that are reflected in this capital budget request.

- ◆ To maintain a safe, secure, and humane environment for adult and juvenile offenders while incarcerated and while being supervised in the community;
- ◆ To provide programming and work opportunities for adult and juvenile offenders while incarcerated to help them successfully return to the community;
- ◆ To provide basic services and programming, including health care, for offenders;
- ◆ To operate cost-efficient facilities to house offenders; and
- ◆ To value and respect staff and offenders of all cultures, races, and ethnic backgrounds.

The capital budget requests are first prioritized to deal with the DOC population growth, safety, security, and deferred maintenance issues (which are phase 1 of the master plan developed for the Minnesota Correctional Facility (MCF) Faribault (FRB)), and the continuing need for asset preservation funds. Projects were then prioritized to deal with additional bed space, needed program space, and to comply with OSHA and fire marshal directives.

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

The DOC continues the initiative of adding beds at the level 3 (medium-custody) facilities. The department is also mandated to double-bunk cells at the Stillwater and St. Cloud facilities. The agency's capital budget priorities include phase 1 of the master plan to increase the population at the MCF-FRB by adding three new 416-bed secure housing units and additional program space; a new 150-bed segregation unit at the MCF-Stillwater

(STW); the continuing need for asset preservation funds; and the need for additional program space.

The department's plan for future bed expansion is to request phase 2 of the MCF-FRB master plan, which will add two new 416-bed secure housing units. The department continues to explore ways to accommodate growth in the most cost effective way. These initiatives continue to reduce the agencies per diem and operating expenses into the future.

The capital budget for the facilities division is prioritized to address the critical need for additional beds in the adult facilities, the ever-increasing needs for asset preservation funds, and a new vocational building at the MCF-Red Wing (RW), a juvenile facility.

Adult Inmate Prison Population Growth: The number of individuals that the DOC incarcerates is based on admissions from the courts, which is outside the control of the DOC. Since 1989, the legislature and Sentencing Guidelines Commission have substantially increased penalties for serious violent offenders and drug offenses. Life sentences without the possibility of supervised release were added for certain murderers and life sentences for certain categories of repeat sex offenders became law. In 1989, life sentences were increased from 17 to 30 years before the review panel will meet. This change will affect the prison population beginning in 2007. The Sentencing Guidelines Commission estimates the impact of this change will be approximately 300 additional inmates by 2020.

Adult Male Population Projections: Based on current laws, the 2003 prison population projections show an increase of 2,581 male inmates by 2010. The department has a plan to accommodate this growth through double-bunking existing high security facilities, partnering with local facilities on short-term offenders, and expansion at the MCF-FRB. Projections are completed each year. As of 6/1/01, there were 7,004 male inmates. By 2010, projections indicate an adult male population of 9,585.

Adult Women Population: Based on current laws, the 2003 population projections show an increase of 178 adult women inmates by the year 2010. Minnesota has one primary facility available to house adult women offenders, the MCF-Shakopee (SHK). Until 1999, the MCF-SHK's capacity was 243. As the facility has become over 80 percent multiple-occupancy, the capacity today is just over 400. As of 6/1/03, there were 420 female inmates. By

2010, projections indicate the adult women inmate population will be over 600.

Juvenile Offender Population: The average population for the state's juvenile correctional facility in Red Wing (MCF-RW) for FY02/03 is 164 with an additional 26 on extended furlough status. The MCF-RW has had to accommodate programming for juvenile sexual offenders, substance abusers, and youth with serious mental health issues. For the most serious and/or chronic juvenile offenders, the Knox Living Unit has been converted into a level five transitional housing unit. Knox accommodates the residents during their last 60 days and provides programming space for transition staff. Brown Cottage was converted into a 12-bed mental health supportive living unit, which opened in October of 2001, providing observation rooms, in-house living status and mental health programming for other units.

Thistledeew Camp (TC) is a fee-for-service facility with an average daily population of 41. TC expanded in 1997, with the addition of the Wilderness Endeavors 21-day program. In the summer of 2001 a separate 21-day pilot program for girls was developed.

Adult Facility Bed Space Plan Summary: The DOC has added approximately 1,000 beds to existing facilities and has fully opened Rush City with nearly 1,000 beds over the past five years to meet current growth. At the end of the FY02-03 biennium, all these beds have been filled.

The plan for FY04-05 is to continue to stretch medium-custody facilities to the limit by adding 250 beds; adding multiple occupancy beds to Stillwater and St. Cloud for the first time ever; and with recently passed legislation, having offenders with less than six months remaining on their sentences held in local correctional facilities.

The plan for FY06-07 is to partner with local correctional facilities on the short-term offenders (six months to a year remaining on their sentences), which may provide 600 to 800 beds. In addition, the MCF-FRB phase 1, if funded, would be built during this biennium to add nearly 700 beds to their capacity for use in FY08-09.

The plan for FY08-09 is to open the FRB phase 2 additional 700 beds. In addition, phase 2 of the FRB plan would be built for occupancy in the following biennium.

Requested Capital Projects:

The population of offenders has increased beyond all projections. By 2006, we estimate a need for 1,700 additional beds at custody levels 2 & 3 (medium-custody). The request of \$74,460,000 for the project at the MCF-FRB is to demolish 11 existing unsafe and inefficient buildings and construct three 416-bed living units, which will increase the bed capacity at that facility from 1,236 to 1,924, while enhancing the safety and efficiency of the facility. Many of the correctional facilities are in need of replacement windows, roofs, tuck pointing, and upgrading to meet OSHA standards. The condition of the current activities building at the MCF-Willow River/Moose Lake, Willow River campus has prompted concern by the fire marshals office and needs to be replaced. The juvenile facility, MCF-RW, needs a new vocational building built adjacent to the main school building. The current outbuildings being utilized for vocational education are between 40 and 100 years old and in various stages of disrepair. A new building would be safer, enhance the education of the students, and be cost efficient. The new segregation unit at the MCF-Stillwater (STW) would provide the additional beds needed in the unit with minimal increase in operating expenses. The Challenge Incarceration Program (CIP) housed at the Willow River campus of the MCF-WR/ML, is at capacity. Due to the success of this program and the low rate of recidivism of program participants, the DOC would like to purchase a prefabricated building to be used as a living unit for population expansion.

Agency Process Used to Arrive at These Capital Requests:

The DOC management seeks input from the wardens and superintendents of all the correctional facilities. Management provides general guidelines, including types of projects and department objectives. Each warden or superintendent develops the facility requests. The requests are reviewed, consolidated, and prioritized by the commissioner and deputy commissioners who select the projects needed to meet the mission, goals, and objectives of the department. Various staff in plant operations and the financial area of the correctional facilities and central office provide data collection. Consultants and engineers are consulted in developing the cost estimates.

The DOC continues the process of developing short and long-range plans for the agency, as well as a system to collect necessary data.

Major Capital Projects Authorized in 2002 and 2003:

2002 DOC Asset preservation	\$17,000,000
2002 MCF-Lino Lakes – 416-bed offender living unit	4,160,000
2002 MCF-Shakopee – Renovate Independent Living Unit to a 48-bed unit, increase kitchen, dining and visiting areas, and modify segregation staff control space	3,070,000

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

Because of limited funding in the capital budget and the CAPRA, the department has deferred or delayed many maintenance projects. In addition, ongoing projects such as window replacement, roofing, and tuck-pointing have been deferred.

The department has received \$1 million of asset preservation and repair funds for the adult facilities and \$200,000 for juvenile facilities in FY2002-03. These funds will be used to supplement the facilities repair and replacement accounts.

In the future, as buildings age, additional funding will be needed to maintain these state facilities. Also, the need to meet state fire marshal, OSHA, and code compliance for safety and building standards continues to compete with and consume limited funding available through the capital budget process.

MCF-FRB - Expansion

2004 STATE APPROPRIATION REQUEST: \$74,310,000

AGENCY PROJECT PRIORITY: 1 of 6 ()

PROJECT LOCATION: Faribault

Project At A Glance

Phase 1 (FY04-06) and phase 2 (FY06-08) of the MCF-Faribault expansion involves the construction of five new 416-bed lockable housing units. The project includes vacating and demolition of 20 existing buildings, which will reduce asset preservation costs. Five existing non-secure living units will be converted to program and support space. To meet the increased population needs and permit further facility development, a health services unit, consolidated kitchen and dining facility will be constructed. The power plant (built in 1896, boilers from the 1950's) and tunnel system will be abandoned and new low pressure heating systems will be installed.

Project Description

This request is for funding to complete phase 1 of a 2-phase expansion at the MCF-Faribault. This will assist in meeting the projected 2006 need for approximately 1,700 additional beds, and to continue the per diem reduction process.

Phase 1 is to construct three 416-bed living units, increasing the facility capacity to 1,924; a centralized kitchen and dining facility; a gymnasium; and remodel some existing buildings to create additional program space. The demolition of six currently vacant buildings would avoid unnecessary asset preservation expenses. The current minimum-security level unit would be converted to a medium-custody facility. A vacant unit outside the facility would be remodeled to accommodate minimum-custody unit.

The objectives of phase 1 of the MCF-Faribault expansion are:

- ◆ Increase the capacity of the MCF-Faribault from 1,236 to 1,924.
- ◆ Improve security and safety of staff, the public, and offenders by housing offenders in new buildings designed for more effective and efficient supervision i.e., wet cells that can be locked down during the night shift and at other times when necessary.

- ◆ Reduce the per diem cost of housing offenders through increases in capacity and improvements in operating efficiency.
- ◆ Reduce the projected \$70.33 million in asset preservation expenditures through consolidating the offender population in new larger buildings, demolition of unused buildings, and abandonment of the existing boiler plant and tunnel system.
- ◆ Improve the efficiency and maintainability of existing heating systems by converting to low-pressure steam and replacing the existing boiler plant with decentralized package units.

Impact on Agency Operating Budgets (Facility Notes)

Phase one expansion (completed 2006) would increase facility offender beds from 1,236 to 1,924. Phase two expansion (completed 2008) would increase facility offender beds from 1,924 to 2,286. A significant increase in staffing efficiency may reduce the per diem by approximately \$20 by 2008. The payback period for both phases of the expansion plan, along with other efficiencies achieved through this expansion, is projected to be less than seven years.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Joseph Miller, Capital Resources Administrator
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219
Ph. 651-642-0247
Fax 651-603-0150

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	150	0	0	0	150
3. Design Fees	0	4,820	0	0	4,820
4. Project Management	0	250	0	0	250
5. Construction Costs	0	61,120	30,590	0	91,710
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	3,000	0	0	3,000
9. Inflation	0	5,120	0	0	5,120
TOTAL	150	74,310	30,590	0	105,050

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	74,310	30,590	0	104,900
State Funds Subtotal	0	74,310	30,590	0	104,900
Agency Operating Budget Funds	150	0	0	0	150
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	150	74,310	30,590	0	105,050

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	5,692	8,320	14,012
Other Program Related Expenses	0	3,215	5,195	8,410
Building Operating Expenses	0	217	362	579
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	9,124	13,877	23,001
Revenue Offsets	0	0	0	0
TOTAL	0	9,124	13,877	23,001
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	74,310	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

DOC - Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$23,250,000

AGENCY PROJECT PRIORITY: 2 of 6 ()

PROJECT LOCATION: Faribault, Lino Lakes, Oak Park Heights, Red Wing,, Rush City, St. Cloud, Shakopee, Stillwater, Togo,, Willow River, and Moose Lake

Project At A Glance

Many of the DOC facilities are 80 to 100 years old. Funding is needed for the removal of life safety hazards, mechanical, electrical or structural defects, abatement of hazardous substances, the replacement of roofs and windows, and the preservation of exterior and interior of buildings.

Project Description

The Department of Corrections (DOC) is requesting \$22,038,591 in state funds for asset preservation projects. The DOC has developed a list of projects that identifies the capital iceberg currently existing within the correctional facilities. These projects require completion so deficiencies can be properly addressed and improvements made to state assets managed by the DOC. By funding this request it is anticipated that major capital requests for asset replacement will be significantly reduced in the future and will result in overall security, safety, and operating efficiencies.

ASSET PRESERVATION LIST 2004

EMERGENCY LIGHTING

MCF-OPH	\$1,165,000
MCF-RW	\$1,744,000
MCF-SCL	\$1,654,000
MCF-SHK	\$489,000
MCF-TC	\$583,000
MCF-WR/ML	\$1,204,000
TOTAL	\$6,839,000

REROOFING

MCF-LL "Q" Bldg	\$410,000
-----------------	-----------

MCF-OPH Gym/medical, warehouse & Level 4	\$928,171
MCF-RW Centennial Hall & maintenance office	\$315,000
MCF-SHK Buildings "ABC", "F", "D", "E" & "J"	\$995,000
MCF-STW Maintenance, car garage, powerhouse, east slope of CHA & CHB & main corridor	\$720,000
MCF-ML Living units 1, 2, 3, 4, 8 & Bldg 74	\$905,000
TOTAL	\$4,273,171

WINDOW REPLACEMENT

MCF-SCL Begin Replacement	\$1,000,000
MCF-STW Begin Replacement	4,000,000
TOTAL	\$5,000,000

TUCKPOINTING

MCF-LL North & south operations	\$100,000
MCF-OPH Exterior walls	\$350,000
MCF-RW Administration & industrial bldgs	\$100,000
MCF-SCL Administration bldg. & interior of security wall	\$969,320
MCF-STW Exterior walls of all bldgs.	\$2,000,000
MCF-ML Bldgs 50, 51, 52, 54, 56, & 70	\$407,100
TOTAL	\$3,926,420

ASBESTOS ABATEMENT

DOC FACILITIES	TOTAL	\$2,000,000
----------------	-------	-------------

ASSET PRESERVATION TOTAL \$22,038,591

The DOC has received an Occupational Safety and Health Act (OSHA) citation and state fire marshal order pertaining to emergency lighting issues. The emergency lighting projects at the MCF's-STW and LL were funded (\$6,050,000) during the 2002 legislative session.

This request includes \$6,839,000 to fund the emergency lighting projects at the remaining DOC facilities.

This request also includes \$13,273,171 for roof and window replacement and tuckpointing. A number of roofs at the department facilities have reached or surpassed their expected life cycle and are in need of replacement.

The existing single pane glass windows at the MCF's-STW and SCL are original (over 100 years old). They leak and are very energy inefficient. This request would allow us to begin the replacement process at both of these high security facilities.

Tuckpointing of brick and block structures is an ongoing process in the preservation of these structures.

Also included is \$2,000,000 for abatement of asbestos at all DOC facilities. This continues to be a department concern as the health of staff and inmates could be affected if asbestos is not properly managed.

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
Phone – 651-642-0247
Fax – 651-603-0150

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	17,100	22,038	20,000	20,000	79,138
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	1,212	2,460	4,080	7,752
TOTAL	17,100	23,250	22,460	24,080	86,890

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	17,100	23,250	22,460	24,080	86,890
State Funds Subtotal	17,100	23,250	22,460	24,080	86,890
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	17,100	23,250	22,460	24,080	86,890

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	23,250	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

MCF-STW 150-Bed Segregation Unit

2004 STATE APPROPRIATION REQUEST: \$17,129,000

AGENCY PROJECT PRIORITY: 3 of 6 ()

PROJECT LOCATION: Stillwater

Project At A Glance

This project would provide a new, high security, 150-bed segregation unit at the close-custody facility at the MCF-Stillwater (STW).

Project Description

This request for state funding of \$17,129,000 will provide housing for extremely high risk, violent, and dangerous offenders who have committed serious offenses within the facility and continue to present a high security risk to the public, staff, other offenders and themselves. The new unit will contain 150 cells, the Discipline Unit, and the Psychology/Psychiatry Unit. The more efficient design will result in maximum-security coverage with minimal staffing. The design provides housing on two levels around a secure control station. Each level would be accessed with ramps instead of stairs and elevators. A secure front entrance into the complex, from the institution's main corridor, would separate segregation traffic from the general offender population. Cells will be sub-grouped into pods; providing noise control and separation within the unit. Solid cell fronts will protect staff from thrown objects and body liquids; and would include handcuff and food ports.

PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

The current segregation unit is a converted living unit housing 110 offenders. The unit is inadequate to house high-risk offenders. Offenders housed in the segregation unit are violent, have committed serious offenses within the prison system; or are known to be engaging in activities that pose a high security risk. Others demonstrate self-injurious or suicidal tendencies, requiring constant observation.

The present complex is four tiers high, has minimal security observation, and poses a high safety risk to staff responding to unruly offenders who may

need to be forcibly removed from their cells. The present unit's barred cell fronts provide little protection from offenders throwing body waste or other biohazardous items at staff. Space is very cramped and limits the number of staff able to respond to emergency situations. The unit does not have the capacity to shut off water or electrical service to individual cells when misused by offenders.

DOC statistics show that 60 percent of the adult male prison population has committed offenses against persons, 19 percent have committed criminal sexual conduct, 16 percent have committed homicide, and 14 percent have committed assault. These numbers are increasing. Coupled with gang affiliations, the prison population is dangerous and violent. With a projected increase of 200 offenders at the MCF-STW as a result of double bunking, rule violations will increase proportionally requiring more segregation space.

Impact on Agency Operating Budgets (Facility Notes)

Personnel costs will not be increased by this proposed request. It is anticipated that the current staffing complement will be adequate to staff the new segregation unit and the new combined A/West unit. The new unit will decrease work related injury costs and provide state-of-the-art security provisions for staff protection. Adding 150 offenders to the MCF-STW without additional staff will lower the per diem by more than \$6.

Previous Appropriations for this Project

Other Considerations

- ◆ We can increase the population of the MCF-STW by 150 inmates without additional staffing. The staff complement in the current segregation unit will be adequate to operate the new unit.
- ◆ Safety for staff and offenders will increase, reducing injury and potentially lowering workers compensation claims. Cells will be larger and more easily entered by a team of officers if warranted. In the new design, ramps will replace stairs. Lifting stacks of meals trays will not be necessary, reducing potential injury to staff.
- ◆ Per diem cost will be lowered.
- ◆ The current segregation unit will revert to a general offender population unit. The security wall separating the current segregation

MCF-STW - 150-Bed Segregation Unit

- unit from Cell Hall AWest will be demolished. The staff presently assigned to AWest will be adequate to operate the larger unit.
- ◆ Offenders can be exercised in smaller groups in the same amount of time, lessening the potential for serious assault occurring during exercise periods.

Project Contact Person

Joseph Miller, Capital Resources Administrator
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
St. Paul, MN 55108-5219
Phone 651-642-0247
Fax 651-603-0150

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	27	0	0	0	27
3. Design Fees	0	984	0	0	984
4. Project Management	0	65	0	0	65
5. Construction Costs	0	14,755	0	0	14,755
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	71	0	0	71
9. Inflation	0	1,254	0	0	1,254
TOTAL	27	17,129	0	0	17,156

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	17,129	0	0	17,129
Miscellaneous Agency	0	0	0	0	0
State Funds Subtotal	0	17,129	0	0	17,129
Agency Operating Budget Funds	27	0	0	0	27
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	27	17,129	0	0	17,156

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	17,129	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

MCF-RW - New Vocational Building

2004 STATE APPROPRIATION REQUEST: \$5,259,000

AGENCY PROJECT PRIORITY: 4 of 6 ()

PROJECT LOCATION: Red Wing

Project At A Glance

A new vocational education complex, with designed-in flexibility, at the MCF-Red Wing (RW) will make it possible to maximize the potential for future marketable vocational skills provided to the residents of the facility. This is especially important considering the majority of residents being released from the MCF-RW will be entering the job market in our communities and living independently. The provision of vocational and occupational skills training is a key component of the MCF-Red Wing's (RW) transition and aftercare services for juvenile male offenders.

Project Description

This request for \$4,807,000 in state funding is for design and construction of a new Vocational Education Building at the MCF-Red Wing (RW). The combined classroom and shop complex in close proximity to the academic school building will enable the facility to best 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 and in various stages of disrepair. They are not well suited to the provision of quality programs. The structures are not located near the academic education building, and are too small to be developed into comprehensive vocational education classrooms and shops. Not all spaces are handicapped accessible. The existing shops are costly to maintain and cannot provide for shared utilities.

The MCF-RW provides treatment and educational services to serious, chronic, and extended juvenile jurisdiction (EJJ) male juvenile offenders that have been determined by the juvenile court to be inappropriate candidates

for community based or local corrections. The target population, i.e. serious and chronic offenders, represents those juveniles in need of intensive intervention and rehabilitation services in a secure perimeter. Typically, these residents lack the problem solving, moral reasoning, anger management, and social skills necessary to function successfully in the community. They have well entrenched anti-social values and attitudes. The residents have, for the most part, adopted delinquent lifestyles, which often involve engaging in anti-social behavior.

A majority of the residents have failed educational experiences in the community and are typically two or three years behind in grade levels. Many of them have special education needs. Few of them have experienced anything other than short-term employment and often lack skills to secure and successfully maintain employment. The average age of residents is approximately 17.6 years. They typically are in need of the skills and knowledge necessary to gain and maintain employment upon their release.

Impact on Agency Operating Budgets (Facility Notes)

Fuel & utilities	\$60,000/fiscal year
Plant operations	\$6,000/fiscal year

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
Phone – 651-642-0247
Fax – 651-603-0150

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

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
Phone – 651-642-0247
Fax – 651-603-0150

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	333	0	0	333
4. Project Management	0	0	0	0	0
5. Construction Costs	0	4,470	0	0	4,470
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	135	0	0	135
9. Inflation	0	321	0	0	321
TOTAL	0	5,259	0	0	5,259

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,259	100.0%
User Financing	0	0.0%

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,259	0	0	5,259
State Funds Subtotal	0	5,259	0	0	5,259
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,259	0	0	5,259

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

2004 STATE APPROPRIATION REQUEST: \$1,619,000

AGENCY PROJECT PRIORITY: 5 of 6 ()

PROJECT LOCATION: Willow River

Project At A Glance

Demolish the existing activities building at the MCF-Willow River/Moose Lake (WR/ML), Willow River campus and construct a new building to be used for physical training and programming, required by statute, for the Challenge Incarceration Program (CIP).

Project Description

This request for \$1,619,000 of state funding is to provide for the construction of a new activities building at the CIP. The existing structure was built by offenders in 1963 and has major structural and mechanical deficiencies, i.e. deteriorating block walls, leaky roof, outdated electrical and heating equipment, and no ventilation system. Repair and remodel of this building to meet current standards would be prohibitively expensive.

The activities building has been previously requested in the 1994, 1996, 2000, and 2002 capital bonding requests. Funding has not yet been approved. The building needs to be replaced soon.

The consequences of deferring this project would severely limit the facility's ability to accomplish the directives indicated in the Minnesota Rules, Chapter No. 571, Section 5 of M.S. 244.17.

The Willow River site was chosen for the CIP based on its space and layout. The CIP programming must be separated from the general population of offenders and must have its own grounds to be successful.

Impact on Agency Operating Budgets (Facilities Notes)

This project would significantly reduce repair, maintenance, and energy costs associated with the operation and use of the existing structure. The cost of this project includes design fees, construction costs, and materials.

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
Phone – 651-642-0247
Fax – 651-603-0150
Email -

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	10	0	0	0	10
3. Design Fees	0	80	0	0	80
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,394	0	0	1,394
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	49	0	0	49
9. Inflation	0	96	0	0	96
TOTAL	10	1,619	0	0	1,629

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,619	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,619	0	0	1,619
State Funds Subtotal	0	1,619	0	0	1,619
Agency Operating Budget Funds	10	0	0	0	10
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	10	1,619	0	0	1,629

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

MCF WR/ML - CIP Expansion (WR)

2004 STATE APPROPRIATION REQUEST: \$350,000

AGENCY PROJECT PRIORITY: 6 of 6 ()

PROJECT LOCATION: Willow River

Project At A Glance

To purchase and erect a prefabricated building to serve as a living unit for increased offender population expansion. This building would be erected at the MCF-Willow River/Moose Lake (WR/ML), Willow River campus, which is the location of the department's Challenge Incarceration Program (CIP), more commonly referred to as boot camp.

Project Description

This request for \$350,000 in state funds is to add a 24-bed modular housing unit and related site and building work to increase the capacity of the CIP from 90 to 114 offenders.

The 1992 Minnesota Legislature mandated that the corrections commissioner establish the Challenge Incarceration Program (CIP). The CIP prepares offenders for successful integration into society and reduces the risk of reoffense. Since 1992, 1,559 offenders have been served and 72 percent (1,125) have successfully completed Phase 1 and transitioned to Phase 2.

The DOC is in need of offender beds. This increase in offenders served will provide a significant savings in bed space for the DOC.

CIP has a waiting list of offenders to enter the program.

The CIP per diem would see a significant reduction with this expansion.

The bed expansion would add an additional Restorative Justice community work crew to the program.

Impact on Agency Operating Budgets (Facilities Notes)

This project would significantly reduce the per diem at CIP. The beds would be brought on at an estimated \$49.00/day.

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
Phone – 651-642-0247
Fax – 651-603-0150

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	350	0	0	350
State Funds Subtotal	0	350	0	0	350
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	350	0	0	350

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	350	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
System-Wide Roof Repair and Replacement	1	GO	\$1,014	\$1,100	\$1,200	\$0	\$0	\$0
System-Wide Asset Preservation	2	GO	5,000	3,000	3,000	0	0	0
FFRTC - Demolish Kirkbride	3	GO	4,500	0	0	0	0	0
System-Wide Demolition - Phase II	4	GO	1,650	1,200	0	0	0	0
SPRTC - Phase II Upgrade Shantz and Pexton		GO	0	9,500	0	0	0	0
BRHSC - Convert Power Plant to Low Pressure		GO	0	2,965	4,414	0	0	0
MSOP - Construct 50-Bed Addition		GO	0	0	10,000	0	0	0
SPRTC - Bartlett/Sunrise Improvements		GO	0	0	4,000	0	0	0
MSOP - Upgrade Ship/Rec/Storage		GO	0	0	500	0	0	0
Project Total			\$12,164	\$17,765	\$23,114	\$0	\$0	\$0
General Obligation Bonding (GO)			\$12,164	\$17,765	\$23,114	\$0	\$0	\$0

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

System Wide Roof Repair and Replacement

2004 STATE APPROPRIATION REQUEST: \$1,014,000

AGENCY PROJECT PRIORITY: 1 of 4 ()

PROJECT LOCATION: System-Wide

Project At A Glance

Provide repairs to extend life of building roofing systems.
 Replace roofing systems with deficiencies that cannot be addressed with repairs.
 Prevent damage to building interiors, HVAC and electrical systems.
 Eliminate conditions that can foster serious indoor air problems associated with mold.
 Upgrade roof insulation and building energy efficiency

Project Description

This project request outlines system-wide roof repair and replacement needs for the Department of Human Services (DHS) state-operated services facilities. The projects included in this request range from repair/replacement of existing flashing materials to total roof replacement. All of the buildings included in this request have roofs or certain roof system components that have reached or exceeded projected useful life. Repairs and replacements are needed to prevent subsequent damage to other components of the building(s).

In recent years, asset preservation has 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." Roof repair/replacement is generally considered an asset preservation project. However, because of the system-wide scope of roof repair/replacement in the regional treatment center (RTC) system, and the serious ramifications associated with not maintaining the weatherproofing integrity of roofs, DHS has separated roof repair/replacement from other asset preservation projects in previous capital budget requests and is continuing this practice for the fiscal year 2004-05 Capital Budget request.

Roofs and related components require schedule maintenance and eventually replacement. Most roofs included in this request have exceeded their useful life. The estimated cost of the roof projects requested for FY 2004-05 range from \$10,000 to \$288,000.

State Operated Services maintains a roof maintenance and repair/replacement plan for each of the RTC campuses. These plans are used to monitor each building's roofing program. They are updated on an annual basis. The facility roof plans identify the type of roof system(s) a building may have (Built-up asphalt, EPDM adhered or ballasted, shingled, clay tile, etc.); total square footage of these roof systems; current estimated per square foot replacement costs; year roof was installed or last replaced; projected remaining life and biennium which the roof is currently scheduled for replacement; total estimated replacement cost using current industry average estimated replacement costs; and, notes reflecting problems or deficiencies addressed/detected during the semi-annual roof preventive maintenance roof inspections.

Although, these roof maintenance plans track repairs and replacements, known deficiencies, and projected repairs/replacements they are not the only tool utilized to determine if a building should or should not be considered for inclusion the capital request. Buildings proposed for roof repair/replacement are not evaluated simply on the building's roof system deficiency, but rather on an assessment of the building's overall condition, current utilization, and projected or proposed future use.

Facility staff must demonstrate that a building's life cycle characteristics and program suitability is in balance and that the building warrants the cost of roof replacement before a building is included in State Operated Services' final roof replacement schedule. Other options would include continuing repairs, no-action (no repair/replacement), or in some cases demolition of a building may be considered to be the most economical and prudent choice of action. Because of the continued downsizing at DHS facilities and/or the deactivation of individual buildings, these issues are also reviewed when SOS considers the need to seek or expend any capital appropriation for any building in the RTC system.

Each of the department's facilities is responsible for preventive maintenance, inspection, and long-term replacement scheduling of their building's roofing systems. They are also responsible for maintaining a list of other projects

System Wide Roof Repair and Replacement

necessary for preserving their fixed assets. These list are perpetual and ever changing. They are comprised of projects that are directly related to asset preservation, deferred maintenance, and/or deferred renewal. Projects related to new construction, facility adaptation, or major program remodeling are not included in these lists and would generally require a separate source of funding.

Preliminary 2004/2005 Roof Repair/Replacement Plan for SOS Facilities

Facility	Building Name	Estimated Cost
BRHSC	Building #17	\$ 288,000
BRHSC	Building #19	288,000
METO	Auditorium Building	109,000
SPRTC	Administration Building	125,000
SPRTC	Various Wood Framed Garages	10,000
WRTC	Shingled Portion of Rehab Building	25,000
	Estimated Project Costs	\$ 845,000
	Other Costs (Fees/Contingency/Etc.)	169,000
	Total Project Cost	\$ 1,014,000

Impact on Agency Operating Budgets (Facilities Notes)

Lack of funding of this request would require the use of limited repair and replacement operating funds to address critical roof repair and replacement projects. This action would limit the agency's ability to address routine preventive and correct facility maintenance and would actually compound the deferred maintenance problem this request is attempting to address.

Previous Appropriations for this Project

The 2002 Legislature appropriated \$2,789,000 for System-Wide Roof Renovation and Replacement
 The 2000 Legislature appropriated \$1,971,000 for System-wide Roof work.
 The 1998 Legislature appropriated \$1,900,000 for System-wide Roof work.

Other Considerations

Deferred repairs or replacement of roof systems can result in a significant increase in total project costs. Leaking roofs can damage interior surfaces and jeopardize structural integrity. Leaking roofs can ruin roof insulation,

cause significant damage or deterioration to roof decks, deteriorate HVAC and electrical systems, and cause significant damage or destruction of program equipment and furnishings.

In addition, failure to address leaking roofs can cause the development of serious indoor air quality problems by generating conditions, which facilitate mold growth and building contamination. Mold contamination can become a serious health issue and can result in the vacating of a building until the problem is corrected. Vacating a residential building at an RTC would cause considerable/significant programmatic problems. This situation would not only increase costs associated with roof maintenance and/or replacement, but would have a dramatic impact on the operating cost of the affected program.

Project Contact Person

Dan Meyer, Projects Manager
 Department of Human Services, State Operated Services Support Division
 St. Paul, MN 55155 3826
 Phone: (651) 581-1880
 Email: dan.meyer@state.mn.us

Alan Van Buskirk, Physical Plant Operations Manager
 Department of Human Services, 444 Lafayette Road
 St. Paul, MN 55155 3826
 Phone: (651) 582-1887
 Fax: (651) 582-1685
 E-mail: alan.vanbuskirk@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,014	1,100	1,200	3,314
State Funds Subtotal	0	1,014	1,100	1,200	3,314
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,014	1,100	1,200	3,314

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,014	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 2 of 4 ()

PROJECT LOCATION: System-Wide

Project At A Glance

Provide repairs and replacements to basic facility infrastructure and key mechanical, electrical, utility, and HVAC systems.
Address known safety hazards, health risks and code deficiencies.
Maintain the basic building envelope systems of the State's buildings.
Maintain and preserve capital investments in State Assets.

Project Description

This project request involves the repair, replacement, and renewal needs specific to the operations of the regional treatment centers (RTCs). These needs developed over a long period of time, and represent a system-wide assessment of the facility deficiencies, including, but not limited to the following:

- Safety hazards and code compliance issues
- Emergency power/egress lighting upgrades (life safety)
- 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

Although most of the 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. tuckpointing, 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 recent years asset preservation has 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." According to information from the Department of Administration, the capital iceberg for all state owned buildings is estimated at \$1.5 billion.

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. Projects related to new construction, facility adaptation, or program remodeling are also included on these lists; however, they are associated with a different source of funding. A list outlining many of the asset preservation projects identified by the RTCs will be made available upon request.

When new projects are identified, facility and agency staff evaluate project type and scope to determine the most appropriate method of project funding. Alternative funding methods include operating budgets (repairs and betterments); CAPRA funds (controlled by the Department of Administration); and capital budget requests (generally appropriated on a 2-year cycle). 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.

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

System Wide Asset Preservation

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.

Funding of this request will enable the department, and its facilities, to address this continuing problem and begin to reduce the level of deferred maintenance at the RTCs. Failure to fund this request will only intensify the problem. Additional deterioration will result and the state's valuable 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.

Impact on Agency Operating Budgets (Facilities Notes)

Lack of funding of this request or limited funding of the statewide CAPRA 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 compound the existing deferred maintenance problem.

Previous Appropriations for this Project

The 2002 Legislature appropriated \$4 million for Asset Preservation at DHS facilities.

The 2000 Legislature appropriated \$3 million for Asset Preservation at DHS facilities.

The 1998 Legislature appropriated \$4 million for Asset Preservation at DHS facilities.

Other Considerations

Continued funding at the requested level for several biennium, will enable the department to make a significant impact on the system's deferred maintenance problem.

Project Contact Person

Dan Meyer, Projects Manager
Department of Human Services, State Operated Services Support Division
St. Paul, MN 55155 3826
Phone: (651) 581-1880

Email: dan.meyer@state.mn.us

Alan Van Buskirk, Physical Plant Operations Manager
Department of Human Services, State Operated Services Support Division
St. Paul, MN 55155n 3826
Phone: (651) 582-1887 Fax: (651) 582-1890
Email: alan.vanbuskirk@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	3,000	3,000	11,000
State Funds Subtotal	0	5,000	3,000	3,000	11,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	3,000	3,000	11,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

FFRTC - Demolish Kirkbride

2004 STATE APPROPRIATION REQUEST: \$4,500,000

AGENCY PROJECT PRIORITY: 3 of 4 ()

PROJECT LOCATION: Fergus Falls Regional Treatment Center

Project At A Glance

Demolish old, non-functional buildings on the FFRTC campus, including the Kirkbride buildings that are determined to be too expensive to redevelop for an alternative reuse.

Project Description

This capital budget request is for the demolition of the Kirkbride Building Complex and other non-functional buildings on the Fergus Falls Regional Treatment Center campus. Funds will be used for professional design and project management services, 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, this request will also address infrastructural issues associated with the disposition of the large amount of surplus land and buildings on the FFRTC campus, including funds for the design and implementation of repairs and/or improvements to, replacements of key building components needed to support the reuse of any buildings deemed appropriate for future alternative reuse.

Background Information

This capital budget request represents the second phase of the two-phase project for the Fergus Falls Regional Treatment Center that was submitted as part of the 2002 Capital Budget. The original project request was developed as a two-phase project that focused on the following objectives:

- Transition of the residential treatment and support services out of the large, old, inefficient, expensive to maintain Kirkbride Building complex, into renovated or new facilities sized and located to appropriately support the northwest region of the state served by FFRTC.

- To address physical plant issues associated with the actual disposition/reuse of the FFRTC's campus assets.

Phase I requested funds for design, development and equipping renovated/new space to support FFRTC's psychiatric treatment program, and to design the improvements required to implement the reuse of the historic Kirkbride complex. In the initial 2002/2003 request for Fergus Falls Phase II focused on the specific goal of facilitating the disposition of the FFRTC's campus assets.

The 2002 request outlined the fact that significant funds would be required to implement repairs, replacements, improvements, and construction of key building components needed to support any viable initiative(s) to reuse the historic "Kirkbride Building Complex", surplus land, and other buildings not listed on the National Register of Historic Sites.

The "FFRTC Reuse Taskforce" (consisting of members from State Operated Services, FFRTC, the Department of Administration, the Minnesota Historical Society, the City of Fergus Falls, the Otter Tail county Board, and legislators from the Fergus Falls area) was established to identify appropriate reuse ideas for the FFRTC complex, and to develop an appropriate plan for the disposition of the facility's surplus land and buildings.

It was very evident as this group studied the FFRTC facilities that repair and improvements or in some cases, total replacement of certain components would be necessary to facilitate the sale and/or transfer of ownership of the FFRTC properties. It was also evident that the demolition of some of the facility's buildings could prove to be the most practicable choice of addressing deficiencies of some of facility's buildings. Accordingly, the 2002 project narrative also noted that "The Department's 2004/2005 capital budget may also include funds for the demolition of all buildings on the Fergus Falls campus that are determined to be nonfunctional for future utilization or reuse."

Since no viable reuse plans for any of the buildings has yet been established, discussions regarding the future of the Kirkbride Buildings tend to lead to the conclusion that demolition of a majority of the FFRTC buildings may be the State's most prudent choice for addressing the problems that these old non-functional deteriorated buildings will pose in the future. Accordingly, the

FFRTC - Demolish Kirkbride

focus of Phase II is now being redirected to obtaining funds and legislative authority to complete the demolition of the Kirkbride Buildings, and other non-functional buildings on the Fergus Falls Regional Treatment Center campus.

Project Objective

The 2003 Legislature adopted the governor's budget proposals that foster a broader array of community-based mental health services closer to individuals' home communities and their natural supports of family and friends, rather than large institutions. This represents the continuation of a trend to provide treatment for people in the least restrictive settings possible.

The extensive surplus space on the FFRTC campus, the age of the facilities, and the estimated cost for ongoing maintenance of the physical plant, has created financial pressures that cannot be ignored. Operational costs for FFRTC have reached a critical stage and DHS has determined that it is impractical to continue utilization of the Fergus Falls buildings for any of the small residential programs that are currently evolving for the northwest area of the state. The Kirkbride buildings have served their useful life as healthcare facilities, and it is appears that redevelopment or reuse of the Fergus Falls Kirkbride buildings for any other purpose may also prove to be in-practical.

This project is consistent with the department's strategic goals and objectives to:

- Reduce the cost of caring for patients with SPMI (serious and persistent mental illness) in a way that does not compromise quality of service.
- Assuring more equitable access to treatment opportunities for regions by repositioning some RTC psychiatric capacity to alternative community sites, both through state operated community services and through creative partnerships with community vendors.
- Focus on the reduction/elimination/disposition of non-functional surplus buildings in the RTC system.
- Eliminate the future expenditure of State funds for the upkeep and maintenance of vacant no-functional buildings in the State Operated Services system.

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 Kirkbride buildings would provide significant savings to the facility's program overhead costs.

In addition, preservation of the FFRTC buildings could prove to be a very expensive proposition for the State if an alternative use cannot be found. Preliminary estimates to provide minimal heat, basic buildings and grounds maintenance, and security for this large campus indicate expenditures could approach \$1 million a year after FFRTC's programs complete the transition to community-based operations.

Previous Appropriations for this Project

The 2002 Legislature appropriated \$3 million to design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, hazardous materials abatement, and demolition to facilitate the relocation of the facility's support and residential treatment programs from the Kirkbride buildings.

Other Considerations

The Department of Administration is planning to issue a "Request for Information" (RFI) during the summer of 2003 to further investigate and study the market potential for viable redevelopment or reuse opportunities for the FFRTC campus. This latest attempt to facilitate reuse of the FFRTC campus should provide the data needed to finalize the decision on what to do with FFRTC's buildings when transition of the programs to the community is complete. Up to this point, it appears there is no real interest by any local group (government or private) to expend the capital it would take to reuse the nearly 900,000 square feet of space that will be vacated on the 100 plus year old Fergus Falls Regional Treatment Center campus.

Project Contact Person

Alan Van Buskirk, Physical Plant Operations Manager
 State Operated Services Support Division
 St. Paul, MN 55155-3826
 Phone: (651) 582-1887
 Email: alan.vanbuskirk@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,500	0	0	4,500
State Funds Subtotal	0	4,500	0	0	4,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,500	0	0	4,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,650,000

AGENCY PROJECT PRIORITY: 4 of 4 ()

PROJECT LOCATION: System-Wide

Project At A Glance

Abate hazardous materials.
Demolish non-functional buildings/structures.
Dispose of rubble in accordance with applicable federal, state and local law.
Address site issues related to demolition of facilities.

Project Description

This capital budget request is for the demolition of buildings at various regional treatment centers that have been determined to be non-functional for State Operated Services use, and inappropriate for redevelopment/reuse purposes. This is the second phase of a three-phase request that was developed for the 2002/2007 Six-Year Capital Request.

The funds requested will be used for professional services, hazardous materials abatement (i.e., asbestos, lead, PCB electrical equipment, etc.), demolition, and disposal of materials in accordance with Federal Law, Minnesota Statutes, and local governmental rules/regulations. Funds are also requested for site restoration and the capping and sealing of the utility tunnels and building services leading to the basement of the buildings and structures to be demolished.

This project relates to the department's commitment to consolidate and restructure the state regional treatment center (RTC) system. This proposal will enable the department to work aggressively to convert surplus facilities (land and buildings) to other ownership or alternative uses under lease arrangements. It also eliminates unnecessary expenditure of state dollars on non-utilized non-functional buildings by demolishing structures that have been vacant or under utilized for many years, or determined to be cost prohibitive for alternative reuse.

Most of the buildings to be demolished if this request is funded are not equipped with modern heating, ventilation, or air conditioning systems and their basic mechanical infrastructure is heavily worn and in need of extensive renovation or replacement. In addition, these buildings would not meet current building, life/fire safety, or accessibility codes and standards if they were to be reoccupied/reused for another purpose.

Studies have indicated that a change in use would require a substantial capital investment. All mechanical and electrical systems would have to be replaced or upgraded. Elevators would have to be installed and some form of ramping would be required to make the buildings accessible from the exterior. In addition, restrooms would be required as well as the installation of fire rated doors and frames, sprinkler systems, energy efficient windows, new surface materials for floors, walls and ceilings, etc. Clearly, the interiors of the buildings would have to be completely demolished and rebuilt. In general, the cost of this work would likely equal or exceed the cost to construct new space.

Subsequently, these buildings are considered non-functional for State Operated Services programs or desirable for either renting/rehabilitating for alternative uses. These buildings are surplus to the needs of the respective facilities, have been or will be declared surplus to the Department of Administration. They are expensive to maintain, and will require continued maintenance by the State until they are demolished, sold, or ownership is transferred. These buildings are becoming an "attractive nuisance" for trespassers and vandals, and are considered a serious safety hazard. Hopefully, funds will be appropriated to demolish these non-functional, deteriorating buildings before one of these trespassers/vandals is seriously injured while attempting to access, or damage of these vacant buildings.

The Legislature appropriated \$2.75 million in 2002 to demolish buildings in the State Operated Services system. A majority of these funds have been delegated for the demolition of the non-functional buildings and structures on the campus of the METO (Minnesota Extended Treatment Options) program at Cambridge. Hazardous materials abatement and demolition work is scheduled to begin at Cambridge by the end of June or the beginning of July 2003.

System-Wide Demolition - Phase II

A list of the buildings that will be recommended for demolition for Phase II is being developed for inclusion in the final budget submission over the summer of 2003.

Because of the magnitude of the work, funds for the demolition of buildings and structures on the Fergus Falls Regional Treatment Center are being requested in a separate capital request for the 2004 Legislative Session.

Impact on Agency Operating Budgets (Facilities Notes)

Funds have been expended to heat vacant/non-utilized buildings during cold weather months, conduct routine/corrective maintenance, and to keep the basic building envelopes in tack to prevent or minimize further building deterioration. Demolition of these non-functional buildings will reduce this cost.

Previous Appropriations for this Project

The 2002 Legislature appropriated \$2.75 million for the first phase of this proposed three-phase capital request: Laws of Minnesota 2002, Chapter 393, Section 22, Subd. 4. Building and Structure Demolition – To demolish and dispose of hazardous materials from obsolete buildings at state regional treatment centers.

Other Considerations

Many of the buildings that will be included in the final budget submittal have roofs that will need to be replaced, and other building components that will have to be repaired or replaced, if they are not demolished in the very near future. The cost of replacing the roof systems on these buildings would, in many cases, equal the cost to demolish the buildings. If the bad roofs are not addressed, and the buildings are not demolished, water infiltration will basically destroy the structural integrity of these buildings, posing a more serious safety hazard than they pose now.

Project Contact Person

Alan Van Buskirk, Physical Plant Operations Manger
State Operated Services Support Division
Phone: (651) 582-1887
Fax: (651) 582-1685
Email: alan.vanbuskirk@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,650	1,200	0	2,850
State Funds Subtotal	0	1,650	1,200	0	2,850
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,650	1,200	0	2,850

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,650	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Minneapolis Waste Piping Replacement	1	GO	\$2,900	\$0	\$0	\$0	\$0	\$0
Asset Preservation	2	GO	11,000	0	0	0	0	0
Minneapolis Adult Day Care	3	GO	1,031	0	0	0	0	0
Silver Bay Master Plan Renovation	4	GO	1,347	0	0	0	0	0
Luverne Dementia Unit/Wander Area	5	GO	282	0	0	0	0	0
Minneapolis Dining/Kitchen Renovation	6	GO	1,612	0	0	0	0	0
Fergus Falls Special Care Unit	7	GO	2,325	0	0	0	0	0
Project Total			\$20,497	\$0	\$0	\$0	\$0	\$0
General Obligation Bonding (GO)			\$20,497	\$0	\$0	\$0	\$0	\$0

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

Minneapolis Waste Piping Replacement

2004 STATE APPROPRIATION REQUEST: \$2,900,000

AGENCY PROJECT PRIORITY: 1 of 7 ()

PROJECT LOCATION:

Project At A Glance

Estimated 50% of drain pipes in failure
Ensures continued full use of existing patient care beds
Prevents potential crisis "fix" when major building systems fail

Project Description

The Veterans Homes Board (MVHB) is requesting \$ 2.9 million for sanitary waste pipe replacement in building 17, at the Minnesota Veterans Home in Minneapolis. This capital request would provide funding for replacement of sanitary discharge piping from resident bathrooms.

The pipe in building 17 is in need of replacement because of gas vapors that have caused the metal pipe to deteriorate. The corrosion is manifested by off gassing of waste flowing through the pipe, specifically H₂S gas. The pipe installed in this building when it was built in 1978 was a type B, gray cast iron. This type of cast iron is particularly susceptible to graphite corrosion. These pipe conditions are widespread through out the building. The corrosion manifests itself from the inside out so visual exterior pipe inspections would not identify the problem until total deterioration has occurred. The interior corrosion/deterioration of this pipe attacks the pipe non-uniformly due to such pipe configuration features as elbows, cleanouts, and a variety of slopes concentrating larger volumes of gasses in some places more than in others.

Facility staff have on an urgent basis replaced a few sections of this pipe where leakage has occurred. This is a temporary fix to a much larger problem that may occur through out the building if left unattended.

Impact on Agency Operating Budgets (Facilities Notes)

If this waste water piping problem is not addressed in a timely fashion, the pipe failure may result in displacement of residents for long periods of time at other sites causing an increase in operational costs.

The nature of this improvement should not have any significant impact on the ongoing operating costs of the facility if completed in a timely fashion. There would not be any mechanical equipment operational efficiencies affected by this pipe replacement.

Previous Appropriations for this Project

There has not been any Capital Funding requested for this project. Agency and CAPRA funds have been directed to study this project to identify the magnitude of the problem, and clarify locations of any urgent pipe replacement.

Other Considerations

Project Contact Person

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 W. 12th St.
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 296-6177
Email: dorickab@mvhmail.mvh.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,900	0	0	2,900
State Funds Subtotal	0	2,900	0	0	2,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,900	0	0	2,900

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation – Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,900	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$11,000,000

AGENCY PROJECT PRIORITY: 2 of 7 ()

PROJECT LOCATION:**Project At A Glance**

Provides updates to over 50 Buildings State-wide
Continues to provide a safe environment for caring for vulnerable adults
Ensures continued full use of all of our physical assets
Repairing/replacing now eliminated future higher costs

Project Description

The Veterans Homes Board (MVHB) is requesting \$ 11 million for Agency wide asset preservation.

The Minnesota Veterans Homes Board manages 50 buildings at five facility locations while providing care for over 900 residents. This asset preservation request will assist the agency in addressing building repair items that go beyond the day-to-day maintenance needs of the facilities.

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. Included in this request are the replacing of exterior envelope components, roof replacement, tuckpointing, & window replacement, mechanical and electrical updates, and resident bathroom and central shower updates.

The Minneapolis campus building 17, nursing care residence building is in need of remodeling/repair to central tub rooms, and residence bathrooms, unit dining rooms, and replacement of resident windows.

The Hastings campus, building 20 is in need of exterior envelope repairs, building 23 roof replacements, building 30 exterior envelope repairs. The water tower on this campus will need to be removed – taken down and old wells capped as a result of changing this campus over to city water.

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 and misc. at Silver Bay, replace the nurse call and phone system, and misc. at Luverne, generator upgrade, boiler burner parts replacement, storage building repairs, and misc.

The 1998 bonding bill contained a provision requiring state agencies to include in their operating budgets amounts necessary to adequately maintain their facilities. Based on this directive, the Statewide Facilities Management group, with assistance from the Department of Administration's Building Construction Division, and in consultation with the Department of Finance, developed a set of funding guidelines. At that time, these guidelines indicated that the annual maintenance funding for the Veteran's Homes agency facilities would be \$2.9 million each year.

The amount identified in this asset preservation request reflects the shortfall created as a result of previous underfunding of building repair and replacement requests. Funding in our operating account for repairs and betterment has only been at the \$1.19 million level. These funds have largely been reprogrammed during the FY2002-03 biennium to deal with operating budget shortages. The same scenario will occur during the FY2004-05 biennium. In addition to the loss of agency funds for repair and betterment, the Department of Administration has announced that it will no longer seek CAPRA funds for other than emergency projects. Each agency is expected to include funding for projects under Asset Preservation that in the past have come from non-emergency CAPRA dollars.

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**Other Considerations**

Project Contact Person

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 W. 12th St.
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 296-6177
Email: dorickab@mvhmail.mvh.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,000	0	0	11,000
State Funds Subtotal	0	11,000	0	0	11,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	11,000	0	0	11,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	11,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Minneapolis Adult Day Care

2004 STATE APPROPRIATION REQUEST: \$1,031,000

AGENCY PROJECT PRIORITY: 3 of 7 ()

PROJECT LOCATION:

Project At A Glance

- Adult Day Care helps meet demand for additional services
- Alternative to skilled nursing care keeping veterans at home longer
- 65% Federal Funding

Project Description:

The Minneapolis Veterans Home is requesting \$1.031 million as the State's portion (35%) of this \$2.947 million project to remodel building 4 to provide adult day care services to veterans in the surrounding communities. The remaining 65% had been submitted for funding to the US Department of Veterans (VA) Affairs State Home Grant program who have tentatively approved this project for their Fiscal Year 2004-project list. The VA will only provide their funding when the State makes their commitment for their 35% share of project funding.

The Minneapolis Veterans Home is located near Minnehaha Creek and overlooks the Mississippi River. This location is extremely accessible for all metro area veteran residents and families. This campus rests on 53 acres and was first established in 1887 by Legislative Act establishing the Minnesota Old Soldiers home.

This project request is a result of a grass root strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors.

Building 4 is a "home like" cottage style Richardsonian Romanesque design building was built in 1889. The exterior of this building has been refurbished recently to include tuckpointing and a new roof and windows. However, the interior of this building does not meet occupancy code; the building is currently unoccupied. Building 4 has approximately 11,200 square feet distributed on four levels. The building exterior has been refurbished but the interior requires renovation to bring it up to code as well as redesigned for

patient activities. Site amenities would include Americans with Disabilities Act accessibility, a private vehicle and van access drive, security fencing surrounding a walking path, garden, and sitting area. On-grade and raised gardening beds would accent this secured outdoor wandering area environment. The interior renovation will include an elevator for egress to all four floors of this building.

The proposed adult day care program will provide services to veterans 8 to 10 hours a day and can accommodate 30 to 35 residents per day. A transportation network sponsored by veteran's organizations would be accessible to provide service to veterans in need of adult day care on this site.

This structure will require a complete wall to wall interior remodel package. The interior of this structure will be upgraded to meet "I" (Institutional) occupancy by replacing the wood floor with a steel/concrete system. The interior will be remodeled to accommodate/meet adult day care program use and building code compliance. This construction would include a new energy efficient mechanical system tied into the campus infrastructure.

Impact on Agency Operating Budgets (Facilities Notes)

The United States Department of Veterans Affairs has legislation in support of state veterans homes programs for adult day care. The legislation would pay a daily per diem to the veteran's home for eligible veterans receiving care in this program. The current per diem is 50% of the daily rate up to a specified maximum. The remaining portion of costs would be a patient pay amount. Due to the federal participation, adult day care on campus would be affordable to a greater portion of veterans who would not otherwise be able to avail themselves of this service.

The adult day care program implementation would meet Minnesota statutory requirements, associated Minnesota Department of Human Services Rules, and Federal Veterans Administration Standards pertaining to environmental operations.

Previous Appropriations for this Project:

None

Other Considerations:

Minneapolis Adult Day Care

The Minneapolis facility receives numerous requests for adult day care services service's throughout the year and is not able to accommodate this need. The Veterans Homes Board conducted a study of veterans health care needs in the state, which identified adult day care as a priority. The Minneapolis facility leadership conducted an in depth strategic planning process, which identified adult day care as one of their priority initiatives. Our mission to provide high quality health care services to veterans and adult day care fits well within that mission as well as providing alternatives to a higher cost skilled care service. We will also be able to provide additional services on campus without significant increased costs since the services are already available and can be provided at a marginal additional cost.

The Minnesota Veterans Home in Minneapolis is on the National Historic Register. Any renovation on this campus will require prior approval of the Minnesota Historic Society. All proposed building construction projects at this campus require special design consideration to meet historic preservation guidelines.

Ongoing operating funds for an adult day care program at the Minneapolis veterans home would come from daily per diems and patient pay amounts.

Project Contact Person:

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 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):

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	10	0	0	0	10
3. Design Fees	0	194	0	0	194
4. Project Management	0	114	0	0	114
5. Construction Costs	0	2,135	0	0	2,135
6. One Percent for Art	0	19	0	0	19
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	222	0	0	222
9. Inflation	0	263	0	0	263
TOTAL	10	2,947	0	0	2,957

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,031	0	0	1,031
State Funds Subtotal	0	1,031	0	0	1,031
Agency Operating Budget Funds	10	0	0	0	10
Federal Funds	0	1,916	0	0	1,916
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	10	2,947	0	0	2,957

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,031	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Silver Bay Master Plan Renovation

2004 STATE APPROPRIATION REQUEST: \$1,347,000

AGENCY PROJECT PRIORITY: 4 of 7 ()

PROJECT LOCATION:

Project At A Glance

- Provides improved clinical and program space
- 65% federally funded
- 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

Project Description

The Silver Bay Veterans Home is requesting \$1.347 million as the State's portion (35%) of this \$3.849 million project for renovation of existing space and a structural building addition to the nursing care facility. The remaining 65% had been submitted for funding to the US Department of Veterans (VA) Affairs State Home Grant program who have tentatively approved this project for their Fiscal Year 2004 project list. The VA will only provide their funding when the State makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home in Silver Bay is located on Minnesota's north shore just north of Two Harbors in Lake County. This nursing care facility was originally built as a grade school in 1953. Upon receipt of a federal grant, legislation in 1989 authorized the retrofit of this facility into an 89-bed nursing care facility.

This funding initiative would renovate select space within the facility to provide additional clinical space, enhance resident programming space, and provide additional space for administration offices. The first level building renovations and additions would allow dedicated space for a pharmacy, exam room, chapel, resident day room, private family meeting space, hospice rooms, freezer and dish room space, resident library, and a dining hall expansion. A lower level vehicle, cold storage, and maintenance shop would also serve as a shipping and receiving collection point. The expansion

would include an elevator to facilitate the distribution of storage items to the first level and access to the lower level for residents to be loaded inside heated space for transportation on inclement weather days.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors. Our previous request for a maintenance facility and storage has been incorporated into this request.

A study of the interior of this facility was conducted to primarily identify clinical space deficiencies. The Minnesota Department of Health Nursing Home Rules and U.S. Department of Veterans Affairs environmental space requirements were reviewed as part of this study. Space deficiencies were identified when a comparison was made between these current program design standards and existing space. A goal of the study was to improve resident programming needs, provide workflow efficiencies, improve services provided, and ultimately enhance the quality of life for the residents by reducing the institutional qualities of these spaces.

Incorporating the results of this study into a predesign was the next challenge for this campus. Developing unused space under the facility in the lower level of this facility during this renovation will lower the over all cost of this construction. The proposed addition would improve staff support to residents, and improve administrative areas increasing staff efficiency.

The lower level of the proposed addition would contain the transportation vehicles, storage, intergenerational care program area, loading dock for deliveries, and staff and volunteer locker rooms. The transportation vehicle garage space would also be used to load residents in the warmth of a garage in the winter, adding resident comfort and enhance mobility to outpatient clinic appointments. Housing these vehicles inside during the winter will reduce accelerated wear and tear due to road salt, paint deterioration, and rusting parts. The accelerated deterioration of these vehicles causes undue hardship to the facility budget. One of the stalls in the new maintenance facility would have floor drains for use as a wash bay for the transportation vehicles.

An undersized maintenance shop office currently doubles as a repair shop, creating unsafe, cramped working conditions. The existing maintenance shop has been cited for safety code violations because of space restrictions.

Silver Bay Master Plan Renovation

The space offered for maintenance shop in the lower level of the expansion would offer an ergonomically safe maintenance shop for staff.

The space study was conducted because this long-term nursing care facility was extremely short of space in general. The lower level storage space in the predesign plans would free up space within the main level of the nursing home and allow space for programming such as pharmacy, accessible resident lounge space, library, and exam room. The United States Department of Veterans Affairs (USDVA) adopted legislation that would reimburse the Silver Bay Veterans Home for medication purchased for residents if space was provided establishing an in-house pharmacy. Continuation of the present situation will result in a lost of state operational budget revenue.

The facility has been encountering storage space problems causing daily operational difficulties. Safety issues have arisen attracting the attention of regulatory agencies such as the State Fire Marshal. Code violations have also been cited. Current storage space is inadequate, which causes the home to lose significant volume discounts in purchasing, as well as jeopardize the safety of residents and staff due to congestion.

Finally, included in the addition is space for intergenerational programming. This includes the initiation of adult day care and child day care programs. There is an expressed demand for adult day care services by veterans in the area. Child day care would assist in the recruitment and retention of staff in an area where recruitment is extremely difficult and retention is the key to continuity and quality.

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 resident quality benefit because of the inconvenience of residents sharing programming space. There will be a marginal increase in building operations costs estimated to be \$41,000 annually.

Previous Appropriations for this Project:

None

Other Considerations:

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.

Project Contact Person:

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 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):

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	31	0	0	0	31
3. Design Fees	0	300	0	0	300
4. Project Management	0	134	0	0	134
5. Construction Costs	0	2,892	0	0	2,892
6. One Percent for Art	0	23	0	0	23
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	235	0	0	235
9. Inflation	0	265	0	0	265
TOTAL	31	3,849	0	0	3,880

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,347	0	0	1,347
State Funds Subtotal	0	1,347	0	0	1,347
Agency Operating Budget Funds	31	0	0	0	31
Federal Funds	0	2,502	0	0	2,502
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	31	3,849	0	0	3,880

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,347	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Luverne Dementia Unit/Wander Area

2004 STATE APPROPRIATION REQUEST: \$282,000

AGENCY PROJECT PRIORITY: 5 of 7 ()

PROJECT LOCATION:

Project At A Glance

- Improves programming space for number 1 facility diagnosis
- Provides activity/wander area for residents
- 65% Federally funded
- Marginal \$7,000 additional operating costs

Project Description:

The Luverne Veterans Home is requesting \$282,000 as the State's portion (35%) of this \$807,000 project for a structural building addition to the nursing care facility. This structure would contain an Alzheimer's/Dementia (A/D) day programming space attached to the existing A/D patient care wing similar to our Silver Bay facility. The remaining 65% had been submitted for funding to the US Department of Veterans (VA) Affairs State Home Grant program who have tentatively approved this project for their Fiscal Year 2004-project list. The VA will only provide their funding when the State makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home in Luverne is located in southwestern Minnesota. This 85-bed nursing care facility was completed in 1993 on 13.5 acres in the north end of the city. This nursing care facility has maintained full occupancy from soon after opening to present day.

This nursing care facility has dedicated one wing of this facility (17 beds) to caring for veterans with A/D diagnosis. The day activities for these residents are currently conducted in the center corridor of this wing. Feeding, therapeutic activities, wandering, visiting and other social functions are conducted in this limited space. The limited space in this corridor restricts the programming of activities and becomes a quality of care issue. Congestion in this corridor for residents with this diagnosis contributes to frustration, agitation, and anger. Increased agitation causes greater acting out, physical aggression, and a greater safety concern for residents and staff.

The proposed open air, one room, cathedral-ceiling structure would provide day activity space for residents and a special programming area for the residents, with walking paths for patients to wander, all of which significantly improving their quality of life. This space will also be used for special dining and programs that are specifically focused on the needs of patients (e.g. aromatherapy) with Alzheimer's or dementia. This type of space assists with improving behaviors and has the potential of reducing reliance on medication management thus reducing medication costs.

Wandering is a natural behavior and characteristic of many people with dementia and can be a means of both physical and emotional release. For some, it is a coping mechanism to relieve stress and tension. It may be an expression of restlessness, boredom, or the need for exercise. And for some, it may be searching for a part of life lost to the disease or for a person, place, or object from the past. There is also an agitated kind of pacing that occurs with some individuals. Since trying to stop the activity may increase agitation, and cause anger and frustration, a better alternative is to encourage walking by providing safe, secure, and interesting paths to walk.

This 1,500 square foot room would allow the resident room to wander and/or participate in activities within this day room. The quality of life for these residents would increase and a more therapeutic and safe environment would be created.

Impact on Agency Operating Budgets (Facilities Notes):

There will be a marginal increase in building operations costs estimated to be \$7,000 annually.

Previous Appropriations for this Project:

None

Other Considerations:

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure. This A/D addition will be attached at the end of the wing with minimal remodeling of the existing entrance. The proposed addition would be built on a loose back fill and would require, per verified soil borings, an extended depth footing for support of the building. In an effort to utilize the space under this structure and eliminate costly engineered fill the lower level would be used for heating and

Luverne Dementia Unit/Wander Area

air conditioning, nursing home equipment, material stock, and vehicle storage. The total usable space of the entire proposed addition would be 3,000 square feet.

Project Contact Person

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 296-6177
Email: dorickab@mvhmail.mvh.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	9	0	0	0	9
3. Design Fees	0	54	0	0	54
4. Project Management	0	69	0	0	69
5. Construction Costs	0	631	0	0	631
6. One Percent for Art	0	5	0	0	5
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	48	0	0	48
TOTAL	9	807	0	0	816

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	282	0	0	282
State Funds Subtotal	0	282	0	0	282
Agency Operating Budget Funds	9	0	0	0	9
Federal Funds	0	525	0	0	525
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	9	807	0	0	816

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation – Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	282	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Minneapolis Dining/Kitchen Renovation

2004 STATE APPROPRIATION REQUEST: \$1,612,000

AGENCY PROJECT PRIORITY: 6 of 7 ()

PROJECT LOCATION:

Project At A Glance

- Improved dining Space
- Provides more efficient kitchen service
- Improves tray line service
- 65% Federally funded
- Meets future needs

Project Description:

The Minneapolis Veterans Home is requesting \$1.612 million as the State's portion (35%) of this \$4.607 million project for remodeling and expansion of the main dining room and food preparation and kitchen space in Building 17. The remaining 65% had been submitted for funding to the US Department of Veterans (VA) Affairs State Home Grant program who have tentatively approved this project for their Fiscal Year 2004-project list. The VA will only provide their funding when the State makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home in Minneapolis is located near Minnehaha Creek and overlooks the Mississippi River. The location of this campus is extremely accessible for all metro area veterans and their families. This campus rests on 53 acres and was first established in 1887 by Legislative Act establishing the Minnesota Old Soldiers Home.

This project request is a result of a grass roots strategic planning process begun at the facility level, reviewed by the agency's Leadership Council, and approved and prioritized by the Board of Directors.

Building 17 was built in 1980 as a 250-bed nursing care facility to augment the existing patient care programming. This building is home to the largest number of residents on this campus. The dining/kitchen also serves an additional 91 patients in the Alzheimer dementia building and the 61 patients in the Board and Care facility. In addition, meals are prepared for 16 patients

from the homeless dual diagnosis program. This additional growth has been the result of the campus-wide renovation that has activated almost all of the available beds on campus. It is anticipated through increased site programming, that this facility could service an additional 95 residents as well as an adult day care population for their noontime meal. The dining area and kitchen are currently significantly undersized for the current population and future program additions places greater pressure to develop better dining and food preparation space.

It is the goal of the facility to serve as many residents as possible in the main dining room. The daily dining experience is often a highlight of a resident's day and serves as a significant social event. While some residents are not able to attend meals in the dining room and are served in their rooms on their units, every effort is made to have residents participate in the dining room experience. We have also developed a more diverse patient population with greater dietary requirements thus making food preparation a challenge in the existing kitchen areas.

In addition, the serving line needs to be redesigned for accommodating a greater patient population in wheelchairs, walkers, and other assistive devices. The renovation would reorganize the kitchen and provide a better access for residents and offer an efficient food preparation work area for staff.

The dining room expansion is designed to accommodate future needs, increasing seating from 110 to 250 seats. Included in the dining room expansion is space for private family dining for special occasions. At the present time, there is no space for this to occur. We also serve meals to employees and there is not a defined area for them to eat. This is a significant recruiting and retention issue for the facility.

Other improvements made by this renovation would include the enlargement and relocation of manager and supervisor offices near the dining room to provide better supervision and accommodate increased staff. The dietary office would be located near the tray line to make it more efficient to make menu or tray changes.

Impact on Agency Operating Budgets (Facilities Notes):

The Building 17 improvements will not significantly impact current operating budgets.

Minneapolis Dining/Kitchen Renovation

Previous Appropriations for this Project:

None

Other Considerations:

The dining room expansion will also assist in the feeding of staff who wish to purchase a lunchtime meal. This is a significant recruiting and retention issue for the facility.

Project Contact Person:

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 296-6177
E-mail: dorickab@mvh

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	15	0	0	0	15
3. Design Fees	0	334	0	0	334
4. Project Management	0	198	0	0	198
5. Construction Costs	0	3,625	0	0	3,625
6. One Percent for Art	0	33	0	0	33
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	100	0	0	100
9. Inflation	0	317	0	0	317
TOTAL	15	4,607	0	0	4,622

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,612	0	0	1,612
State Funds Subtotal	0	1,612	0	0	1,612
Agency Operating Budget Funds	15	0	0	0	15
Federal Funds	0	2,995	0	0	2,995
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	15	4,607	0	0	4,622

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,612	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Fergus Falls Special Care Unit

2004 STATE APPROPRIATION REQUEST: \$2,325,000

AGENCY PROJECT PRIORITY: 7 of 7 ()

PROJECT LOCATION:

Project At A Glance

Provides increase capacity to meet demand
Improved clinical space for number 1 diagnosis
65% Federally funded
Improves patient physical environments

Project Description

The Fergus Falls Veterans Home is requesting \$2.325 million as the State's portion (35%) of this \$6.642 million project to construct a 22 bed special care unit. The unit will meet the strong demand for services and the particularly unique needs of its Alzheimer and dementia residents who comprise nearly 59% of its population. The remaining 65% had been submitted for funding to the US Department of Veterans (VA) Affairs State Home Grant program who have tentatively approved this project for their Fiscal Year 2004-project list. The VA will only provide their funding when the State makes their commitment for their 35% share of project funding.

The Minnesota Veterans Home—Fergus Falls is a 85 bed Skilled Nursing facility located in North Western Minnesota proximate to two major highways, Interstate 94 and State Highway 210. It is extremely accessible to all State residents but especially so for those residents in North Western and North Central Minnesota. The Fergus Falls Veterans Home completed construction in October of 1997 and received its first resident March of 1998.

This project is a necessary expansion in order to meet the sustained and increasing demands of the Veteran population in the 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. Facility waiting lists have grown to a maximum of 85 on the facility active waiting list and 205 on the inactive waiting list. Lists of this length could

experience up to a 12-month delay before admission to this facility. The active waiting List demand has consistently remained above 40 over the last four years and is currently at 51 on the active list and 195 on the inactive list. (*Active Waiting List* is defined as an expressed interest in immediate placement; *Inactive Waiting List* is defined as expressing placement interest at an undetermined future time). This prevents the facility from effectively meeting current demand and precludes them from addressing any immediate post acute needs of Veterans.

Fergus Falls Veterans Home receives admissions from a service area that comprises 23 counties. These counties are made up of 160,272 veterans according the Veteran Population 2001 model. Discounting those counties adjacent to the Twin Cities Metro area there is a total count of 21 counties totaling 54,779 Veterans within the immediate service area.

Veteran Trends Effecting Demand:

There are 442,000 veterans in Minnesota and it is anticipated that this population will decrease by approximately 35% over the next 20 years. While the veteran population is expected to decrease over the next 20 years, the number of veterans 75 and older will grow nine percent from today's rates. The VA report, "Caring for the Older Veteran," also highlight the growth trends of veterans' care needs overall. This report states that the aging trend in the veteran population because of its unique composition is challenging the nations health systems. Veterans tend to cluster in age groups related to service in major conflicts. At least 50% of the patients cared for in veteran's home are between the ages of 75-84 and 21% over the age of 85. These statistics reflect the increasing demand that will even further stress the current delivery systems and will further delay meeting current needs.

Facility Design Elements of Special Care Unit:

Existing facility square footage stands at 71,130 square feet. The Special Care Unit would add an additional 33,500 square feet (19,500 first level; 14,000 basement/mechanical). Though not all residents with Alzheimer's and dementia would benefit from a Special Care Unit addition (early and late stage residents) we estimate that up to half of the currently effected facility population would require these services tin their lifetime. Resident's with Alzheimer's wander in and out of rooms and the facility on a regular basis. Unless there is a secure setting and a setting separate from residents that

Fergus Falls Special Care Unit

are more cognitively aware, the resident's are at risk because of their inability to self preserve and because of the inevitable conflicts which will occur with cognitively aware residents. With Alzheimer residents there is an aimless wandering pattern which leads them in an out of rooms. Large interesting wandering paths within a Special Care Unit as well as secured wandering paths outside a building are important design elements. The more they are confined and not allowed to wander the more agitated they will become. In a special setting those areas of risk can be controlled and those functions which help independence can be supported. Locks can be installed on all resident cabinets to prevent conflict. Fiddle stations can be created to allow them the proper outlet to safely explore. Multiple interesting stations along their wandering paths can create focus for them and keep them from conflict with others. Cues in the environment are important to keeping them independent. Visible toilets in resident rooms can encourage incontinence independence. Room entrances stylized like house entrances can cue function. Kitchen areas styled like home kitchens can cue eating habits as well as smells created by the local preparation of food. Special sights and sound cues can support normal sleeping patterns. The effects of sundowning (a condition where behavioral problems increase when the sun goes down) can be countered by a system of special full spectrum lights being turned on an hour before bed. Sounds of crickets and other night sounds can be fed into the area to cue them to the time of day and help them to reestablish more normal sleeping patterns. Certain colors on the carpet can prevent wandering into certain areas as well as the lack of certain confusing patterns can help them to calm down. All these design elements can be incorporated in this specialized unit.

The Fergus Falls Veterans Home though constructing 22 beds for its facility will not be adding requested beds to the system which are not currently Federally authorized under Minnesota's bed allotment model.

Impact on Agency Operating Budgets (Facilities Notes)

The phased July 2007 opening of the 22 beds would require the addition of 31 FTEs to perform nursing, direct support, and indirect support for the additional residents. Also, the related dietary, drug, medical supplies, etc. will be required. Other plant operating costs will accrue due to the additional square footage. Partial costs will begin in FY2008 with full costs in FY2009.

Previous Appropriations for this Project

None

Other Considerations

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. Through a Shared Use agreement, the U.S. Department of Veterans Affairs can now serve over 600 area veterans within their geographic area. In exchange for hosting the clinic the Veterans Home is able to obtain Nurse Practitioner and other services for Veterans at no cost.

With the growing demand for these services, the Fergus Falls Veterans Home proposes expansion of VA's space at the facility by constructing an additional space of 2,550 for their exclusive 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.

Project Contact Person:

Douglas Rickabaugh, Financial Management Director
122 Veterans Services Building
20 West 12th Street
St. Paul, MN 55155
Phone: (612) 297-5253
Fax: (612) 296-6177
Email: dorickab@mvhmail.mvh.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	10	0	0	0	10
2. Predesign Fees	42	0	0	0	42
3. Design Fees	0	314	0	0	314
4. Project Management	0	250	0	0	250
5. Construction Costs	0	4,763	0	0	4,763
6. One Percent for Art	0	39	0	0	39
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	773	0	0	773
9. Inflation	0	503	0	0	503
TOTAL	52	6,642	0	0	6,694

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,325	0	0	2,325
State Funds Subtotal	0	2,325	0	0	2,325
Agency Operating Budget Funds	52	0	0	0	52
Federal Funds	0	4,317	0	0	4,317
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	52	6,642	0	0	6,694

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation – Program and Building Operation	0	0	2,770	2,770
Other Program Related Expenses	0	0	487	487
Building Operating Expenses	0	0	185	185
Building Repair and Replacement Expenses	0	0	133	133
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	3,575	3,575
Revenue Offsets	0	0	0	0
TOTAL	0	0	3,575	3,575
Change in F.T.E. Personnel	0.0	0.0	31.0	31.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,325	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
Rural Finance Authority Loan Participation	1	GO/UF	\$18,000	\$18,000	\$18,000	\$0	\$0	\$0
Joint Plant Pathology Research Center	2	GO	245	4,000	0	0	0	0
Agriculture Water Management Research Partnership	3	GO	1,700	0	0	0	0	0

Project Total	\$19,945	\$22,000	\$18,000	\$0	\$0	\$0
General Obligation Bonding (GO)	\$1,945	\$4,000	\$0	\$0	\$0	\$0
User Finance Bonding (UF)	\$18,000	\$18,000	\$18,000	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals**Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**

Employing one of every seven Minnesota workers and contributing nearly one fifth of Minnesota's total economic activity, Minnesota agriculture is dynamic and diverse. With the state's farm economy subject to the whims of international market forces and changing patterns of commerce, the Minnesota Department of Agriculture (MDA) must frequently review and update the services it provides. These factors require MDA programs to be flexible and responsive to stakeholders' needs.

Some of the significant issues at hand include:

Maintaining Existing Farms, Processing Industries and Support Businesses. Minnesota continues to see changes to the agricultural landscape. The number of dairy farms has dropped from 46,000 in 1970 to about 6,200 today. Producers of other commodities also face heavy financial pressure from international competition and highly variable commodity prices. It is important to provide Minnesota's farmers with the technical support and information necessary to manage their operations in a way that allows them to meet their customers' needs as well as own future needs.

Environmental and Food Safety Regulation/Protection.

An increasing public focus on the real and perceived environmental impacts of agricultural activities will place more emphasis on environmental monitoring, compliance and remediation. At the same time, the heightened awareness of the potential for agro-terrorism means more attention is being paid to the safety of the state's food supply. All agriculture activities will be affected, ranging from the production of inputs through production agriculture to processing and final consumption of agricultural products.

Scientific and Technological Development.

The development and adoption of new technologies continues to be a change factor in agriculture. New and emerging technologies in agricultural chemical application equipment and food production and processing (biotechnology, irradiated food, reconstituted milk, etc.) will be proposed for

adoption as a means to maintain economic competitiveness and enhance the safety of the environment and our food supply. Another area of emerging technology lies in the conversion of agricultural commodities into commercial and industrial products such as biodiesel. Biotechnology will impact production agriculture directly.

Aging Infrastructure.

Much of the rural infrastructure will undergo major rehabilitation or replacement in the next two decades. An opportunity exists to provide scientific and technical guidance in a manner that balances the needs of production agriculture with expectations for environmental protection.

Demographic and Economic Trends.

Population growth worldwide and long-term economic expansions are expected to increase demand for U.S. agricultural products. Our agriculture and food industries represent 18% of Minnesota's total economic activities and generate jobs for about 15% of the Minnesota workforce. Minnesota ranked 6th in the nation, with \$2.3 billion in agricultural exports in 2002.

Increasing International Competition

With the emergence of Brazil and other countries as major exporters of agricultural commodities such as soybeans and corn, the United States faces more competition for global export markets. This competition will have profound effects on the domestic farm economy for decades to come.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets*Rural Finance Authority Loan Participants.*

The Rural Finance Authority (RFA) was established in 1986, under the authority of Article XI, Section 5, Clause (h) of the Minnesota Constitution, to institute a program under which state bonds are issued and proceeds are appropriated to develop the state's agricultural resources. The 1986 Minnesota Legislature authorized the sale of \$50 million in general obligation bonds to fund the initiative. The program received an additional \$41 million bond authorization from the 1996 Minnesota Legislature, \$20 million in the 2000, and an additional \$15 million in 2002.

Quarantine Greenhouse Facility.

Major Capital Projects Authorized in 2002 and 2003

MDA received capital bonded projects in 2002 and 2003 for the Rural Finance Participation Loans in the amount of \$15 million.

Agency Process Used to Arrive at These Capital Requests

For the internal agency review process, divisions utilized the following criteria to suggest projects:

- Farmers are stewards of the land.
- Administer financial assistance programs that provide affordable financing to farms and small agri-businesses.
- Ensure a safe and wholesome food supply through inspection and regulatory programs that monitor the production, processing and sale of food products.

The executive team also applied the following criteria to the projects suggested:

- MDA's ability to provide analytical services that ensure the safety of agricultural and food products.
- Availability of affordable financing to farmers and small agri-businesses.
- Emerging biotechnologies and their impact on Minnesota agriculture.

Based on the above criteria, MDA recommends approval of the following projects for the 2004 Capital Budget:

- *Rural Finance Authority Loan Participations.* The mission of the RFA (M.S. Chap. 41B) is accomplished by purchasing participations in farm real estate loans originated with agricultural lenders. The RFA provides below market interest rate financing to eligible farmers for purchasing farm real estate, restructure current debt, making improvements to the farm, expanding livestock production, and purchasing stock in farmer-owned cooperatives. The RFA cooperates with 420 participating agricultural lenders. Repayment of these loans does meet the debt service obligations of the state bonds sold to provide needed loan funds.
- *Quarantine Greenhouse Expansion.*

Rural Finance Authority Loan Participation

2004 STATE APPROPRIATION REQUEST: \$18,000,000

AGENCY PROJECT PRIORITY: 1 of 3 ()

PROJECT LOCATION: Farms are located throughout Minnesota

Project At A Glance

The Minnesota Department of Agriculture requests \$18 million for Rural Finance Authority (RFA) loans to develop the state's agricultural resources. The loans would provide affordable financing to farmers and small agribusinesses.

Repayment of these loans does not meet the debt service obligations of the state bonds sold to provide needed loan funds.

Project Description

The purpose of the RFA programs and of the bonds issued to finance these programs is to purchase participation interests in loans. The loans will be made available by agricultural lenders to farmers on terms and conditions not available from other credit sources. The RFA will purchase a 45% interest in the lender's first mortgage up to \$125,000 under the Beginning Farmer, the Seller Assisted and the Agricultural Improvement Loan programs. Participation in the Livestock Expansion Loan Program may be up to \$250,000, and up to \$150,000 in the Restructured Loan Program. This participation interest is set up on a reduced interest rate to improve the farmer's cash flow and to share the loan risk with the lender. The RFA and lender become partners, and each owns a share of the mortgage.

Impact on Agency Operating Budgets (Facilities Notes)

The additional bond authorization will not change the staffing or administrative costs of the program. The RFA loan activity is user financed. Proceeds from the sale of the state general obligation bonds are used to purchase a portion of farm real estate loans. The principal and interest receipts from the loan participations are deposited into a reserve account for redemption of bonds issued under the RFA loan programs. Each December 1 these funds are transferred from the reserve account to the Debt Service

Fund. Since FY 1988 the RFA has repaid \$73 million for bond redemption and interest payments.

Previous Appropriations for this Project

RFA was established in 1986 to administer a program under which state bond proceeds are appropriated to develop the state's agricultural resources. The RFA accomplishes this by extending credit on real estate security. The initial program was designed to help lenders and borrowers restructure under secured farm real estate loans. The initiative was expanded in 1987 to assist beginning farmers with purchasing their own farms. The RFA has since grown to include a variety of unique options, including the Beginning Farmer and Seller Assisted Programs; the Agricultural Improvement Loan Program; the Livestock Expansion Loan Program, and the Restructured Loan Program.

The 1986 Minnesota Legislature authorized the sale of \$50 million in general obligation bonds to fund the initiative. Additional general obligation bonds authorized were \$41 million in 1996, \$20 million in 2000, and \$15 million in 2002.

Other Considerations

Since its inception the RFA has enabled more than 1,775 Minnesota farmers to purchase farms, improve them, or add efficient up-to-date livestock facilities. As of May 31, 2003, the RFA has purchased more than \$104 million in loan participations. The additional authorization will allow the RFA to continue offering credit to farmers on favorable terms and conditions, and promote the public welfare by assuring the viability of farm operations.

Project Contact Person

Wayne Marzolf, Interim Director
Agricultural Finance Division
Minnesota Department of Agriculture
90 West Plato Boulevard
St. Paul, MN 55107-2094
Phone: (651) 296-1748
Fax: (651) 296-9388
E-Mail: wayne.marzolf@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	126,000	18,000	18,000	18,000	180,000
9. Inflation	0	0	0	0	0
TOTAL	126,000	18,000	18,000	18,000	180,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O. Bonds/RFA	126,000	18,000	18,000	18,000	180,000
State Funds Subtotal	126,000	18,000	18,000	18,000	180,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	126,000	18,000	18,000	18,000	180,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	0	0.0%
User Financing	18000	100.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Joint Plant Pathology Research Center

2004 STATE APPROPRIATION REQUEST: \$245,000

AGENCY PROJECT PRIORITY: 2 of 3 ()

PROJECT LOCATION: University of Minnesota, Minneapolis Campus

Project At A Glance

Joint Plant Pathology Research Center

This request for \$85,000 in state funds is to purchase and install a plant growth chamber for the existing Biological Control Containment Facility located on the University of Minnesota campus and operated jointly by the Minnesota Department of Agriculture and the University.

The Plant Pathology Research Partnership is also requesting \$160,000 to complete the predesign phase to expand the current plant containment facility to include a plant pathology wing to allow research on quarantined plant pests of Minnesota crop and forest pests.

Recent changes from USDA-APHIS (federal licensing agency) now enable the commissioning of a joint facility, which may perform both insect biological control research and research on quarantined fungal, bacterial, viral and nematode plant pathogens. Minnesota would then be able to perform both insect and plant pathogen research at the same location and share the common headhouse, equipment and staff.

Project Description

The purpose of the Plant Pathology Research Facility is to provide a contained environment for the screening of and research on plant pathogens currently not found in Minnesota with high probability of being introduced into Minnesota crops and forests. The current Level 3 high security containment facility was approved and commissioned by USDA and opened the summer of 2003. MDA and the University operate the facility, and MDA supervises the quarantine and screening functions. Specific implementation projects or research initiatives are jointly determined and administered by MDA and the U of M. The U of M has lead responsibility for the research functions carried out within the facility. The facility is licensed by USDA-APHIS to the MDA.

The current facility consists of 1,600 square feet of Level 3 containment space and 1,600 square feet of headhouse space. It contains two walk-in plant growth chambers, and was designed for another growth chamber, which was not purchased for lack of funds in previous appropriations. The additional growth chamber will enable the facility to simultaneously perform research on three projects.

The current facility allows basic research on insects with potential as biological control agents, on biocontrol methods and biocontrol agent host range, and on the efficacy of agents to control pest insects and noxious weeds leading to their release as pest control agents. This work also facilitates and accelerates interagency and University cooperation on biological control of pests such as leafy spurge, purple loosestrife, and the Gypsy Moth. The plant pathology research facility would add about the same amount of Level 3 biocontainment space attached to the existing headhouse. Plant pathogen containment facilities will allow research on potential crop and forest pests currently under quarantine and on management strategies prior to the detection of the pest, e.g. study soybean variety resistance to soybean rust, and the biology of the pest before rust appears in Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

The proposed facility will impact operating budgets of both the MDA and the University of Minnesota. While the facility is located on the U of M campus, MDA is responsible for providing day-to-day management and supervision of the facility. The University and the MDA estimate annual operating costs of the facility at \$250,000 a year, which will be shared. This includes funding for the quarantine officer and agricultural technician, and maintenance and utilities.

Previous Appropriations for this Project

Laws of 2000, Chapter 492, Article 1, Section 2, Subd. 4b -- \$5,963,000

Other Considerations

MDA is mandated to regulate importation of exotic organisms following the guidelines set by USDA-APHIS-PPQ (Plant Protection and Export Certification /Chapter 18G.01).

MDA is also directed by statute to work toward the development of Minnesota agriculture (M.S. 17.03 subd. 1), the sustainability of Minnesota agriculture, and the development of a state approach to the promotion and use of integrated pest management (M.S. 17.114, Subd. 4). Furthermore, all Minnesota executive branch agencies are directed to use integrated pest management to the extent feasible in their land management activities (M.S. 18B.063).

The Plant Pathology Research partnership addition to Containment Facility would allow the continued development of the partnership that allows several departments within the U of M, as well as the MDA, and other Executive Branch agencies to fulfill their missions. The expansion of the facility allows the systematic, strategic, and coordinated screening, research, and field development of management strategies, including biological control agents, to control Minnesota plant pathogens.

This facility supports operational programs, and allows the following:

- The capability to study potentially damaging quarantined plant pathogens of crops and forest species prior to their detection, and damage, in Minnesota.
- Research on management strategies, including biological control, for the control of plant pathogens in advance of their detection in Minnesota crop fields or forests which is not allowed outside of licensed quarantine facilities.
- Research faculty in several disciplines to engage in basic plant pathology research on campus.
- The addressing of producer, nursery and forestry industry, and federal/state/local land management agency concerns about future economic losses and environmental damage caused by the introduction of fungal, bacterial, viral and nematode plant pests.

Minnesota is severely hampered by lack of timely and cost effective access to research and quarantine facilities for research on plant pathogens. Currently, Minnesota researchers must depend on availability of space at other facilities located in California, Hawaii or Maryland. As quarantined

pests can only be imported into licensed Level 3 biocontainment facilities, University researchers have been unable to study exotic pests with potential for economic or environmental damage to Minnesota crops and forests due to lack of timely access and the high cost of conducting research at existing facilities. A Minnesota facility would serve Minnesota and the Midwest in conducting research on plant pathogens and those pests of greatest concern to the Midwest farming region. The facility would provide Minnesota researchers with the necessary space and facilities to develop systematic programs that will ultimately benefit the citizens of the state.

Project Contact Person

Gerald Heil, Director
Agricultural Development & Resources Management Division
Minnesota Department of Agriculture
90 West Plato Boulevard
St. Paul, MN 55107-2094
Phone: (651) 296-1486
Fax: (651)
E-Mail: grald.heil@state.mn.us

Dr. Frank Pflieger
Department Head, Department of Plant Pathology
University of Minnesota
495 Borlaug Hall
1991 Upper Buford Circle
St. Paul, MN 55108-6030
Phone: (612)-625-4705
Fax: (612) 625-9728
Email: pfleg001@umn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	160	0	0	160
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	85	4,000	0	4,085
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	245	4,000	0	4,245

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	245	4,000	0	4,245
State Funds Subtotal	0	245	4,000	0	4,245
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	245	4,000	0	4,245

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	240	240	240	720
Other Program Related Expenses	70	70	70	210
Building Operating Expenses	130	130	130	390
Building Repair and Replacement Expenses	60	60	60	180
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	500	500	500	1,500
Revenue Offsets	0	0	0	0
TOTAL	500	500	500	1,500
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	245	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,700,000

AGENCY PROJECT PRIORITY: 3 of 3 ()

PROJECT LOCATION: U of M Research & Outreach Center-Crookston, U of M Research & Outreach Center-Lamberton, U of M Research & Outreach Center-Morris, U of M Research & Outreach Center-Waseca

Project At A Glance

The Minnesota Department of Agriculture (MDA) requests \$1,700,000 of state bonding for an Agricultural Land Water Management Research Partnership. MDA in partnership with the University of Minnesota Research and Outreach Centers will establish research and demonstration programs to protect both surface and ground waters impacted by agricultural runoff due to surface and subsurface drainage. The four locations are: Crookston, Morris, Lamberton, and Waseca.

The project includes design, construction and evaluation of systems or structures such as diversions, restored or constructed wetlands, constructed treatment basins, or dry storage basins adjacent to public drainage ditches; or redesigning existing agricultural drainage systems to perform diversion, treatment and storage functions.

Project Description

This project will establish infrastructure at four University of Minnesota Agricultural Research and Outreach Centers that will be used to conduct research and demonstration of various physical and equipment infrastructure improvements to the landscape for managing water quality and quantity. These infrastructure improvements will result in research and demonstration of benefits and costs of improving water quality or managing water quantity.

The centers will include projects addressing:

- Different types of water quality and quantity treatments, including bioremediation through wetlands, and other bioreactor mediums, as well as dryland storage of runoff from farmyards and farmfields.
- Incremental flood storage with new drainage designs and practices;
- Incremental flood storage within or adjacent to existing public and private drainage systems;

Impact on Agency Operating Budgets (Facilities Notes)

MDA is requesting \$250,000 in general fund operating dollars for monitoring equipment, etc for items that are not bondable.

Previous Appropriations for this Project

Laws of 2000, Chapter 488, Article 3, Section 5, appropriated \$300,000 of General Fund Dollars to initiate improvements at Lamberton and Waseca.

Other Considerations

Most agricultural land water management systems were designed between 1900 and 1950. Though still functioning, are in need of general repair and maintenance and these systems are carrying a very heavy load, for which they were not originally designed. Changing land use and weather patterns and changing agricultural production systems are also impacting these drainage systems.

The aging infrastructure for agricultural land water management systems will need to undergo major redesign, rehabilitation or replacement in the next 10-20 years. To retrofit an aging infrastructure, and establish options for new drainage systems, the following environmental criteria need to be considered before establishing rural water management projects:

- ◆ benefits and costs (public and private);
- ◆ alternative storage and retention
- ◆ anticipated flooding affects (positive and negative);
- ◆ effects on water quality and quantity;
- ◆ affects on fish and wildlife;
- ◆ affects on shallow groundwater availability, and the overall affects.

Under M.S. 17.03 which defines the powers and duties of the commissioner, Subd. 1 specifically requires MDA to work cooperatively with the University of Minnesota on conducting agricultural research and to disseminate agricultural information. The Department is also directed to work on the long-term sustainability of agriculture through the development of best management practices.

Current emphasis on improving water quality in the State of Minnesota compels MDA to evaluate current drainage water quality improvement practices, to evaluate current drainage water quantity problems to determine

Agriculture Water Management Research Partnership

way to improve both the methods of water runoff, water storage and retention on the land so that it does compound flooding problems and/or impair water quality.

Lessons Learned from Waseca and Lamberton:

- ⇒ Preliminary results at Waseca (most developed program) show very good promise of addressing two key issues involving ag-land drainage: speed and volume of discharges from ag drainage systems, and nitrogen loading in those discharges. Results to date for alternative drainage designs show reductions in volume of discharge of 30-40%, and similar nitrate loading reductions.
- ⇒ Due to variable weather patterns, long-term research will be essential to monitor change over time within drainage systems. Two or three years of research are insufficient to capture adequate data for modeling and program development.
- ⇒ Alternative drainage systems or practices show promise, but will require additional cost for producers during the installation or start-up phase. Practices having technical supporting data with proven benefits to water quality and shallow aquifer recharge may become eligible for USDA NRCS cost-share. These projects are key in providing the data to make practices cost-sharable.
- ⇒ Practices designed to work on research stations, need to be paired with a larger representative landscapes. The work on experiment stations provide opportunity to calibrate computer modeling at a small scale to confer with larger scale runoff data from within a similar landscape.
- ⇒ The Research and Outreach Centers represent 4 distinct agroecoregions, with significant differences in rainfall. Crookston, lake bottom soils and very flat landscape with overland flooding; Morris, prairie pothole lakes and wetlands region of the state; Lamberton, the Buffalo Ridge; Waseca, undulating soils and scattered wetlands complexes representative of south central Minnesota. Each station needs a research capability to address its unique environmental features related to the regions resources of concern.

Project Contact Person

Mark Dittrich, Planner Senior

Paul Burns, Assistant Director

90 West Plato Boulevard
St. Paul, MN 55107-2094

Phone: (651) 296-1482

Fax: (651) 297-7678

E-Mail: Mark.Dittrich@state.mn.us

90 West Plato Boulevard
St. Paul, MN 55107-2094

Phone: (651) 296-1488

Fax: (651) 297-7678

E-Mail: Paul.Burns@state.mn.us**Governor's Recommendations (To be completed by the Department of Finance at a later date)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	170	0	0	170
3. Design Fees	0	230	0	0	230
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,021	0	0	1,021
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	279	0	0	279
9. Inflation	0	0	0	0	0
TOTAL	0	1,700	0	0	1,700

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,700	0	0	1,700
State Funds Subtotal	0	1,700	0	0	1,700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,700	0	0	1,700

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,700	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Flood Hazard Mitigation Grants	1	GO	\$20,000	\$20,000	\$20,000	\$0	\$0	\$0
Dam Repair/Reconstruction/Removal	2	GO	1,000	1,000	1,000	0	0	0
RIM - Critical Habitat Match	3	GO	4,000	4,000	4,000	0	0	0
RIM - Wildlife Area Land Acquisition	4	GO	12,000	12,000	12,000	0	0	0
Fisheries Acquisition and Improvement	5	GO	1,082	1,000	1,000	0	0	0
Water Access Acq, Better, & Fishing Piers	6	GO	3,500	3,500	3,500	0	0	0
Stream Protection & Restoration	7	GO	500	500	500	0	0	0
Reforestation	8	GO	3,000	3,000	3,000	0	0	0
Metro Greenways and Natural Areas	9	GO	1,000	1,000	1,000	0	0	0
Native Prairie Bank Easements & Development	10	GO	1,000	1,000	1,000	0	0	0
SNA's Acquisition & Development	11	GO	500	500	500	0	0	0
State Trail Acquisition & Development	12	GO	2,000	2,000	2,000	0	0	0
Forest Stand Improvement	13	GO	200	200	200	0	0	0
Fish Hatchery Improvements	14	GO	1,750	1,800	1,800	0	0	0
RIM - Wildlife Management Area Development	15	GO	1,000	1,000	1,000	0	0	0
State Forest Land Acquisition	16	GO	1,300	1,300	1,300	0	0	0
Forest Roads and Bridges	17	GO	1,300	1,300	1,300	0	0	0
State Park Acquisition	18	GO	3,000	3,000	3,000	0	0	0
State Parks Bldg. Dev & Rehab/Infrastructure	19	GO	18,200	17,000	17,000	0	0	0
RIM - Con-Con Designated WMA Boundary Survey & Pos	20	GO	1,000	1,000	1,000	0	0	0
Shooting Range Development	21	GO	1,000	1,000	1,000	0	0	0
Lake Superior Safe Harbors	22	GO	3,500	3,500	3,500	0	0	0
Local Initiative Grants	23	GO	2,500	2,500	2,500	0	0	0
State Trail Connections	24	GO	250	250	250	0	0	0
Statewide Asset Preservation	25	GO	5,000	5,000	5,000	0	0	0
Field Office Renovation & Improvements	26	GO	4,000	4,000	4,000	0	0	0
Office Facilities Development	27	GO	6,400	13,000	13,000	0	0	0

Project Total	\$99,982	\$105,350	\$105,350	\$0	\$0	\$0
General Obligation Bonding (GO)	\$99,982	\$105,350	\$105,350	\$0	\$0	\$0

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

2004 STATE APPROPRIATION REQUEST: \$20,000,000

AGENCY PROJECT PRIORITY: 1 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Reduces repetitive flood losses.
- ◆ Provides match funding for federal flood control projects.

Project Description

This request will provide \$20 million in bonding for state cost-sharing grants to local government units under the Flood Hazard Mitigation Grant Assistance Program pursuant to Minnesota Statutes section 103F.161. This program allows the DNR to make cost-sharing grants of up to 50% of non-federal project costs to study and implement measures that will reduce or eliminate flood damages. These projects will reduce future flood damages and be built in cooperation with federal, state, and local governments.

Major floods in 1997, 2001 and 2002 created a significant awareness of the damage floods can cause. Minnesota's flood damages in 1997 are estimated to have exceeded \$1.5 billion. It is very cost effective to prevent flood damages instead of having to do flood fighting and extensive repair and rehabilitation of communities. Minnesota's repetitive flood damages could be significantly reduced by a long-term funding commitment to Flood Hazard Mitigation projects.

Funding on federal flood control projects is approximately 65% federal and 35% non-federal. 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 to pick up that portion of the local share of projects that exceeded 2% of median household income.

This request includes funding to keep the federal flood control projects on schedule over this two-year bonding cycle and provide for a floodwater storage project in the Wild Rice watershed using state and local funds.

⇒ **City of Montevideo**

The U.S. Army Corps of Engineers is preparing the final plans and specifications for the construction of this federal flood control project that includes the construction of flood control levees by raising and strengthening portions of U.S. Highway 212 and C.S.A.H. 7 to provide protection to significant portions of the city. The total project construction cost is estimated to be \$7.3 million. The non-federal share of the project is \$2.9 million. Under the 2% of median household income threshold, the city's share will be \$922,000 with the state's share being the remaining \$1.98 million. Construction is scheduled to begin in 2004 and be completed by December 2005. \$250,000 was appropriated in 1999.

⇒ **City of Breckenridge**

The U.S. Army Corps of Engineers is constructing this federal flood control project for the city that includes a flood by-pass channel and levees. The total project is estimated to cost \$22.2 million. The non-federal share is estimated to be \$7.9 million. Under the 2% of median household income threshold, the city would be responsible to provide \$642,000. The by-pass channel is scheduled for construction in 2004 and the levee section will be built in 2005. State appropriations were provided in 1999 and 2000.

⇒ **City of East Grand Forks**

The total project costs for East Grand Forks are approximately \$142 million. The non-federal portion is \$65 million. To date, the legislature has provided \$50 million. The total state cost-share is estimated to be \$63.3 million. At the 2% of median household income threshold, the city's responsibility is \$1.7 million, which the city has provided. Significant construction occurred in 2001, 2002 and 2003. The next two stages are construction of levees in the northwestern part of the city, and construction of the Hartsville Coulee diversion channel.

Flood Hazard Mitigation Grants

⇒ **City of Ada**

The U.S. Army Corps of Engineers is undertaking a feasibility study for the construction of levees to protect the city.

⇒ **Wild Rice Watershed**

This is a state and local funded project to provide additional floodwater storage in the Wild Rice River watershed.

⇒ **City of Roseau**

The U.S. Army Corps of Engineers is conducting a feasibility study for the city. It is estimated that a federal flood control project would have a total cost of about \$15 million.

Other Priority Flood Hazard Mitigation Projects

Demand for flood hazard mitigation projects exceeds this bonding request. Additional projects include:

East Grand Forks	Northeast road raise/levee construction
Golden Valley	Flood proofing homes
Minneapolis	Flood proofing homes
Little McDonald Lake	Lake outlet & flood proofing homes
North Ottawa	Red River Mediation floodwater impoundment

Impact on Agency Operating Budgets (Facilities Notes)

Current agency staff funded with General Fund appropriations would administer flood hazard mitigation project bonding funds.

Previous Appropriations for this Project

None.

Other Considerations

The consequences of taking no action are that projects may be delayed several years or may not be completed at all. This means that the current level of flood damage potential in these areas would continue unabated. Delays in funding also increase project costs due to inflation.

Grant criteria are identified in M.S. section 103F.161. The most critical need is to have a consistent level of funding so that the DNR and local

governments can plan for and schedule flood damage reduction projects. Over time, the flood damage mitigation projects will significantly reduce damages to homes and businesses and provide environmental benefits. As the large federal flood control projects are completed, the need for future state bonding will decrease.

Project Contact Person(s)

Kent Lokkesmoe, Director
DNR Waters
500 Lafayette Road, Box 32
St. Paul, MN 55155-4032
Phone:(651) 296-4810
Fax: (651) 296-0445
Email: kent.lokkesmoe@dnr.state.mn.us

Ed Fick, FDR Hydrologist
DNR Waters
500 Lafayette Road, Box 32
St. Paul, MN 55155-4032
Phone:(651) 215-1954
Fax: (651) 296-0445
Email: ed.fick@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	20,000	20,000	20,000	60,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	20,000	20,000	20,000	60,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	20,000	20,000	20,000	60,000
State Funds Subtotal	0	20,000	20,000	20,000	60,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	20,000	20,000	20,000	60,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Dam Repair/Reconstruction/Removal

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 2 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Respond to emergencies at public dams.
- ◆ Remove or modify river dams.
- ◆ Repair or reconstruct lake outlet dams.

Project Description

State funding of \$1 million is requested for dam safety emergencies and priority repair, reconstruction, and removal projects.

Minnesota's public dams infrastructure includes over 800 dams owned by the state, cities, counties, and watershed districts. Most of these public dams are over 50 years old and require ongoing repair 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 is causing property damage, so a portion of dam project appropriations are retained for emergencies until the end of the two-year bonding cycle. Any emergency funds remaining at the end of the two-year bonding cycle are used on the next highest priority project.

Minnesota Statutes section 103G.511 provides for matching grants to local governments for dam repair or reconstruction, and section 103G.515, subdivision 5 allows the state to pay the entire cost of removing certain dams. Funding would be used to address emergencies and implement the highest priority projects on the current statewide dam project priority list prepared pursuant to section 103G.511, subdivision 12. Project priorities are subject to change based on results of dam safety inspections, readiness of local project sponsors, and other factors. The top ten projects on the statewide priority list as of June 1, 2003 are shown in the following table. The requested \$1 million would provide for about half of these projects to be constructed in this bonding cycle.

Project	Owner	County	Project Type	Primary Needs
Kenyon	City	Goodhue	Remove	prevent collapse
Owatonna	City	Steele	Remove/ modify	safety/restore fish passage
Ogechie Lake	DNR	Mille Lacs	Modify	safety/restore fish passage
Heiberg	WRWD	Norman	Remove/ modify	restore fish passage
Little Stone Lake	County	St. Louis	Repair	safety
Jackson	City	Jackson	Modify/ remove	safety/restore fish passage
Albert Lea Lake	County	Freeborn	Reconstruct	maintain lake levels
Nine WPA Dams	Various	Various	Feasibility Reports	rehabilitation
Esquagama Lake	DNR	St. Louis	Repair	maintain lake levels
Mountain Lake	DNR	Cottonwood	Reconstruct	required for bridge replacement

Impact on Agency Operating Budgets (Facilities Notes)

Current agency staff would administer dam safety project bonding funds.

Previous Appropriations for this Project

None.

Other Considerations

This request is part of an ongoing program to manage Minnesota's public dams infrastructure and protect lakes and rivers. Dams maintain water levels on most of our recreational lakes, providing significant recreation, tourism, and economic benefits. For example, Mille Lacs, Minnetonka, and Ottertail

Dam Repair/Reconstruction/Removal

Lakes all depend on dams to maintain water levels and surrounding property values. Making needed repairs limits the potential liability of DNR and the local governments that own dams, protects the public safety, and saves money over the long run. This program also includes the removal or modification of obsolete dams that no longer provide significant public benefits and whose rehabilitation would not be cost effective or good for the environment.

Consistent, long-term funding of about \$2 million per biennium is necessary to adequately maintain public dams and to remove dams that become obsolete or safety hazards. DNR Water's 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, MN 55155-4032
Phone: (651) 296-4810
Fax: (651) 296-0445
Email: kent.lokkesmoe@dnr.state.mn.us

Mel Sinn, Administrative Hydrologist
DNR Waters
500 Lafayette Road, Box 32
St. Paul, MN 55155-4032
Phone: (651) 296-4806
Fax: (651) 296-0445
Email: mel.sinn@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,000	1,000	1,000	3,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

RIM - Critical Habitat Match

2004 STATE APPROPRIATION REQUEST: \$4,000,000

AGENCY PROJECT PRIORITY: 3 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Match \$4 million dollars in private donations
- ◆ Acquire 4,000 acres of critical fish, wildlife, and native plant habitat

Project Description

This request is for \$4 million to match an equal amount of private donations. This program provides an opportunity for private individuals, groups, and businesses to help fund the cost of acquiring or improving critical fish, wildlife, and native plant habitats. Contributions of 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 and secure 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. Work is also undertaken to improve habitat for nongame species. The private match for the nongame projects comes from the contributions to the nongame wildlife management account.

Donations to the CHM Program have averaged \$1.5 million per year over the past five years. Additional CHM funds would allow the DNR to more aggressively solicit donations to 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.

Currently, \$2 million in annual proceeds generated by the Critical Habitat License (CHM) Plate Program are credited (M.S. 168.1296, Subd. 5) to the RIM Matching account (M.S. 84.943) and are used as state matching funds under the RIM Match Program. If the CHM Plate contributions are made consistent with other voluntary contribution programs, such as the Nongame Program check-off on the state tax forms, an additional \$2 million per year in RIM Matching dollars would be needed. A legislative change would be required in the 2004 session. Combined with the anticipated \$1.5 million/year in other private donations, a minimum of \$3.5 million/year (\$7 million/biennium) in RIM Match funds would be required to match these eligible donations.

Impact on Agency Operating Budgets (Facilities Notes)

Acquisition of lands under this program will increase agency costs in two areas: (1) Payment in-lieu-of-taxes that the state provides the counties to offset the loss of property taxes due to state ownership, and (2) 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

M.L. 1996, Chap. 463, Sec. 7, Subd. 22	Bonding	\$2,500,000
M.L. 1996, Chap. 407, Sec. 8, Subd. 7(a)		
	Environmental Trust Fund	630,000
	Future Resources Fund	120,000
M.L. 1997, Chap. 216, Sec.15, Subd. 17(l)		
	Environmental Trust Fund	630,000
M.L. 1997, Chap. 216, Sec.5, Subd. 14	General	600,000
M.L. 1998, Chap. 404, Sec.7, Subd. 14	General	5,500,000
M.L. 2000, Chap. 492, Sec.7, Subd. 27	Bonding	750,000
M.L. 2002, Chap. 393, Sec.7, Subd. 28	Bonding	400,000

Other Considerations

The CHM Program is one of the most innovative and successful programs in the country for enhancing environmental quality; fish, wildlife, and native plant habitats; and recreation. The program has been highly successful in leveraging non- state funds. Over 426 different donors, including 212 conservation groups, 16 corporations, and 193 individuals, have contributed

\$6.8 million in cash and \$21.5 million in land to the state through the CHM Program. Major donors include The Nature Conservancy, Ducks Unlimited, Pheasants Forever, and the Minnesota Deer Hunters Association.

Project Contact Person

Kim Hennings

Wildlife Acquisition Consultant

Box 7, DNR Building

500 Lafayette Road, St. Paul, MN 55155-4007

Phone: 651-297-2823

Fax: 651-297-4961

E-mail: kim.hennings@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	3,400	3,400	3,400	10,200
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	600	600	600	1,800
5. Construction Costs	0	900	900	900	2,700
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	4,900	4,900	4,900	14,700

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	4,000	4,000	12,000
State Funds Subtotal	0	4,000	4,000	4,000	12,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,000	4,000	4,000	12,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

RIM - Wildlife Area Land Acquisition

2004 STATE APPROPRIATION REQUEST: \$12,000,000

AGENCY PROJECT PRIORITY: 4 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Purchase 11,400 acres of Wildlife Management Area lands in fiscal years 2004 and 2005
- ◆ Partner with private conservation organizations and other state and federal programs to acquire an additional 11,400 acres in fiscal years 2004 and 2005

Project Description

This request is for \$12 million in state funds to accelerate acquisition of Wildlife Management Areas (WMAs). Minnesota has one of the finest systems of publicly owned WMAs (1,355 units, 878,000 acquired acres in 86 of 87 counties) in the country that permits Minnesotan's citizens and nonresidents to enjoy wildlife and our natural heritage. In addition to protecting wildlife habitat, the WMA acquisition program is important in conserving surface water; preserving unique vegetation, natural beauty and open space; and providing areas for outdoor recreation compatible with wildlife management.

Minnesota's Wildlife system plays a major role in providing opportunities for hunting and wildlife watching activities, a \$1 billion industry in the state. Fifteen percent of Minnesotans hunt and 52 percent of Minnesota residents watch wildlife. Additional WMA lands will play a key role in providing the additional access to quality wildlife lands to meet the future recreational needs for public hunting and wildlife-related recreation.

A Citizen's Advisory Committee report on the Wildlife Management Area land acquisition program recommended an accelerated goal of acquiring 210,500 acres of new WMA lands within the next 10 years. The estimated cost of accomplishing this goal is \$22 million per year (\$44 million/biennium). Funding sources such as RIM Match, Environmental Trust Fund, or the \$6.50

surcharge on the small game hunting license are anticipated to generate approximately \$6 million/biennium for WMA acquisition. Other existing and potential federal and private funding sources provide an estimated additional \$6 million/biennium for direct and indirect acquisition of WMA lands. A funding level of \$32 million per biennium plus the estimated \$12 million/biennium in other funding sources would provide the \$44 million/biennium needed to obtain the accelerated acquisition goal recommended by the committee. The request for the FY 2004-2005 biennium is for slightly less than half this amount due to the time necessary to develop an accelerated acquisition program to handle the increased workload.

The above acquisition goal cannot be met without new appropriations for this purpose. Existing funds from the wildlife acquisition surcharge provides about \$915,000 annually for acquisition. Critical habitat match has helped, but acquisition is often restricted by donation contingencies. Presently, there are currently willing sellers for over \$14.5 million of priority WMA lands with more to be identified over the next few months. If these lands are not acquired now, the state may not have an opportunity to purchase them for many decades and some of the areas may be destroyed if they are not protected. Completing acquisition of parcels within existing WMA project areas would increase management efficiency, reduce development costs, compliment previous land and development investments, enhance public use and existing wildlife habitats.

Impact on Agency Operating Budgets (Facilities Notes)

Lands acquired as part of the WMA system present 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.

In the mid-term and long term there is also a continuing commitment to the Division of Wildlife for development and maintenance on new WMA lands. Habitat restoration costs may include but not limited to grassland development, forest or woody cover development or improvement, brushland management, and food plot development. These costs can be paid by other bonding requests, Game and Fish funds, Environmental Trust Funds, or funds from private partner organizations.

Previous Appropriations for this Project

ML 1997, Chapter 216, Sect. 15, Subd. 17(l)	Trust Fund	\$500,000
ML 1996, Chapter 463, Sect. 7, Subd. 22	Bonding	500,000
ML 1998, Chapter 404, Sect. 7, Subd. 14	General	1,500,000
ML 2002, Chapter 393, Sect. 7, Subd. 28	Bonding	400,000

Other Considerations

None

Project Contact Person

Kim Hennings
Wildlife Acquisition Coordinator
Dept. of Natural Resources
Box 7, DNR Building, 500 Lafayette Road, St. Paul, MN 55155-4007
Phone: 612-297-2823
Fax: 612-297-2823
E-mail: kim.hennings@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	10,200	10,200	10,200	30,600
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	1,800	1,800	1,800	5,400
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	12,000	12,000	12,000	36,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	12,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	12,000	12,000	12,000	36,000
State Funds Subtotal	0	12,000	12,000	12,000	36,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	12,000	12,000	12,000	36,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

2004 STATE APPROPRIATION REQUEST: \$1,082,000

AGENCY PROJECT PRIORITY: 5 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Acquire in fee title or easement various aquatic management area parcels throughout the state.
- ◆ Implement habitat improvement, rehabilitation, and development projects that meet at least minimum improvement requirements.

Project Description

This request is for \$1.082 million in bonding for the acquisition of aquatic management areas, expansion of existing parcels, and for implementing habitat improvement and development.

Up to \$1 million will be used to acquire aquatic management areas on lakes and streams. We will also implement lake/stream protection and management efforts, including but not limited to aquatic plant restoration, bank stabilization, and aeration. The funds may be used to assist local governments and individuals with projects that provide protection or access to aquatic systems.

The department's strategic plan, *Directions for Natural Resources 2000*, outlines the major goals and strategies for achieving the Department of Natural Resources's (DNR's) vision and provides the framework for guiding budget investment decisions. Acquisition and habitat improvements are a direct step to implementing two DNR goals: 1) "Aquatic systems will have a high degree of ecological health and integrity," and 2) "Outdoor enthusiasts will have access to Minnesota's natural resources for a variety of recreation opportunities."

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 and to provide

management and angler access and protection to aquatic habitats. The funds will also be used to support habitat improvements that may be done in cooperation with local watershed efforts. Without these funds, the DNR's ability to protect critical fish habitat and provide recreational access to Minnesota's aquatic systems is hampered. There will be no or minimal impact on administrative or staffing budgets. Any increased costs that do arise will be absorbed within the existing budget.

Previous Appropriations for this Project

Land acquisition costs of \$2 million were funded in 2001 from the Environmental Trust Fund. Habitat improvement and restoration costs of \$250,000 were funded in 2001 from the Environmental Trust Fund.

Other Considerations

Fishing is the foundation of Minnesota's tourism industry, providing \$1.3-2.8 billion annually in direct expenditures to the state's economy. Minnesota has about 1.6 million licensed anglers. The demand for property near or on the water is growing, and many areas are experiencing an increase in riparian area development. Acquisition of parcels will ensure that public access to water resources will be possible, that critical habitats can be protected, and that habitat improvement projects can take place so that Minnesota maintains its reputation for excellent fishing opportunities.

Today's economy presents an opportunity to acquire parcels that previously have not been available. Staff indicates that many agricultural producers are looking to sell small parcels to raise money during this time when profits from farm products are low. In addition, the demand for shore land is causing increases in prices. Many individuals who have not considered selling parcels in the past are now showing interest. Fisheries have identified some of these as having high resource value.

The Division of Fisheries depends on outside funds for doing large-scale habitat improvements, and for acquisition opportunities that can't be funded with operational funds. These funds will be used to work in those corridors of the state and on projects that are not currently identified in either the Heritage or Legislative Commission on Minnesota Resources (LCMR) appropriations.

Acquisition and habitat improvement projects are based on the professional judgment of field managers. Projects must meet a variety of criteria to be

eligible as defined in work program narratives. The Division of Fisheries develops statewide-prioritized lists of parcels and project areas that are valuable resource sites. Staff then takes advantage of those opportunities that arise as willing sellers are identified or specific habitat improvement needs are addressed.

Project Contact Person

Linda Erickson-Eastwood, Fisheries Program Manager
DNR, Fisheries
500 Lafayette Road, Box 12
St. Paul, MN 55155-4012
Phone: (651) 296-0791
Fax: (651) 297-4916
E-mail: linda.erickson-eastwood@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	850	850	850	2,550
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	150	150	150	450
5. Construction Costs	0	82	0	0	82
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,082	1,000	1,000	3,082

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,082	1,000	1,000	3,082
State Funds Subtotal	0	1,082	1,000	1,000	3,082
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,082	1,000	1,000	3,082

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,082	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Water Access Acq. Better, & Fishing Piers

2004 STATE APPROPRIATION REQUEST: \$3,500,000

AGENCY PROJECT PRIORITY: 6 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ \$2 million acquisition and development of new boat access sites
- ◆ \$1 million rehabilitation of existing boat access sites
- ◆ \$500 thousand construction of new fishing piers and shorefishing sites

Project Description

This request is for \$3.5 million which will provide the public with new and improved boat access fishing piers and shorefishing sites throughout the state. This proposal will allow for acquisition and construction of about 8-10 new boat access sites, rehabilitate about 10 sites and construct 20-25 fishing piers and shorefishing sites.

The current statewide system includes more than 1,550 boat access sites and over 275 fishing piers and shorefishing sites. This request has become more urgent since the program received no capital funds in either FY2000 or FY2002. 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.

Minnesota is known for its lakes! We currently are fourth in the nation with 835,000 licensed boats and first per capita with one boat for every six people. The number of boat licenses is increasing about 1% per year.

A typical Department of Natural Resources (DNR) boat access site is one to seven acres in size, 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 \$10 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, which they already own as citizens of the state. Guiding our decisions on priorities is the water access policy, which contains criteria 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 on week-ends were routinely full. The demand is significant 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, who accounted 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 hsp) 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, turn-arounds, 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 due to an upgraded facility.

To reduce operating costs, the DNR emphasizes cooperative projects whereby we develop a site by providing capital funds and the local unit of government operates and maintains the site especially for fishing piers and shore fishing sites.

Previous Appropriations for this Project

1998 Bonding \$2 million.

Other Considerations

Federal Funding:

This program earns approximately \$2.2 million in federal funds per year. Under the federal Wallop-Breaux Act, Minnesota's boat access program earns federal funds from two sources. 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 access annually to earn over \$1.6 million of federal funds. At the federal level, these funds are administered by U.S. Fish and Wildlife Service.

The second source of Federal funds for boat access is the Boating Safety Program managed by the U.S. Coast Guard. Minnesota receives \$600,000 per year on a 50/50 match basis using state capital funds.

Project Contact Person

Mike T. Markell, Program Manager
DNR Trails and Waterways Unit
500 Lafayette Road, Box 52
St. Paul, MN 55155-4052
Phone: (651) 296-6413
Fax: (651) 297-5475
E-mail: mike.markell@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	900	900	900	2,700
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	100	100	100	300
4. Project Management	0	100	100	100	300
5. Construction Costs	0	2,400	2,400	2,400	7,200
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	3,500	3,500	3,500	10,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,500	3,500	3,500	10,500
State Funds Subtotal	0	3,500	3,500	3,500	10,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,500	3,500	3,500	10,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 7 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Restore 2 degraded trout stream segments.
- ◆ Conduct channel design work to ensure successful restoration.

Project Description

This request is for \$500,000 from the state bond fund for Stream Protection and Restoration.

Rivers are among the most greatly impacted ecosystems in Minnesota. Degraded rivers provide degraded values; water quality, biological condition (e.g., loss of species), erosion and sediment movement, hydrology (amount and timing of water flow) and aquatic habitat are all affected. Restoration of rivers will improve property values, fish and wildlife habitat, water quality, and water availability, while reducing erosion and downstream flooding.

A. Stream Restoration – Design: (\$65 thousand)

This request for Stream Restoration design is necessary to ensure that restoration work follows natural channel design principles and is implemented with knowledgeable staff oversight. Restoration refers to returning the river to a condition where its dimensions, pattern and profile are matched with the water and sediment provided by its watershed, so that the design channel neither accumulates nor removes sediment from its bed. The best blueprints for these design concepts are available through close (quantified) observations of the natural, stable channel form. This work requires specific knowledge and application of watershed hydrology, river morphology, sediment size, and channel behavior. When the design plans are completed, digging the channel to specifications requires attention to its location and pattern on the land, bed and bank elevations, channel width and shape (i.e., riffles are shaped differently than pools) and sloping the banks and floodplain at the proper grades. Successful restoration also requires

construction of riffles for bed stability, installation tree revetments for bank stability, landscaping, including installation of willow stakes, laying wood fiber mats and replanting the construction area with seeds.

B. Stream Restoration - Implementation: (\$435 thousand)

This request for Stream Restoration implementation places priority on a group of stream projects, listed below. Project costs include those associated with engineering services including survey work to develop topography maps, work to incorporate design and to develop plans and specifications, work to produce bid and specifications packages, and the final construction.

Hay Creek and Trout Brook, Goodhue County: (\$210 thousand)

Trout Brook is a small, but fishable, coldwater stream within the city limits of Red Wing, Minnesota. Although poor land management in the early 1900's caused severe degradation and extirpated the native brook trout, conditions have improved considerably, albeit slowly. The lower segment of Trout Brook was shortened considerably, from about 0.53 miles to 0.33 miles, in the 1970's when the Foot Tannery diverted the stream away from its settling basins. This diversion was permitted by DNR, likely because the stream was still degraded and fishless at the time. Beaver dams have also diverted the lower segment of the stream at times. The substantial reduction in the length of this stream segment resulted in an increased stream gradient. As a result, a 5-foot headcut has formed and has eroded many tons of sediment while progressing to mid-way up the segment. The receiving water for this sediment is Hay Creek, which has been channelized and is also a designated trout stream. At present, this section of Trout Brook is providing little fish habitat in its degrading, unstable state. Restoring the channel gradient and dimensions would allow natural riffle/pool maintenance. The project would restore the ecological functions of these coldwater streams with a self-sustaining brook trout population.

Dark River, St. Louis County: (\$225 thousand)

The Dark River is the premiere trout stream in the Grand Rapids DNR Fisheries Management Area supporting self-sustaining populations of brook and brown trout, as well as northern brook lamprey, creek heelsplitter mussel and black sandshell mussel, which are U.S. Forest Service Sensitive Species. Temperature and preliminary habitat modeling suggest that stream stability has been compromised in some reaches which has led to a reduction in quality habitat and preferred temperatures and likely to reduced

abundance for the above listed species. Likely causes of the instability include: decades of beaver dams, road crossing impacts and possibly other watershed alterations. This restoration project will ensure long-term sustainability of the channel and the species it supports.

This project is part of an ongoing cooperative effort to improve conditions in the Dark River for the above listed species. Partners in the project include the MN DNR, US Forest Service - Superior Nation Forest, Trout Unlimited, Potlatch Corporation, MN Pollution Control Agency, Fond du Lac Reservation Department of Resource Management and USDA Wildlife Services. The restoration will also serve as a comparison on the stream geomorphology methodology for improving fish habitat compared to traditional habitat improvement techniques, which focus on improving habitat for a single life stage of a single species without considering stream stability.

Impact on Agency Operating Budgets (Facilities Notes)

New restoration projects increase the workload within the stream habitat program. The level of funding in the two areas reflects that which is necessary to do all of the work, from field work to extract the channel geometry and ratios to be used in the design, to the design work itself and the work associated with bringing the design on paper to the landscape (contractor supervision and oversight) as well as the costs for engineering services and the contractor.

Previous Appropriations for this Project

In 1999, Stream Protection and Restoration was funded at \$1 million. In 2003, Stream Protection and Restoration was funded at \$500 thousand.

Other Considerations

Too many 'river restorations' have been aimed at stabilizing the river, with 'hard controls' (concrete and rip rap). Often these approaches have led to the need for additional work, as impacts were moved downstream or habitat was lost. The restoration approach being proposed has been shown to be successful, in terms of physical (geomorphological) stability, as well as providing for fish habitat, and aesthetics.

Project Contact Person

Ian Chisholm, River Ecologist
Ecological Services Division
Minnesota DNR
380 South Lafayette Road, St. Paul, MN 55107
ph: 651-296-0781
email: ian.chisholm@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	45	45	45	135
5. Construction Costs	0	455	455	455	1,365
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	500	500	500	1,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	500	500	1,500
State Funds Subtotal	0	500	500	500	1,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	500	500	1,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Reforestation

2004 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 8 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ \$1.750 million for site preparation and planting of 5,000 acres of state forestlands to assure optimal stocking of tree species most ecological suitable to specific sites
- ◆ \$1.0 million for protection and maintenance of 5,000 acres of plantations until plantations are "free-to-grow"
- ◆ \$250,000 for seeding 1,000 acres of harvested black spruce forestlands

Project Description

This request is for \$3.0 million to adequately address Minnesota Statutes 89.002, Subdivision 2 that requires:

- ⇒ Reforestation of all harvested state forestlands;
- ⇒ Maintenance of all state forests in appropriate forest cover, stocking, growth rate and health; and
- ⇒ Restoration to productivity of state forestlands damaged by natural causes or in a poorly stocked condition.

Careful, adequate and full reforestation 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 a tourism industry, and ecological values that sustain our quality of life. Adequate reforestation addresses the long-term sustainability of Minnesota's forests which should be considered a capital investment rather than a yearly operating expense.

The Division of Forestry will identify and seek funding in excess of \$5 million of general fund appropriations during the next biennium for reforestation activities including planting, seeding, site preparation, tree seedling and seed purchase, and plantation protection. Historically general fund appropriations

have not been great enough to meet this need and funding has only addressed 60 to 70% of the identified yearly needs. In addition, identified needs address only the most critical reforestation needs. To optimally reforest harvested areas and rely less on natural regeneration when artificial regeneration is more desired, an additional \$4.4 million would be needed annually.

There are also additional reforestation needs beyond those identified to reforest harvested and understocked areas. Periodic catastrophic weather events such as wind and flooding, and insect and disease outbreaks such as spruce budworm and bark beetles create additional, unplanned reforestation needs. Meeting these unexpected needs cannot be adequately addressed through the annual general fund appropriations.

Protection measures are required to protect investments in artificial regeneration until the trees on these areas are "free to grow." As areas of artificial regeneration increase, funding needs for protection increase. Higher deer populations are the trend. Deer browse destroys entire plantations, and initial investments made in reforestation are lost. Increased funding for protection efforts reduces away funding for site preparation, planting, and planting stock purchases. This will lead to fewer acres being optimally reforested through artificial reforestation efforts.

Impact on Agency Operating Budgets (Facilities Notes)

The DNR Division of Forestry operating budget does not contain sufficient funds to meet current and anticipated reforestation needs. Capital investment will help meet reforestation goals and statutory requirements.

Previous Appropriations for this Project

None.

Other Considerations

Project Contact Person

Alan Jones, Supervisor
Forest Development, Health & Use
Department of Natural Resources
500 Lafayette Rd
St. Paul, MN 55155
Phone: (651) 296-4482

Fax: (651) 296-59

Email: alan.jones@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	3,000	3,000	3,000	9,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	3,000	3,000	3,000	9,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,000	3,000	3,000	9,000
State Funds Subtotal	0	3,000	3,000	3,000	9,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,000	3,000	3,000	9,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 9 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Permanent protection of regionally significant habitat in the metro area through acquisition of conservation easements and/or fee title from willing landowners.
- ◆ Leveraging at least \$1 million of non-state funds.

Project Description

This request is for \$1.0 million in bonding to protect critical, high-value, ecologically significant natural areas, habitat and greenways within focus areas designated by the Metropolitan Area Wildlife Corridors Project. The DNR, through its Metro Greenways Program, will acquire through conservation easements and/or fee title, land parcels that provide regionally significant habitat. The program will be implemented in a manner consistent with the report of the 1997 Greenways and Natural Areas Collaborative: *Metro Greenprint – Planning for Nature in the Face of Urban Growth* and the LCMR 2003 Metropolitan Area Wildlife Corridors Project.

Acquisition will only be implemented when the landowners are willing and local government or community support the project. All land acquired by fee title will be owned and managed by a DNR unit or another government entity. DNR will hold or co-hold the conservation easements acquired. In all cases, DNR will either hold title or a conservation easement. A natural resource management plan will be required of each project which will specify responsibility for ongoing management and stewardship. Metro Greenways will maintain project files containing these management plans and will do annual monitoring of the site's management and its consistency with the management plan and any easement conditions.

Three to six projects will be funded which score highest based on criteria that address: a) location in, buffering or connecting a Regionally Significant

Terrestrial and Wetland Ecological Area; b) ecological quality of the site; c) environmental and other public benefits; d) non-state cash and in-kind funds committed to the project; e) willing landowner; f) commitment of acquiring landowner; g) project timing and feasibility (including project readiness and absence of liability); h) capacity and commitment of long term site manager; i) imminence of threat; j) local community support; k) MAWC partner interest and support; l) potential as demonstration project (including visibility); and m) geographic distribution.

Very little of the regionally significant natural areas remain in the metro region and much of it is in scattered patches that support fewer species and smaller populations as a result of habitat fragmentation. Preserving and linking these areas will assure that future generations will benefit from the ecological significance of such natural features as trout streams, fens, prairies, and the Big Woods. Saving these areas will also relieve some of the growing pressures on existing trails, parks and open spaces resulting from rapid population growth while adding further attractions to a \$3.5 billion regional tourism economy.

Working with multiple agency and non-profit partners as well as an advisory committee, the Metro Greenways Program solicited and received 12 site nominations in 2001 requesting \$10 million in funds to protect regional and locally significant natural areas throughout the region. Using a variety of ecological, feasibility and local support criteria, 18 projects involving 36 land parcels totaling 1,400 acres have been completed or are underway.

This request will allow the Metro Greenways Program to continue developing a regional network of ecologically significant natural areas and interconnected corridors in the seven-county metropolitan region. Without immediate protection, many of these natural areas will be irretrievably lost and with it, the multiple benefits for present and future generations.

Impact on Agency Operating Budgets (Facilities Notes)

Approximately \$190,000 in general funds is provided annually to department for technical support and grants to assist local government units and organizations in the metropolitan area to acquire and develop natural areas and greenways. This, plus LCMR Metropolitan Area Wildlife Corridors funding, is sufficient to provide basic program administration and oversight.

Previous Appropriations for this Project

Previous appropriations to Metro Greenways have been:

M.L. 1998, Chapter 404	\$4.0 million	General Fund
M.L. 2000, Chapter 492	\$1.5 million	Bonding
M.L. 2001, 1SS Chapter 2	\$2.7 million	Trust Fund

Other Considerations

Deferral of this request may mean irreparable loss of high quality natural areas and may cause adverse environmental impacts.

Project Contact Person

Peggy Booth, Community Assistance Manager
Department of Natural Resources, Central Region
1200 Warner Road
St. Paul, MN 55106
Phone: (651) 772-7562
Fax: (651) 772-7599
E-mail: peggy.booth@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	1,000	1,000	1,000	3,000
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 10 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Protects native prairie on private land through conservation easements.
- ◆ Less than 1% of Minnesota's native prairie still exists. It is home to more than 40% of the state's rare plants and animals.
- ◆ Participating landowners can conserve their prairie while keeping the land "in the family". Seventy-five percent of Minnesota's native prairie is on private land.

Project Description

This request is for \$1.0 million for Prairie Bank Easement (PBE) acquisition and development funding. PBE acquisitions protect native prairie plant communities while leaving lands in private ownership. PBE protect plant and animal species on sites where landowners are reluctant to sell their land yet are willing to see it remain as native prairie.

PBE protect significant prairie resources, which provide recreational, educational and scientific opportunities for Minnesotans and non-residents alike. These acquisition programs have historically been funded through bonding and the Environmental Trust Fund.

Prairie Bank acquisition protects native prairies that have never been plowed that are in danger of being lost forever unless they are protected now. Native prairie, Minnesota's most endangered community, requires innovative approaches to protection through acquisition programs such as prairie bank easements. This is especially necessary since landowners who are often farmers, do not want to sell their prairie land. They prefer to keep it in the family and continue to use it for grazing or haying. Prairie bank easements permit this but in a limited fashion so as to protect the resource and native species.

PBE development protects and improves natural resource values. It also ensures that the ecological values of easement lands are maintained. The development of previously acquired PBE includes restoration of small old fields included in a larger easement to prairie, signing, posting, removal of encroaching trees and exotic species, fencing, and gating.

Prairie Bank Easements: \$950,000

At the present time, 51 Prairie Bank Easements have been acquired, protecting 4,402 acres of prairie land. The Native Prairie Bank Program was established by the 1987 legislature to protect native prairie lands by authorizing the state to acquire perpetual conservation easements from landowners. These easements provide protection for the prairie resource while the land remains in private ownership.

Native prairie is Minnesota's most endangered natural habitat type. The state once had over 18 million acres of prairie. Today less than one percent remains (150,000 acres). These lands are home to more rare and endangered plants and animals than any other natural habitat – over 100 different species.

Prairies provide excellent wildlife habitat for nesting waterfowl, pheasant, and other upland nesting birds. The rich soil of most of Minnesota's productive farmland was formed under a prairie sod. Today, native prairies are important for agricultural research and provide valuable hay and pasture lands.

Seventy-five percent of the state's native prairie is privately owned. 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 our goal is to enroll about a third of this (20-25,000 acres). This funding request would enroll an estimated 15 prairie tracts, protecting about 1,200 acres of prairie on private land in FY 2004-2005. The Native Prairie Bank Program provides many landowners the option to keep the land in private ownership while protecting the prairie for future generations

For a permanent easement the landowner is paid 65% of the Reinvest in Minnesota (RIM) permanent marginal agricultural land payment rate (equal to 58% of the average estimated market value of cropland in the township). For an easement of limited duration the landowner is paid 65% of the permanent

Native Prairie Bank Easements & Development

prairie bank easement. Priority is given to perpetual easements. No limited duration easements have been enrolled to date. If the landowner is interested in continuing agricultural uses such as limited haying or grazing, a set of conditions and practices are developed (often in consultation with NRCS, MES or SWCD) that would allow such use yet still protect the prairie. The payment rate is adjusted to reflect the retention of these rights.

Development: \$50,000

This request for PBE development is necessary to ensure prairie resources found on PBE sites are retained and/or enhanced and not lost through accidental or willful human disturbance.

Development efforts are important to the long-term protection of acquired lands. Unless lands are adequately fenced, signed and posted, accidental trespass and destructive activities will take place. Without posting, landowners or others may encroach on the prairie. Fields occasionally included in acquired parcels also require restoration, which includes the collection and replanting of seed. Restoration also lessens the likelihood of problems from exotic species. Site management includes cutting back of woody encroachment by trees and brush, prescribed burning and control of exotic plants.

Impact on Agency Operating Budgets (Facilities Notes)

As new Prairie Bank Easements are acquired the annual operating budget will increase accordingly. Acquisition of PBE adjacent to existing DNR lands or PBE sites often results in no increase or an actual decrease in the long-term management cost since problems emanating from adjacent lands are eliminated e.g. soil erosion and its accompanying noxious weeds, trespass. Site management includes prescribed burning and control of exotic plants, which is necessary to protect the state's investment of the native prairie found on the acquired PBE. The level of funding needed will depend upon the number of new Prairie Bank sites acquired as well as their location relative to other DNR lands.

Previous Appropriations for this Project

Bonding

Prairie Bank	1998	\$400,000
Prairie Bank	2000	\$1,000,000

Prairie Bank	2002	\$1,000,000
<u>Trust Fund</u>		
Prairie Bank,	2001	\$300,000
Corridors, Phase I		
Prairie Bank,	2003	\$196,600
Corridors, Phase II		
TOTAL		\$2,896,600

Other Considerations

Funds have historically been appropriated through bonding or from the Environmental Trust Fund for development and acquisition for this program. If additional funding is not provided for Prairie Bank, private prairie lands will be lost to continued agricultural conversion and intensive grazing. This loss of the prairie landscape and its attendant prairie dependant species can be slowed by providing landowners who have no interest in selling their land or who desire or need added income an option through the prairie bank program to see it protected. Similarly, development funds are needed to ensure the states investment in PBE sites is maintained and the native prairie community is not threatened by lack of protective management activities.

Project Contact Person

Peter Buessler, Prairie Biologist
 Scientific and Natural Areas Program
 1590 First Ave North
 Fergus Falls, MN 56537
 Phone: (218) 739-7576 ext 240
 Fax: (218) 739-7601
 E-mail: peter.buesseler@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	770	770	770	2,310
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	140	140	140	420
5. Construction Costs	0	90	90	90	270
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

SNA's Acquisition & Development

2004 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 11 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Acquire unique land of state significance for rare species & natural communities
- ◆ Develop unique lands to ensure the natural attributes are protected and sustainable

Project Description

State funding of \$500,000 is requested to acquire and develop lands as Scientific and Natural Areas (SNAs) statewide.

SNAs are sites of statewide significance that preserve examples of rare plant communities, geological features, landforms, and rare and endangered species habitat. Examples are old growth forests and populations of rare plants. SNA provide different recreational, educational and scientific opportunities for citizens and visitors alike. These unique resources are in danger of being lost unless they are protected now.

SNA Acquisition: \$300,000

At present there are 138 SNAs with 184,021 acres. Of this total, 146,238 acres are in 16 ecologically significant peatlands, legislatively protected by the Wetland Conservation Act of 1991. This request follows the Long Range Plan (LRP) updated and approved by the LCMR in 1991. It prioritizes acquisition of natural areas and lands adjacent to existing sites. Minnesota tracks approximately 500 natural features. To preserve these entities we estimate that 500 SNAs will be needed by 2085.

Protection priorities for SNAs are identified by the Minnesota County Biological Survey or by historical data; immediate threats to critical parcels, and first hand knowledge of a site. The process used allows the SNA

Program to meet multiple protection objectives (communities and species/geological features) while protecting one site. Protection efforts also entail a continual review of the existing public land base to determine the occurrence of rare species, geological features and plant communities.

It is estimated that protection of the 12,000 acres that are currently identified as ecological priorities would cost over \$11 million. The requested level of funding will protect only a fraction of these priorities. To acquire the 57,641 acres of county and trust fund owned peatlands would require an additional \$4.3 million.

Development: \$200,000

SNA development ensures that genetic and biological diversity is retained. Development also prevents the loss of important species, plant communities and features, from accidental or willful human disturbance and from natural catastrophe.

Unless lands are adequately fenced, gated, surveyed, signed and posted, trespass and destructive activities will take place. Without legal posting, regulations may not be enforceable. Fields included in acquired parcels require restoration actions, including removal of woody encroachment, seed collection and subsequent replanting with seeds or nursery stock. Interpretive signage is necessary to ensure appropriate use.

This request has statewide significance because it supports the highest priority plant, animal and natural community (including native prairie) resources throughout the state.

It is estimated that development of critical sites as SNA would cost over \$3.6 million over the next 6 years

Impact on Agency Operating Budgets (Facilities Notes)

As new SNAs are acquired the annual operating budget will increase. Acquisition of lands adjacent to existing SNA sites often results in an actual decrease in management costs when problems emanating from adjacent lands are eliminated, e.g. soil erosion, noxious weeds and trespass.

Previous Appropriations for this Project

	<u>Acquisition</u>	<u>Development</u>
M.L. 2000, Chapter 492	Bonding \$150,000	\$350,000
M.L. 2001, ISS, Chapter 2	Trust Fund 455,000	0
M.L. 2003, Chapter 20	Bonding 300,000	200,000
M.L. 2003, Chapter 128	Trust Fund 400,000	80,000
M.L. 2003, Chapter 128	Trust Fund <u>264,000</u>	<u>0</u>
	Totals \$1,569,000	\$630,000

Other Considerations

Funds have historically been appropriated through bonding or from the Environmental Trust Fund. Lack of funds for 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.

Project Contact Person

Bob Djupstrom, Supervisor
 Scientific and Natural Areas Program
 500 Lafayette Road
 St. Paul, MN 55155
 Phone: 651-297-2357 Fax: 651-296-1811
 E-mail: bob.djupstrom@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	255	255	255	765
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	45	45	45	135
5. Construction Costs	0	200	200	200	600
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	500	500	500	1,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	500	500	1,500
State Funds Subtotal	0	500	500	500	1,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	500	500	1,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

State Trail Acquisition & Development

2004 STATE APPROPRIATION REQUEST: \$2,000,000

AGENCY PROJECT PRIORITY: 12 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Rehabilitate portions of 5 state trails
- ◆ Request \$2.0 million
- ◆ Projects include: bridge rehabilitation, erosion control, grade stabilization and bituminous replacement

Project Description

This request for \$2.0 million in state funds is to rehabilitate portions of 5 state trails: Heartland, Paul Bunyan, Munger, Douglas, and Gateway.

Trail Acquisition, Development & Rehabilitation

	Amount
Heartland Trail Rehabilitation of three trestles to include piling replacement superstructure repair and railing replacement. Some of the pilings and cross bracing have deteriorated and need to be replaced to maintain the integrity of the bridges.	\$300,000
Paul Bunyan Trail Last spring (2003) an unusual amount of ice damage occurred along the southeastern shore of Lake Bemidji on the Paul Bunyan Trail. Installation of heavy rip-rap is needed to protect the trail.	\$400,000
Munger Trail Project includes subgrade stabilization, culvert replacement, erosion control and continued work on the stabilization of slump areas near Duluth. Large fill areas have posed problems during	\$500,000

periods of high rain fall. Due to steep slopes in these fill areas and culvert failures, we are experiencing erosion problems and slumping of the grade.

Douglas Trail \$400,000
Replace the most severely deteriorated portions of the trail including subbase repair and bituminous replacement. Poor subbase on portions of the trail have caused the break up of the bituminous treadway.

Gateway \$400,000
Rehabilitate, widen and resurface a portion of the Gateway Trail just east of Highway 12. The bituminous is failing due to the need for the subbase to be upgraded and resurfaced.

TOTAL \$2,000,000

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 subgrade will protect the initial investment and guard against total failure of the trail.

Previous Appropriations for this Project

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 state wide basis and 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

Tom Danger, Manager
Trail Recreation Section
DNR Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, MN 55155-4052
Phone: (651) 296-4782

Fax: (651) 297-5475

E-mail: tom.danger@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	300	0	0	300
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,700	2,000	2,000	5,700
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	2,000	2,000	2,000	6,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	2,000	2,000	6,000
State Funds Subtotal	0	2,000	2,000	2,000	6,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,000	2,000	2,000	6,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$200,000

AGENCY PROJECT PRIORITY: 13 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ \$150,000 for initiating hardwood stand improvement projects on 2,000 acres of state forest land to improve health, productivity, and quality
- ◆ \$ 50,000 for thinning 1,200 acres of conifer plantations to maintain optimum growth and prevent mortality

Project Description

This request is for \$200 thousand to prepare hardwood stands and conifer plantations for stand improvement activities such as weeding and thinning. Hardwood stand improvement activities will focus on stands which are overcrowded and prone to stagnate when natural mortality and disease offsets any gains in growth. Weeding will be used to remove undesirable tree species that are competing with desirable tree species. Thinning will be used to remove desirable tree species that are competing with each other. This will concentrate growth on fewer trees resulting in hardwood stands with larger and faster growing trees.

Both thinning and weeding in hardwood stands will address quality issues by removing trees that are limby, have poor form, and are diseased. The trees left after weeding and thinning will produce a higher quality product for the forest industry.

Timely thinning and weeding will also allow hardwood stands with a high proportion of oak and other species preferred by gypsy moth to better tolerate defoliation from gypsy moth. Gypsy moth is an exotic insect defoliator which will become established in Minnesota in the next decade. Thinning and weeding vulnerable hardwood stands in advance of gypsy moth activity will increase the vigor of trees being attacked by gypsy moth.

Vigorous trees when defoliated have a better chance of re-foliating and remaining alive after repeated gypsy moth defoliations.

Conifer (pines and spruce) plantations need periodic thinnings to maintain optimum growth, to prevent mortality, and to be better protected from bark beetle attacks and fire damage. Considerable investments have been made in these plantations due to the cost of site preparation, tree planting, and protection. Investments are made in Minnesota's forests to help insure the long-term sustainability of forests which support two major state industries: timber and tourism.

Thinning conifer plantations will help maintain tree growth. Growth rates begin to drop off in conifer plantations when trees reach 15 to 20 years of age because trees become crowded and compete with each other. Timely thinning of these plantations will increase tree growth and prevent plantations from stagnating. Slow growing, stagnated plantations do not have vigorous trees, and trees without good vigor are susceptible to bark beetle attacks. Healthy trees can pitch out bark beetle attacks and not allow bark beetle populations to become established in the plantations. Dead and dying trees due to bark beetle attacks or from natural mortality because of over crowding contribute to fuel build up increasing risk of larger, more damaging, and costly wildfires.

Thinning and weeding hardwood stands and conifer plantations are very labor-intensive to initiate. Individual trees have to be marked to designate trees to be cut and trees to be saved as "crop trees." Capital investment in these stands and plantations will pay dividends for many years to come through the development and maintenance of healthy and sustainable Minnesota forests.

Impact on Agency Operating Budgets (Facilities Notes)

The DNR Division of Forestry operating budget does not contain sufficient funds to meet current and anticipated forest stand improvement needs. If decisions are made to invest general fund dollars in forest stand improvement to address identified needs, statutorily required reforestation and reduction in the Division's permanent labor pool may occur.

Previous Appropriations for this Project

None.

Other Considerations

None

Project Contact Person

Alan Jones, Supervisor
Forest Development, Health & Use
Department of Natural Resources
500 Lafayette Road
St. Paul, MN 55155
Phone: (651) 296-4482
Fax: (651) 296-5954
Email: alan.jones@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	200	200	200	600
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	200	200	200	600

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	200	200	200	600
State Funds Subtotal	0	200	200	200	600
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	200	200	200	600

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	200	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Fish Hatchery Improvements

2004 STATE APPROPRIATION REQUEST: \$1,750,000

AGENCY PROJECT PRIORITY: 14 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ \$950,000 for the French River Hatchery to install an equipment storage building, emergency generator, and heat pump system.
- ◆ \$300,000 for Lanesboro Hatchery to install an equipment storage building and a raceway project.
- ◆ \$200,000 for New London Hatchery water control structure repairs and dividing ponds.
- ◆ \$300,000 for repairs to the Hinckley muskie rearing ponds.

Project Description

This request is for \$1.750 million for various improvements to the Department of Natural Resource's (DNR) fish culture facilities.

The department's strategic plan, *Directions for Natural Resources 2000*, outlines the major goals and strategies for achieving the DNR's vision and provides the framework for guiding budget investment decisions. Hatchery improvements help implement two DNR goals: 1) "Minnesota's natural resources will be able to produce outdoor recreation benefits over the long term;" and 2) "Water resources will be conserved and allocated among competing uses in the best interests of the public and long-term sustainability."

Impact on Agency Operating Budgets (Facilities Notes)

There would be no major impacts on the agency's operating budget.

The Division of Fisheries spends about 17% 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. Approximately \$1.5 million of hatchery improvement needs still exist to bring our facilities up-to date and running at maximum efficiency.

Previous Appropriations for this Project

Hatchery repair and update costs of \$1 million were funded in 1998 from bonding, and \$145,000 in 2001 from the Future Resources Fund.

Other Considerations

The French River Hatchery produces about 45,000 pounds of Chinook salmon, Kamloops rainbow trout, and steelhead, which is about 21% of the state's hatchery production of trout and salmon. The storage building would be used to protect vehicles and equipment used in the production and distribution of these fish. The Lake Superior sampling equipment would also be stored in this building. A 28-year old main emergency generator would be replaced. Detroit diesel stopped manufacturing these generators 6-8 years ago. Parts are becoming increasingly hard to get and are now mainly re-manufactured parts. These factors add up to higher risk of operation because fish life support systems are dependent upon generator power when the electricity goes off. Installing a large-scale heat pump system can be a more cost effective way to heat the water needed for fish culture operations.

The Lanesboro Hatchery is an important rainbow and brown trout production facility and is relied on for stocking waters statewide. The storage building would be used to protect vehicles and equipment used in the production and distribution of these fish. Habitat improvement equipment and sampling equipment would also be stored in this building. The value of this equipment exceeds \$600,000. Lanesboro Area Fisheries underwent a betterment project back in FY92-FY93, which converted three of five garage stalls into office space. The diminished garage space meant vehicles would be stored outdoors. This expensive equipment has to be left unattended and unsecured. This project will provide the additional storage space necessary to make this site more functional, efficient and safe. In 2001, money from the Future Resources Fund was appropriated to cover and enclose the broodstock and raceways 1 thru 8. Additional funds might be needed to complete this project.

The New London Hatchery is changing its culture emphasis. The Department is converting ponds from muskie and catfish production to

Fish Hatchery Improvements

walleye. The muskie and catfish needs will be covered by other facilities and purchase from the private sector. The New London conversion would provide additional walleye fingerlings used to meet the Accelerated Walleye Program goals. The facility could also be used to produce frylings, which are an intermediate size between fry and fingerlings. To accomplish this transformation and maintain maximum production, the water control structures in three ponds and all water lines are in need of repair. It is also necessary to split the pond closest to the hatchery. For many years, the homeowner across the street from the pond has experienced flooding in his basement when the pond is filled. The Department is unable to use the pond because of this situation.

The Hinckley ponds are important muskie production facilities that are relied on for providing a large percentage of our muskie for stocking waters statewide. The water control structures in three ponds and all water lines are in need of repair.

Project Contact Person

Linda Erickson-Eastwood, Fisheries Program Manager
DNR, Fisheries
500 Lafayette Road, Box 12
St Paul, MN 55155-4012
Phone: (651) 296-0791
Fax: (651) 297-4916

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,750	1,800	1,800	5,350
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,750	1,800	1,800	5,350

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,750	1,800	1,800	5,350
State Funds Subtotal	0	1,750	1,800	1,800	5,350
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,750	1,800	1,800	5,350

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,750	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 15 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Develop and improve 42 user facilities on Wildlife Management Areas (parking lots, observation blinds, etc.)
- ◆ Develop and improve 20 miles of access roads and trails on Wildlife Management Areas
- ◆ Survey and post 170 miles of boundaries on Wildlife Management Areas
- ◆ Develop and restore 2,000 acres of prairie/grasslands, 3,000 acres of openland/brushlands, 1,300 acres of wetlands on Wildlife Management Areas to support wildlife populations

Project Description

This request is for \$1 million to support one of the largest Wildlife Management Area systems in the country with over 1,300 WMAs located in 86 of 87 Minnesota counties. Funding for development and improvement needs on these lands ensures that habitats are maintained to support wildlife populations and recreational uses related to these wildlife populations.

Rationale

There is an ongoing need to protect and manage wildlife habitat on WMAs to support wildlife populations. Existing plant communities and wildlife habitat for which wildlife lands were purchased need to be retained and managed. This includes restoring wetlands, planting prairie grasses and managing brushlands. The establishment and management of natural plant communities such as prairie/grasslands reduces operating costs and improves efficiencies by reducing the need for annual noxious weed control.

Purchased land needs to be surveyed and posted to protect land values and investments for the future. Access to state land needs to be developed so that users can safely and reasonably enjoy these resources. Public wildlife-

related outdoor experiences are enhanced and resources protected through the development of parking lots, gravel roads, water access sites and walking trails.

Annual statewide WMA development and improvement needs identified by area managers provide estimates for basic WMA needs. Dedicated funds can be used for development and improvement projects as well as other activities but provide only a portion of the total habitat and facility development needs. With the increased need to protect unique wildlife lands and improve customer service, a greater need exists to properly care for and develop these lands that have been purchased or donated. Not managing or protecting these lands will lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites and reduced hunting opportunities and support by the public.

Impact on Agency Operating Budgets (Facilities Notes)

The Wildlife Divisions' operation budgets are not adequate to meet the basic needs of wildlife management and to develop and maintain wildlife habitat on state lands. Existing funds provide for only a portion of development needs. With the current system of WMAs and additional acquisitions, funds would have to be reallocated from existing operating and project development budgets to protect WMA lands. Not protecting these lands will lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites, and reduced hunting opportunities and support by the public.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Katherine DonCarlos
Wildlife Management System Consultant
Box 7, DNR Building
500 Lafayette Road, St. Paul, MN 55155-4007
Phone: 651-296-0705
Fax: 651-297-4961
E-mail: Kathy.doncarlos@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	150	150	150	450
5. Construction Costs	0	850	850	850	2,550
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

State Forest Land Acquisition

2004 STATE APPROPRIATION REQUEST: \$1,300,000

AGENCY PROJECT PRIORITY: 16 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Acquire 344 acres of private in-holdings within state forest:
 - ⇒ 200 acres in the Sand Dunes State Forest
 - ⇒ 51 acres in the Richard J. Dorer State Forests
 - ⇒ 93 acres in the St. Croix State Forest
- ◆ Reduce development pressures in these state forests
- ◆ Provide protection to the Tamarack River Valley Management Zone
- ◆ Address trespass and access problems

Project Description

This request is for \$1.3 million to acquire private lands within state forest boundaries and in so doing reduce development pressure on these parcels of private lands which threaten management options on adjacent state lands. These parcels 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 insure that the public is well served by implementing appropriate forest management activities, by providing access to state forest lands for recreational opportunities, and by addressing public safety concerns particularly wildfire suppression.

The Division of Forestry administers nearly 4.4 million acres of the roughly 5.7 million acres of DNR administered land. Minnesota has 14.7 million acres of commercial forestland. These lands are about equally divided between public and private ownership. Forestry manages about 20% of the commercial forestland in the state.

Previous Appropriations for this Project

- M.L. 1994, chapter 643 \$250,000
- M.L. 1997, chapter 216 \$400,000
- M.L. 1998, chapter 404 \$800,000

Impact on Agency Operating Budgets

The acquisition of state forestlands will increase the payment in-lieu-of-taxes made under M.S. 477A.12.

Other Considerations

Deferral of this project will result in the development of forest in-holdings for residential or private recreational purposes. 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.

Forest Land Acquisition				
Reg	Property	Acres	Cost	Project Description
cent	25-34n-27w	160	\$ 800,000	Surrounded by state lands in Sand Dunes
south	13-105n-13w	27	140,000	Provide access and protect trout stream
ne	18-41n-16w	93	110,000	Protect Tamarack River Mgt Zone
cent	20-34n-27w	40	210,000	Surrounded by state lands in Sand Dunes
south	14-110n-11w	24	40,000	Protect integrity of flood plain forests
TOTALS		344	\$1,300,000	

Project Contact Person

Alan Jones, Supervisor
 Forest Development, Health & Use
 Department of Natural Resources
 500 Lafayette Rd
 St. Paul, MN 55155
 Phone: (651) 296-4482
 Fax: (651) 296-59
 Email: alan.jones@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	1,170	1,170	1,170	3,510
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	130	130	130	390
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,300	1,300	1,300	3,900

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,300	1,300	1,300	3,900
State Funds Subtotal	0	1,300	1,300	1,300	3,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,300	1,300	1,300	3,900

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Forest Roads and Bridges

2004 STATE APPROPRIATION REQUEST: \$1,300,000

AGENCY PROJECT PRIORITY: 17 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Replace and upgrade in excess of 30 water crossing structures
- ◆ Reconstruct approximately 16 miles of state forest roads
- ◆ Construct at least 15 turnouts and a blind curve to address public safety issues
- ◆ Reconstruct an intersection to eliminate the need for building a bridge
- ◆ Resurface approximately 60 miles of state forest roads

Project Description

This \$1.3 million request will provide for replacement and updating in excess of 30 water crossing structures, reconstruction/resurfacing of over 70 miles of existing forest roads, and address specific public safety issues to meet current and projected use and load levels.

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 land under the commissioner's authority. The system must permit the commissioner to manage, protect, and develop those lands and their forest resources consistent with forest resource policies, and to meet the demands for forest resources. Funding at this level 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.

Forestry maintains approximately 2,175 miles of roads that serve the 4.6 million acres of forestry administered lands. These roads also serve several million acres of county, federal, and private forestlands. State forest roads provide a strategic link between our forest resources and the public road system. While the state forest roads are used for resource management and hauling forest products, 95% of their use is 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 is needed to supplement dedicated gas tax dollars and other annual appropriations for critical rehabilitation of portions of the state forest road system, and repair and replace out of date water crossing structures to bring facilities up to required use and safety standards.

Impact on Agency Operating Budgets (Facilities Notes)

Forestry currently receives approximately \$330 thousand each year in dedicated state gas tax dollars which is used for routine maintenance. In reality, at least \$500 thousand is needed annually to address maintenance needs. This amount does not include reconstruction and major resurfacing needs. Currently, there are no general funds available for state forest road construction, reconstruction, major resurfacing or replacement of water crossing structures. Past bonding funds have been approximately 20% of construction, reconstruction, and water crossing structure replacement needs.

The increasing recreational use in our forests has placed increased pressure on the state forest road system. Recreational traffic is 95% of total traffic on the system. Failure to meet the needs of our existing infrastructure will result in reduced recreational opportunities. The anticipated increased harvest as a result of 2001 forestry legislation will require an adequate road network able to transport additional timber harvest.

Previous Appropriations for this Project

M.L. 2002, chapter 393	\$1,200,000
M.L. 2000, chapter 492	722,000
M.L. 1998, chapter 404	2,000,000
M.L. 1996, chapter 463	250,000

Other Considerations

Alternatives to this request include the following:

- ◆ Increased road closures to all road vehicles to reduce wear and damage to forest roads and address public safety concerns. Closing roads during fall and spring seasons (or other wet soil periods) may be more common

Forest Roads and Bridges

to protect the road structure. This would include hunting, boating, color tours, and other dispersed recreation.

- ◆ Increase and extend restrictions on maximum weight.

If this request is not funded access 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 out ability to use natural seeding techniques involving summer logged shelterwood and all age harvesting techniques.

nw	Rapid River	\$ 24,000	Resurface 8.5 miles
nw	Aichele	\$ 23,000	Resurface 5 miles
nw	Spider Lake	\$ 87,500	Reconstruct 1.7 miles
south	Funk's Ford Bridge	\$136,000	Upgrade bridge
nw	Rako Pit	\$ 18,750	Produce and stockpile gravel
nw/ne	Gates & culvert s	\$ 45,000	Purchase/make gates and culverts
TOTAL		1,300,000	

Project Contact Person

Alan Jones, Supervisor
 Forest Development, Health & Use
 500 Lafayette Rd
 St. Paul, MN 55155
 Phone: (651) 296-4482
 FAX: (651) 296-5954
 E-mail: alan.jones@dnr.state.mn.us

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

Region	Project	Cost	Description
nw	Hogsback	\$ 44,000	Reconstruct 2 miles
ne	Ditchbank	\$187,500	Resurface 9 miles; replace culverts
ne	Oaks Corner	\$ 7,000	Reconstruct intersection
ne	Net Lake	\$152,000	Resurface 13 miles
central	Kanabec	\$ 37,500	Reconstruct & replace 2 large culverts
nw	Faunce	\$102,000	Widen corners & create turnouts
nw	Dick's Parkway	\$ 38,000	Resurface; replace culverts w/ cement box
ne	Wilson Lake	\$ 25,000	Replace culverts; remove blind corners
nw	Moose River West	\$ 82,000	Reconstruct 7 miles
ne	St. Croix	\$ 93,500	Resurface 7 miles
nw	Frontier-Farmer	\$ 25,000	Resurface 6 miles
ne	Irish Creek Entrance	\$ 62,500	Rework entrance; eliminate need for bridge
nw	Stott's	\$ 12,500	Reconstruct 2.5 miles
ne	East General Grade	\$ 34,500	Resurface: crush & spread 8,000 yds of gravel
ne	North Ash Lake	\$ 10,000	Construct 15 turnouts
ne	Chengwatana	\$ 11,500	Resurface 1 mile
nw	Beaver Dam Loop	\$ 12,500	Reconstruct 2 miles of road
nw	Bridge rip-rapping	\$ 28,750	Rip-rap wingwalls of 7 bridges

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,300	1,300	1,300	3,900
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,300	1,300	1,300	3,900

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,300	1,300	1,300	3,900
State Funds Subtotal	0	1,300	1,300	1,300	3,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,300	1,300	1,300	3,900

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation – Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,300	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

State Park Acquisition

2004 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 18 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

Acquire private land in-holdings from willing sellers within designated state park and recreation area boundaries:

\$1 million statewide acquisition.

\$2 million for special initiative to acquire critical Lake Superior North Shore lands within state parks.

Project Description

The department requests \$3 million to acquire private lands from willing sellers within the legislatively established state park and recreation area boundaries. This funding request would provide \$1 million statewide for acquisition and \$2 million for a special initiative to acquire critical Lake Superior North Shore lands within state parks that are facing imminent development pressure. A list of potential acquisitions is available

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.

The goal of the state park real estate program is to purchase all private lands within the legislatively authorized state park and recreation area boundaries that are offered for sale by willing sellers. Approximately 15% of the state park system's 260,000 acres is privately owned. Cost to acquire all of these private in-holdings would range from \$30 million to \$50 million.

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 areas and recreational

areas that are already receiving services. In some cases, new acquisitions may be considered for relocation or expansion of existing facilities such as campgrounds and picnic areas, requiring additional capital budget funding.

Previous Appropriations for this Project

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
DNR Division of Parks and Recreation
500 Lafayette Road, Box 39
St. Paul, MN 55155-4039
Phone: (651)296-0603
Fax: (651)296-6532
Email: larry.peterson@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	2,700	2,700	2,700	8,100
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	300	300	300	900
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	3,000	3,000	3,000	9,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bids	0	3,000	3,000	3,000	9,000
State Funds Subtotal	0	3,000	3,000	3,000	9,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,000	3,000	3,000	9,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$18,200,000

AGENCY PROJECT PRIORITY: 19 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Red River State Recreation Area – construct new visitor center.
- ◆ Grand Portage State Park – construct new visitor center and maintenance shop.
- ◆ State park building rehabilitation and replacement projects.
- ◆ State park infrastructure improvements.

Project Description

This request will provide \$18.2 million to fund building, utility, and natural resource rehabilitation and replacement projects within the state park system. This capital project request for Minnesota State Parks continues the focus begun in 2002 is on rebuilding and repairing existing buildings and infrastructure to ensure a quality experience for approximately eight million visitors each year.

The Minnesota State Park system was started in 1891 with the creation of Itasca State Park and is the second oldest state park system in the United States. The state park system consists of 66 parks, 6 recreation areas, 8 waysides, 1 state trail, and 54 forest campgrounds and day use areas. The system includes over 1600 buildings, 1,255 miles of trails, 332 miles of roads, 72 bridges, 6500 campsites, 6500 picnic sites, 75 group camps, 40 beaches, and 135 water access sites. 619 buildings and structures are on the National Register of Historic Places and many date from the days of the CCC and WPA and are over 65 years old. Douglas Lodge, probably the most well-known building in the state park system, was built in 1905, the same year as the state capitol.

The largest portion of this request (\$9 million) will be directed toward infrastructure improvements to state parks including water systems, sewage treatment systems, road and trail reconstruction, campground electrical

upgrades, campground and picnic area site improvements, and natural resource restoration projects.

State park building rehabilitation and replacement projects would receive \$4.5 million in this request. This work would include rehabilitation of existing sanitation buildings, visitor centers, and contact stations to meet current codes, provide easily maintained spaces, enhance user safety, and enhance accessibility. Replacement buildings will be constructed when rehabilitation is not feasible. Historic buildings will be repaired and reconstructed to historic appearance and function to the extent possible, in cooperation with the Minnesota Historical Society.

This request would also fund several important new buildings within the state park system. The Red River State Recreation Area in East Grand Forks was established by the Legislature in 2000. Funding for a new visitor center (\$2.9 million) to serve the campground, greenway, and larger community passed the Legislature in 2002, but was vetoed by the governor. This request would restore that funding. Funding is also requested for a new visitor center and maintenance shop at Grand Portage State Park (\$1.8 million). This park is an important gateway to Minnesota on Lake Superior, located on tribal land and cooperatively managed with the Grand Portage Band. The park contains the highest waterfall in Minnesota and the new visitor center will tell the story of early fur trading in northeastern Minnesota and the Grand Portage Ojibwe culture.

Projects in this request are located throughout the state within the state park system. A detailed list of projects is available.

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

Other Considerations

Many of these projects address building code deficiencies, bridge safety issues, and environmental deficiencies in state park facilities.

The projects included in this request have been 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. If safety and environmental deficiencies are not corrected, some facilities may be closed. The state park system will not be able to accommodate growing user demand if facilities are not rehabilitated.

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, MN 55155-4039
Phone: (651)296-0603
Fax: (651)296-6532
Email: larry.peterson@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,250	1,950	1,950	6,150
4. Project Management	0	150	150	150	450
5. Construction Costs	0	15,315	14,500	14,500	44,315
6. One Percent for Art	0	35	25	25	85
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	450	375	375	1,200
9. Inflation	0	0	0	0	0
TOTAL	0	18,200	17,000	17,000	52,200

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	18,200	17,000	17,000	52,200
State Funds Subtotal	0	18,200	17,000	17,000	52,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	18,200	17,000	17,000	52,200

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	18,200	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

RIM - Con-Con Designated WMA Boundary Survey & Pos

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 20 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Survey and post 585 miles of Con-Con designated Wildlife Management Areas (WMA) in Beltrami, Marshall and Roseau Counties
- ◆ Survey and post 48 miles of Con-Con designated WMAs in Aitkin County

Project Description

This request is for \$1 million to survey and post boundaries of the remaining designated Consolidated Conservation Lands (Con-Con) lands in four counties, Beltrami, Marshall, Roseau and Aitkin.

A total of 243,815 acres of Con-Con lands were designated in the 2000 and 2002 Legislative sessions (Laws of 2000 Chapter 485; M.S. 97A.133 – 2001; Laws of 2002 – Chapter 353) as Wildlife Management Areas (WMAs). Forty eight miles of boundary for these designated Con-Con lands remain to be surveyed and posted in Aitkin County and a total of 585 boundary miles need to be surveyed and posted in Beltrami, Marshall and Roseau Counties.

WMAs are used by the public for hunting and trapping as well as wildlife and plant observations. The accurate surveying and posting of these WMA lands fosters good relations with neighboring land owners, improves management and support for these lands, and enhances public access and use of WMAs.

Rationale

Acquired land needs to be surveyed and posted to protect land values and investments for the future. Public wildlife-related outdoor experiences are enhanced and resources protected through the professional surveying and posting of these lands.

Not managing or protecting these lands will lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites and reduced hunting opportunities and support by the public.

Impact on Agency Operating Budgets (Facilities Notes)

The Wildlife Divisions' operation budgets are not adequate to survey and post the designated Con-Con WMAs. Funds would have to be reallocated from existing operating and project development budgets to protect these designated lands. Not protecting these lands will lead to increased trespass or inappropriate use, loss of wildlife values, unsafe access to sites, and reduced hunting opportunities and support by the public.

Previous Appropriations for this Project

Other Considerations

Project Contact Person

Katherine DonCarlos
Wildlife Management System Consultant
Box 7, DNR Building
500 Lafayette Road, St. Paul, MN 55155-4007
Phone: 651-296-0705
Fax: 651-297-4961
E-mail: Kathy.doncarlos@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	100	100	100	300
5. Construction Costs	0	900	900	900	2,700
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Shooting Range Development

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 21 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

Acquire land and develop a new shooting range facility in the St. Paul-Minneapolis metropolitan area.

Project Description

State funding of \$1.0 million is requested to appraise, acquire and develop a publicly owned and/or operated shooting range facility in the St. Paul-Minneapolis metropolitan area.

Specific facilities built at a shooting range would include backstop berms, side berms, firing line enclosures, parking areas, access paths, and other state of the art safety features, such as lighting, gating and baffles, if needed. Nationally accepted guidelines developed by the National Rifle Association would be used in the design and installation of all range facilities. Provision of personal accommodation needs, such as access paths, sidewalks and lavatory facilities that are fully ADA compliant will also be installed.

Since 1999, through funding provided by LCMR, the Minnesota DNR Division of Enforcement has provided over \$1.3 million in matching grants to over 80 local shooting range operators throughout the state, to install the fore-mentioned improvements or new installations. We have identified through this work that there are unmet needs for additional shooting facilities. The largest need or demand for additional ranges is in the Twin City metropolitan area.

With over half of Minnesota's population residing in the Minneapolis-St. Paul greater metropolitan area, it can be inferred that approximately half or more of the 600,000+ of the participants in annual hunting seasons also reside in the metropolitan area.

With most shooting ranges in the metropolitan area being at or near membership capacity, demand for additional places to use to shoot in this area is high.

DNR Enforcement administers a statutorily mandated youth firearm safety program, required of all license purchasers born after 12/31/79. Additional public venues are also in demand for recreational shooting, law enforcement training, and general firearms proficiency use by the public. This facility would allow DNR to provide safe shooting opportunities for 3,000 to 4,000 annual firearm safety training class participants, and also the southwest metro population. At present, for example, between the metropolitan area to Glencoe, there are no known facilities providing the public at large with an opportunity to safely test discharge their firearms prior to going out in the field to hunt. Pre-hunt preparation of firearms at a shooting range is key to a safe hunting experience.

Impact on Agency Operating Budgets (Facilities Notes)

Partial operating funding would be available through dedicated funds that are currently included in Game & Fish funds. Up to \$200,000 is available to be earned annually from the U.S. Fish & Wildlife Service's Pittman-Robertson (i.e. Wildlife Restoration) Program Section 10 fund. These funds are to be used specifically for either shooting range development or hunter education in Minnesota.

Other impacts on operating budgets have not been determined.

Previous Appropriations for this Project

None

Other Considerations

Additional development alternatives at a shooting range might include constructing a hunter education or instruction teaching facility, developing a skills competence course for ATV/OHV/OHM users, or partnering with law enforcement and fire fighting agencies operating in the area.

Project Contact Person

Charles Schwartz, Information & Education Manager
Enforcement Division
Department of Natural Resources
500 Lafayette Road

Shooting Range Development

St. Paul, MN 55155
Phone: (651) 297-2447
Fax: (651) 297-3727
Charles.Schwartz@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,000	1,000	1,000	3,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in-F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Lake Superior Safe Harbors

2004 STATE APPROPRIATION REQUEST: \$3,500,000

AGENCY PROJECT PRIORITY: 22 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Knife River Harbor and Marina
Purchase marina improvements from Lake County, rebuild safe harbor, boat access and marina in cooperation with Corps of Engineers
- ◆ McQuade Road Harbor and Access
Develop a safe harbor and boat access in cooperation with the Corps of Engineers

Project Description

Knife River: \$2.5 Million

This request will provide funds to finalize the purchase of the improvements from Lake County, rehabilitate the infrastructure and redesign and rebuild a safe harbor, boat access and marina in cooperation with the Corps of Engineers.

Knife River Marina was transferred to the Department of Natural Resources (DNR) through a land exchange with Lake County in May 2001. Under a legal agreement with Lake County, the DNR will seek capital funds to purchase the improvements for \$250,000. DNR currently leases the improvements from Lake County and oversees marina and boat access operations.

The marina is currently operated by a private vendor under a lease transferred from the county to the DNR and has 95 boat slips and a boat access.

The facility is both a federal and state designated harbor. The Corps built the harbor over 30 years ago with minimal cost share from Lake County. Very

few improvements have been made to the harbor or marina since it was built. The 2001 legislature appropriated \$150,000 to the DNR to complete essential repairs and allow the DNR to bring the facility into compliance with building and electrical codes, make immediate repairs to the docks, and the fuel system, etc.

However, the safe harbor and marina is in need of complete rebuilding and expansion. All of the docks need to be replaced. The harbor needs to be expanded to accommodate more boats especially to provide for safe harborage and transient boaters. A local citizens committee has been meeting to make recommendations to the DNR. The DNR will work with the Corps of Engineers and Lake County to make this a quality facility similar to the Silver Bay Safe Harbor and Marina constructed in 1998.

The existing boat access at the facility is in poor condition and needs to be redesigned and relocated.

The facility currently provides the public the opportunity to access Lake Superior providing both access for trailerable boats and access to the beach for the general public through the marina and adjacent Lake County lands.

McQuade Road: \$1.5 Million

This request will provide funds to complete/development of a safe harbor and facility at McQuade Road located in the City of Duluth, and Lakewood and Duluth townships in cooperation with the Corps of Engineers.

New legislation passed in 2001 (1SS Chapter 2, Section 158) required the DNR to acquire the land owned by the city of Duluth without undue delay. The acquisition was completed and the project is in the final stages of design review.

The facility will include a 3.1 acre harbor basin created by modified berm-like breakwaters, 3 boat launch ramps, docks at the launch ramp, and a 65 car trailer and 20 car only parking lot. Also, included is a bridge for access under County Highway 61 for the entrance to the launch ramp and minor relocation of the county highway. The project will include lighting, walkways, landscaping and shorefishing docks. Items in the original plans such as restrooms and a fish cleaning station have been eliminated until additional funding is secured.

Lake Superior Safe Harbors

A Joint Powers Agreement is in place with the local units of government made up of St. Louis County, the City of Duluth, Lakewood and Duluth townships. Other partners are the Corps of Engineers and the McQuade Public Access Committee (representing local stakeholders & user groups). The Committee has conducted a planning process for over ten years to select a publicly acceptable and technically feasible site, conduct a public process, provide public information, assist with cooperation, and assist DNR and the Corps with the design and parameters of the facility. St. Louis County is assisting with the road/bridge designs for County Road 61 and McQuade Road.

The facility will be owned and maintained by the state. Assistance from local governments on maintenance may also be possible in the future.

McQuade Road Harbor Construction Funding Summary
(\$ in 000's)

Project	Federal	2001 LCMR	2000 Bonding	Total Funds Appropriated	Bonding Request
McQuade	\$3,650	\$500	\$2,000	\$7,150	\$1,000

Additional federal funds of \$1.0 million has been requested.

All harbor projects follow the same process: the local units of government initiate the implementation process by appointing a citizens advisory committee that studies the issues, reviews and discusses the options, and finally makes recommendations to the DNR. DNR and the Army Corps of Engineers cooperate on design and construction.

Impact on Agency Operating Budgets (Facilities Notes)

All projects will be supported by user financing. Safe harbors (with marinas) will be operated and maintained by funds generated by operating leases, boat slip rentals and the sale of marine fuel and other services. Revenues that exceed operational costs will be dedicated to long-term improvements, maintenance, and operation of the entire system. Users also directly support these facilities with boat license fees and gasoline taxes that are dedicated to the Water Recreation Account.

Previous Appropriations for this Project

Knife River FY2001:

\$150,000 from the Water Recreation Account

McQuade Road:

In the 1996 Capital Budget, the legislature appropriated \$500,000 for this project to acquire the private land. The City of Duluth donated \$50,000 to the DNR for planning and design. Federal funds totaling \$350,000 were appropriated to the Army Corps of Engineers for preliminary survey and design review in FY 1998 and 1999. In FY2000 \$2.0 million in bonding was appropriated and in FY2001 \$500,000 from LCMR. Federal funds of \$3.650 million have been appropriated.

Other Considerations

Federal Funds

Federal matching funds of \$2.0 million for the Corps of Engineers have been requested for Knife River and \$1.0 million for McQuade Road. These funds require a 50% state match.

A boating study on Lake Superior was conducted in 2002. The primary activity of boaters on Lake Superior is fishing (60%). Over 70% of boaters are concerned about being caught out on Lake Superior without a safe harbor nearby. A majority of boaters indicated that the safe harbors DNR has provided so far have allowed boaters to boat more often on the lake. Nearly one third of boaters have had to use a safe harbor in an emergency and over 70% of boaters believe that more safe harbors are needed.

Project Contact Person

Michael T. Markell, Program Manager
DNR Trails and Waterways Division
500 Lafayette Road, Box 52
St. Paul, MN 55155-4052
Phone: (651) 296-6413
Fax: (651) 297-5475
Email: mike.markell@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	250	0	0	250
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	200	200	200	600
4. Project Management	0	0	0	0	0
5. Construction Costs	0	3,050	3,300	3,300	9,650
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	3,500	3,500	3,500	10,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,500	3,500	3,500	10,500
State Funds Subtotal	0	3,500	3,500	3,500	10,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,500	3,500	3,500	10,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$2,500,000

AGENCY PROJECT PRIORITY: 23 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

Matching grants to local governments for acquisition, development and redevelopment of regional parks outside the Twin Cities Metro Area.

- ◆ The \$2 million requested in state funds will be matched by at least \$1.33 million in local match.
- ◆ Matching grants to local governments and school districts for acquisition of natural and scenic areas statewide.
- ◆ The \$500,000 requested in state funds will be matched by at least \$500,000 in local match.

Project Description

State funding of \$2.5 million is requested for two matching grant programs (Regional Parks Outside the Metro Area and Natural and Scenic Area grants) that provide matching grants to local governments for acquisition and protection of local natural and scenic areas with outstanding biological, geological, ecological and scenic values and for larger, natural resource based parks of regional significance.

The Regional Parks (Outside the Metro Area) grant program and the Natural and Scenic Area grant program provide critical matching funds to local governments. Opportunities for local governments to acquire larger open space and natural resource lands at reasonable cost are diminishing, especially in counties in the urban growth corridor between St. Cloud and Rochester. Development pressure is increasing, land prices are rapidly escalating, and opportunities for protection of key open space amenities, such as shore lands and woodlands, are dwindling. Local governments often do not have adequate resources to respond to open space acquisition opportunities in a timely manner. Failure to aggressively address these issues over the next several years will result in loss of natural habitat and inadequate provision of open space and outdoor recreation areas due to continued urban sprawl.

These grants are effective tools that enable the state to work collaboratively with local governments to address the common goals of open space and natural habitat protection. Local governments acquire the land and are reimbursed for 50-60% of the appraised value. The same match is also provided for development or redevelopment of natural resource based outdoor recreation facilities, such as trails, fishing piers, swimming beaches, campgrounds and picnic areas. Local governments assume the responsibility for ongoing operations and maintenance of these areas and agree that they will not convert the property to other uses in the future. This partnership allows the state to contribute to the protection of significant public natural resource and recreation areas without incurring long term operating and maintenance costs. These grants also provide a catalyst to encourage local investment in these areas.

In addition to addressing the State's concerns about loss of habitat and the effects of urban sprawl, these programs also promote other State priorities, such as acquiring lands that connect with or add to existing natural and open space areas, providing environmental education opportunities, providing natural resource based outdoor recreation opportunities, protecting rare plant and animal communities, and enhancing existing DNR conservation efforts.

Impact on Agency Operating Budgets (Facilities Notes)

No impact on the department's operating budget.

Previous Appropriations for this Project

The Regional Parks Outside the Metro Area grant program was first funded in 2000 with a \$500,000 bonding appropriation. An additional \$700,000 in LCMR funds was approved in 2001. The 2003 Legislature appropriated \$2.58 million in LCMR funds for Local Initiative Grants and the department is recommending that \$1,250,000 be allocated to Regional Parks Outside the Metro Area.

The Natural and Scenic Area grant program was first funded in 1994. In recent years the Legislature appropriated \$3.63 million in LCMR funds in 1999 for Local Initiative Grants, of which \$870,000 was allocated for Natural and Scenic Area grants. In 2001 over \$5 million in LCMR funds was appropriated, of which \$1.25 million was allocated for Natural and Scenic Area grants. In 2003 the Legislature again appropriated LCMR funds and the

Local Initiative Grants

department is recommending that \$965,000 be allocated to Natural and Scenic Area grants.

Other Considerations

None

Project Contact Person

Wayne Sames, Business & Community Development Director
DNR Local Grants Unit
500 Lafayette Road
Box 10
St. Paul, MN 55155
Phone: (651) 296-1567
Fax: (651) 296-6047
Email: wayne.sames@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	2,500	2,500	2,500	7,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	2,500	2,500	2,500	7,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,500	2,500	2,500	7,500
State Funds Subtotal	0	2,500	2,500	2,500	7,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,500	2,500	2,500	7,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

State Trail Connections

2004 STATE APPROPRIATION REQUEST: \$250,000

AGENCY PROJECT PRIORITY: 24 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Local trail connections & regional trail grant programs
- ◆ \$250,000 request for these programs
- ◆ Provides up to 50% match to local units of government
- ◆ Grants are for acquisition and development

Project Description

This request is for \$250,000 in bonding for matching grants to units of government for up to 50% of the costs of acquisition and betterment of public land and improvements needed for trails of regional significance and trails that connect communities, trails and parks. However, on average the state's portion of the total cost for these types of projects amounts to just 23% due to local governments securing large federal grants for major development projects. If land used for the trails is not in full public ownership, then the recipients must ensure that the trail development will be available for at least 20 years. Bond proceeds will only be used for publicly owned trail portions. Land acquired with these funds is perpetually dedicated for recreational trail purposes.

The Local Trail Connections & Regional Trail grant programs depend on local communities and their local government representatives to provide inspiration, planning, and commitment, as well as the local matching requirement, to make the outdoor recreational trail projects a reality. Local governments complete the acquisition or projects and are reimbursed for a portion of the acquisition or project actually completed.

Applications for grants are due on February 28 of each year that funding is available. These dollars would be used to assist communities to develop local trail connections as well as trails of regional significance. Funds would

be divided evenly between outstate Minnesota and the metropolitan area. In 2003, the state received 41 grant applications totaling \$3.250 million in requests. Utilizing historical average requests for the programs, \$250,000 would fund approximately 4 projects with costs totaling over \$1.0 million.

Impact on Agency Operating Budgets (Facilities Notes)

This \$250,000 request for matching grants to local units of government will not require additional DNR staff support to provide project evaluation and selection, environmental review, technical assistance, contract preparation and administration, project billings, and project monitoring. The local governments assume the responsibility for ongoing, long term operations and maintenance of the trail projects and must not convert the property to uses other than those for which the grant was provided.

Previous Appropriations for this Project

M.L. 1998, chapter 404, section 7, subd. 26. \$1 million

M.L. 2000, chapter 492, section 7, subd. 16. \$500,000

Other Considerations

The increased urbanization of the state has led to shortage of outdoor recreational opportunities through the rapid disappearance of natural and open space areas in growing communities throughout the state. This has resulted in a loss of natural area to provide accessible public outdoor recreational opportunities at the local level. In addition, many communities have realized the benefits of a good locally based trail system and are interested in linking local trail projects with regional and state trails.

The Local Trail Connections and the Regional Trail grant programs are cost-effective tools that enables the state to work collaboratively with local governments to help address needs and provides increased public access to recreational trail opportunities at the local level.

Project Contact Person

Tim Mitchell, Grants Specialist
Trail Recreation Section
DNR Trails and Waterways Unit
500 Lafayette Road, Box 52
St. Paul, MN 55155-4052
Phone: (651) 297-1718

Fax: (651) 297-5475

E-mail: tim.Mitchell@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	250	250	250	750
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	250	250	250	750

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	250	250	250	750
State Funds Subtotal	0	250	250	250	750
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	250	250	250	750

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	250	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 25 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ Initiate maintenance and repair projects in existing DNR Facilities.
- ◆ Project plan addresses a wide range of critical life safety and other code violations by reducing risk of illness and injury.
- ◆ Reduce the \$29 million deferred maintenance iceberg by \$5 million

Project Description

This request is for \$5 million in bonding for the Minnesota Department of Natural Resources (DNR) Asset Preservation Program.

The department has identified more than \$29 million in deferred asset preservation projects for agency facilities statewide. These projects are focused on maintenance and repairs that need to be done to maintain existing values in buildings. Statewide, facility maintenance programs have been under funded. The result is a "Capital Iceberg" of deferred maintenance. 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 those problems which are eroding the capital value of state owned buildings.

Our project plan addresses a wide range of critical life safety and other code violations by reducing risk of illness and injury, improving indoor air quality, accessibility and security. It will eliminate physical hazards which pose risks to staff and the public. Funding this request will provide for all aspects of asset preservation, including: roofing, plumbing and heating, electrical repair and renovations, energy efficiency improvements, and structural renovations. As opportunities arise, we will update failed building systems using improved technologies.

The DNR continues to invest in human resources by supporting a trained, equipped, productive, and culturally diverse work force. Facility condition

significantly contributes to, or detracts from, the DNR's ability to achieve the state's natural resources management mission. Poor or degraded building and utility services often hinder the day-to-day effort to manage natural resources. It is in the state's best interest to maintain facilities in fully functional condition to enhance employee productivity, to reduce operating costs, and to protect the long-term investment in buildings.

The facility maintenance and repair projects in the DNR request are separate from and not included in the Department of Administration's Capital Asset Preservation and Replacement Account (CAPRA) request. The Department of Administration will be requesting a reduced amount of CAPRA funds this session. These funds will be for emergency life safety projects only. These projects do not duplicate any other DNR request. A detailed project list is available.

Impact on Agency Operating Budgets (Facilities Notes)

Funding this request will help the DNR to address the backlog of deferred asset preservation projects. The net result is to slow the erosion of our annual operating budgets. Installation of more efficient building systems and enhancing the energy conservation characteristics of buildings will net operating savings. Adequate funding for annual maintenance, repair, and betterment obligations will result in lower future obligations for more costly deferred repair and replacement.

Previous Appropriations for this Project

M.L. 1996, Chapter 463	\$.5 million	Bonding
M.L. 1998, Chapter 404	\$2.2 million	General
M.L. 2000, Chapter 492	\$2.0 million	Bonding
M.L. 2002, Chapter 393	\$2.6 million	Bonding

Other Considerations

If this proposal is not funded more basic building maintenance will be deferred. 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.

In addition, the failure to address maintenance issues will result in building conditions that are unsafe and unhealthy.

No money is requested for public art as each of these projects falls below the \$500 thousand construction cost level, thus making these projects exempt from the requirement.

Project Contact Person

John Strohkirch, Facility Manager
DNR Bureau of Facilities and Operations Support
500 Lafayette Rd., Box 29
St. Paul, MN 55155-4029
Phone: (651)296-8289
Fax: (651)296-3500
E-mail: john.strohkirch@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	400	400	400	1,200
4. Project Management	0	175	175	175	525
5. Construction Costs	0	4,365	4,365	4,365	13,095
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	60	60	60	180
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
State Funds Subtotal	0	5,000	5,000	5,000	15,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Field Office Renovation & Improvements

2004 STATE APPROPRIATION REQUEST: \$4,000,000

AGENCY PROJECT PRIORITY: 26 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ This project represents the redevelopment of DNR facilities to support core programs
- ◆ Initiate office, shop and storage renovation and improvement projects at 9 existing DNR work sites and accessibility projects at 6 field sites.
- ◆ To bring buildings up to code and relieve substandard employee working conditions and improve public access.

Project Description

This request will provide \$4 million for Field Office Renovations and Improvements and accessibility projects.

The Department proposes acquisition, construction, renovation, and rehabilitation of field offices to relieve substandard employee working conditions in existing facilities. The proposed projects address conditions that cannot be resolved through common repair and maintenance activities. We propose to resolve issues like overcrowded conditions, unsuitable occupancies, and missing functionality.

Much of the inventory of Department of Natural Resources (DNR) field offices is 50 years old and only a few have been updated to accommodate changes in natural resources management work requirements. Very little has been done to assure proper lighting, heating, air conditioning, ventilation, access, or egress. We consider these to be critical life safety emergency issues. Equally little has been done to redevelop the existing facilities to provide appropriate meeting space, sanitary facilities, shop spaces, storage facilities, or security systems.

Our goal is to improve delivery of services to citizens. It is our strong belief that development of up-to-date workplaces enhances efficient and productive work of our employees and high quality public service. Modifications to offices allow us to ensure adequate meeting space for working with citizens and to create space for needed educational and tourist information.

Project List includes:

Accessibility Improvements – Initiate accessibility improvement projects at DNR building sites across the state to meet ADA requirements. These projects will be in addition to the accessibility components of the projects listed below.

Washburn Lake / Spire Valley consolidation – Consolidate Washburn Lake (Forestry) and Spire Valley (Fisheries) at Spire Valley site. Currently no office, little storage, and temporary hatchery buildings at the site. The Washburn Lake Forestry site will be vacated.

Little Fork Forestry – The existing site has inadequate office space, which will require adding onto the existing structure.

Talcot Lake Wildlife Management Area – Construct an addition to the existing maintenance shop to accommodate equipment repair. Add restrooms to the facility and improve overall HVAC, lighting, and accessibility.

Effie Forestry – Construct an addition to the existing office and remodel the existing structure to provide accessibility and meet the office requirements of existing staff.

Zimmerman Forestry – Vacate the existing site and construct a new adequate office, heated and unheated storage at Sand Dunes State Forest site.

Region 2 Headquarters – Complete upgrade of the boiler, HVAC systems and fire protection at the existing Regional Headquarters.

Walker Fisheries – Redesign and expansion of the existing office to address over crowded conditions. Construct additional on-site storage including heated area for net repair/storage.

Field Office Renovation & Improvements

Spicer Area Office – The existing office is inadequate. Office addition, restrooms, meeting space and accessibility.

Roseau River Wildlife Management Area – Addition to existing office to resolve space, visitor access and ADA issues.

Cost detail on the individual projects is available. No pre-design costs are included in these requests as we fund these internally. We expect minimal disruption due to construction, which we plan on mitigating by careful scheduling of work stages.

Impact on Agency Operating Budgets (Facilities Notes)

This project will result in small increases in square footage of office and service facilities which are incidental to specific project requirements.

Previous Appropriations for this Project

Previous state capital budget appropriations include:

M.L. 2002 Chapter 393	\$1.0 million	Bonding
-----------------------	---------------	---------

Other Considerations

Existing facilities are physically inefficient, a hindrance to the resource management effort, inaccessible, unhealthy, and unsafe for employees and the public. Improved facility conditions and workplace utility will enhance morale, collaborative work and productivity. These same improvements will reduce the state's exposure to risks associated with unsafe, unhealthy and inaccessible facilities.

Project Contact Person

John Strohkirch, Facility Manager
DNR Bureau of Field Services
500 Lafayette Road, Box 16
St. Paul, MN 55155-4016
Phone : (651) 296-8289
Fax : (651) 296-3500
Email : John.Strohkirch@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	200	0	0	200
4. Project Management	0	140	0	0	140
5. Construction Costs	0	3,460	4,000	4,000	11,460
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	200	0	0	200
9. Inflation	0	0	0	0	0
TOTAL	0	4,000	4,000	4,000	12,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	4,000	4,000	12,000
State Funds Subtotal	0	4,000	4,000	4,000	12,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,000	4,000	4,000	12,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$6,400,000

AGENCY PROJECT PRIORITY: 27 of 27 (DNR Priority Initiative)

PROJECT LOCATION:

Project At A Glance

- ◆ This project represents the development of DNR facilities to support core programs
- ◆ Completion of the consolidated office at Fergus Falls and the development of co-located DNR facilities at Grand Marais and Glenwood.
- ◆ These projects replace existing over crowded and unsuitable work sites.

Project Description

This request is for \$6.4 million to acquire, construct, remodel, renovate or otherwise develop new employee offices and workspaces in Grand Marais and Glenwood and complete the Fergus Falls Area office.

The agency is developing Field Offices to consolidate services within service areas, providing space to reorient field workers currently located in the central office and to replace substandard facilities. 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.

Fergus Falls – The DNR purchased an existing building in Fergus Falls and completed the remodeling of this facility to provide offices and heated storage. This project will complete some minor remodel items in the building, construct unheated storage for equipment and vehicles. Complete the road and parking needs and finish final site work and landscaping.

Grand Marais – Construct a consolidated field office to replace the existing facility. The existing facility is on a very small site and consists of one building and a trailer connected by a covered outdoor walkway. The offices

and work areas are very cramped and storage is very inadequate. An industrial park site is available in the city of Grand Marais.

Glenwood – Construct new office and storage buildings to replace existing facilities. Current office is a converted residence with overcrowded conditions and little storage. The existing building has ongoing asbestos, lead paint and bat guano issues. The facility also has poor heating, no air conditioning and is not ADA accessible.

Integration of work processes requires:

- ⇒ A workplace that serves the functional requirements of natural resource management work.
- ⇒ A workplace that can be quickly and inexpensively adjusted to maximize productivity and satisfaction.
- ⇒ A workplace that is comfortable, efficient, technologically advanced, and allows people to accomplish their work in the most efficient way.
- ⇒ A workplace that meets our need and justifies its cost through the benefits gained.

The specific benefits of an integrated workplace are:

- ⇒ Improved productivity
- ⇒ Improved job satisfaction and health
- ⇒ Better use of limited resources – specifically, people, space, time, and money.

Impact on Agency Operating Budgets (Facilities Notes)

These projects will result in a net increase in the facility inventory, with corresponding increases in facility operating costs associated with maintenance and replacement.

Modernized facilities and building systems will ensure that the agency will get more utility for each maintenance and operations dollar.

Increases in costs and the investment costs will be offset by significant increases in employee productivity due to properly configured facilities.

Previous Appropriations for this Project

Previous State Capital Budget appropriations include:

Office Facilities Development

M.L. 1998 Chapter 240	\$7.1 million	Bonding
M.L. 2000 Chapter 492	\$3.25 million	Bonding
M.L. 2002 Chapter 393	\$1.5 million	Bonding

Other Considerations

Existing facilities in grand Marais and Thief River Falls are physically inefficient, a hindrance to the resource management effort, inaccessible, unhealthy and unsafe for employees and the public. Improved facility conditions and workplace utility will enhance many performance factors. Among them are: employee retention, moral, collaboration, and productivity. These same improvements will reduce the states exposure to risk associated with unsafe, unhealthy, and inaccessible facilities.

No predesign costs are included as we have funded them internally. As these are new facilities, staff will remain in their current locations until these are complete.

Project Contact Person

John Strohkirch, Facility Manager
 DNR Bureau of Facilities and Operations Support
 500 Lafayette Rd., Box 29
 St. Paul, MN 55155-4029
 Phone: (651)296-8289
 Fax: (651)296-3500
 E-mail: john.strohkirch@dnr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	40	0	0	40
3. Design Fees	0	400	0	0	400
4. Project Management	0	216	0	0	216
5. Construction Costs	0	5,344	13,000	13,000	31,344
6. One Percent for Art	0	40	0	0	40
7. Relocation Expenses	0	40	0	0	40
8. Occupancy	0	320	0	0	320
9. Inflation	0	0	0	0	0
TOTAL	0	6,400	13,000	13,000	32,400

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,400	13,000	13,000	32,400
State Funds Subtotal	0	6,400	13,000	13,000	32,400
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,400	13,000	13,000	32,400

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,400	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
Capital Assistance Program	1	GO	\$20,260	\$6,000	\$31,260	\$0	\$0	\$0
Project Total			\$20,260	\$6,000	\$31,260	\$0	\$0	\$0
General Obligation Bonding (GO)			\$20,260	\$6,000	\$31,260	\$0	\$0	\$0

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

Capital Assistance Program

2004 STATE APPROPRIATION REQUEST: \$20,260,000

AGENCY PROJECT PRIORITY: 1 of 1 ()

PROJECT LOCATION:

Project At A Glance

The Solid Waste Processing Facilities Capital Assistance Program (CAP) assists and provides financial incentives to local units of government (LGU's) implementing integrated solid waste management systems. Integrated solid waste management systems require new infrastructure that are basic public assets to Minnesota.

Project Description

The purpose of this program is to provide \$20,260,000 in 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.

A goal of the Minnesota's Waste Management Act and the Minnesota Office of Environmental Assistance (OEA) is to have an integrated system serving all of Minnesota. Since 1985, CAP grants have funded only a small portion of the total solid waste project costs. The local governments have financed the balance of the total development, construction, and operating costs. In addition to CAP financial assistance, the OEA provides technical assistance to LGU's to address the development, 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 resource recovery.

Examples of eligible projects are:

- Waste-to-energy facilities
- Recycling facilities
- Composting facilities
- Transfer stations that will serve waste processing facilities
- Projects to increase recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility in order to meet the needs of expanded regions
- Special waste streams (i.e., household hazardous waste)

Depending on the project type, a single-county project may receive funding of 25% or 50% of eligible capital cost, 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 time 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.

Examples of eligible costs are:

- Final design, engineering and architectural plans
- Land
- Structures
- Waste processing equipment
- On-site roads, parking and landscaping

The following list identifies potential project development and construction over the next six years.

<u>2004-05</u>	<u>Project Type</u>	<u>Total Capital Costs</u>	<u>Applicant's Capital Cost</u>	<u>CAP Grant</u>
Lamberton	W-to-E/MRF	\$38,000,000	\$23,750,000	\$14,250,000
Olmsted	Waste-to-Energy	\$40,000,000	\$36,000,000	\$ 4,000,000
Red Wing	Upfront MRF	\$ 4,120,000	\$ 2,110,000	\$ 2,010,000
	Subtotal	\$82,120,000	\$61,860,000	\$20,260,000
<u>2006-07</u>				
Fergus Falls	Upfront MRF	\$ 6,000,000	\$3,000,000	\$3,000,000
Perham	Upfront MRF	\$ 6,000,000	\$3,000,000	\$3,000,000
	Subtotal	\$12,000,000	\$6,000,000	\$6,000,000

Capital Assistance Program

2008-09

Olmsted	Upfront MRF	\$ 6,500,000	\$ 3,250,000	\$3,250,000
North West MN	Processing	\$10,000,000	\$ 7,000,000	\$3,000,000
No. Central MN	Processing	\$10,000,000	\$ 7,000,000	\$3,000,000
West Central	Processing	\$10,000,000	\$ 7,000,000	\$3,000,000
	Subtotal	\$36,500,000	\$24,250,000	12,250,000

Note: The OEA is now finalizing the list of CAP projects through the Preliminary Application process outlined in the OEA's rules and procedures for the CAP grants program. A final list of projects will be available prior to the Departments September deadline for submission.

Impact on Agency Operating Budgets (Facilities Notes)

The continued funding of the CAP grant program will have no impact on the OEA's operating costs.

Previous Appropriations for this Project

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
Total	\$49.05 million

Other Considerations

Without the CAP program's technical and financial assistance, many local governments will not move forward in developing some solid waste management infrastructure. For many local governments, developing an integrated solid waste management system is a complex, controversial, and expensive endeavor.

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. The OEA's administration and oversight of the CAP grants help to develop projects that are technically, institutionally, and financially sound.

Glossary:

LGU's – Local Units of Government

MSW: mixed solid waste.

Processing: MSW recovery through W-to-E, composting, etc.

Transfer Station: intermediate waste transfer facilities that accept waste and transfer it to resource recovery projects.

Upfront MRF: recycling/fuel cleaning done at a W-to-E facility prior to processing.

W-to-E: waste-to-energy facility.

Project Contact Person

Mary Palmer, Supervisor
 Financial Assistance and Budgeting
 Office of Environmental assistance
 520 Lafayette Road North, Second Floor
 St. Paul, MN 55155-4100
 Phone: 651/215-0238
 Fax: 651/215-0246
 E-mail: Mary.Palmer@MOEA.state.mn.us

Mary James, Grants Specialist Coordinator
 Financial Assistance and Budgeting
 Office of Environmental assistance
 520 Lafayette Road North, Second Floor
 St. Paul, MN 55155-4100
 Phone: 651/215-0194
 Fax: 651/215-0246
 E-mail: Mary.James@MOEA.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	20,260	6,000	31,260	57,520
State Funds Subtotal	0	20,260	6,000	31,260	57,520
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	20,260	6,000	31,260	57,520

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,260	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006		2008	2006
Closed Landfill Bonding	1	GO	\$26,092	\$0	\$0	\$0	\$0
Restoration of Impaired Waters	2	GO	5,000	5,000	0	0	0
Project Total			\$31,092	\$5,000	\$5,000	\$0	\$0
General Obligation Bonding (GO)			\$31,092	\$5,000	\$5,000	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

The mission of the Minnesota Pollution Control Agency (MPCA) is to help Minnesotans protect and improve the environment to sustain healthy ecosystems. The vision for the MPCA is based on its enabling legislation that established the agency. The vision for Minnesota's environment is comprised of:

- clean, sustainable ground water systems,
- clean fishable swimmable surface waters,
- clean and clear air,
- land supports desired uses, and
- a well-managed organization to ensure this vision is accomplished.

The MPCA's strategic directions for the next five years are under development and will be completed by mid-July and will be available on MPCA's web site.

MPCA's priority programs are based on information from environmental risk, environmental stressors, the resource conditions, statutory obligations and responsibilities, public and stakeholder expectations and socio-economic trends.

MPCA's top environmental priorities are:

- impaired waters,
- responding to emergencies,
- core regulatory air and water programs,
- non-point source pollution in air and water and environmental monitoring.

However, closed landfills also represent both an outstanding liability for the state and a commitment for MPCA to complete construction and move into operation and maintenance program levels.

Minnesota's impaired waters program is delegated through the Clean Water Act from the U.S. Environmental Protection Agency (EPA). The Clean Water Act requires MPCA to establish designated uses for each water body, such as fishing, drinking or swimming.

Monitoring indicates which water bodies are not meeting their designated uses. About one-third of the assessed waters have been placed on an impaired waters list for which federal law requires clean-up plans to be developed and implemented. This bonding request is intended to be one of the funding sources for this program

The MPCA is authorized under Minnesota's Landfill Cleanup Act (M.S. 115B) to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 112 closed landfills currently qualified for the closed landfill program. This bonding request is one of the three major funding sources for this program.

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

In 1994, the legislature passed the Landfill Cleanup Act which authorized the MPCA to initiate cleanups, complete closures, and take over the long-term operation and maintenance in perpetuity at up to 106 closed, state-permitted, municipal solid waste landfills in Minnesota. In 1999, the eligibility was expanded and, since then, six additional facilities have become eligible. As one of the three funding sources, the legislature appropriated \$90 million in general-obligation bond funds to be used for design and construction work over a ten-year period at closed landfills that are publicly owned.

In 2000, another law relating to unobligated bond proceeds inadvertently cancelled that bonding authority, and resulted in two subsequent requests for bonding authorizations in 2001 and 2002. This request is expected to result in the completion of construction for the currently eligible facilities.

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

For the November, 2002 forecast, the MPCA notified the Department of Finance of future state obligations relating to eligible closed landfills of \$231 million in 2002. These financial obligations are based on reimbursement to EPA for some past costs, needed remedial construction, and operation and maintenance of these systems and obligation to correct catastrophic failure such as landfill covers failure, fires or explosions. About 15 publicly owned landfills in the Closed Landfill Program are in need of remedial construction activities in fiscal years 2005 and 2006. If this request for general obligation

bonds is not authorized, then funding for these activities will likely come from the Remediation Fund which funds similar construction activities at non-publicly owned, closed landfills in the program. As a result, construction activities at these sites will be delayed into future years and will come at a greater cost to the public.

In 2003, the MPCA released a report, Minnesota's Impaired Waters, prepared in response to the Legislative Auditor's recommendation to provide the 2003 Legislature with a multi-year implementation and financing plan for assessment and restoration of impaired waters. This report can be found at: www.pca.state.mn.us/hot/legislative/reports

The cost to restore waters on the 2002 impaired waters list is estimated at \$600 million to \$3 billion. This does not include costs to upgrade point sources, such as municipal treatment facilities, or realigning resources at MPCA and with other state and federal agencies.

A follow up report to the legislature is due in February 2004 on progress with stakeholders on strategies to implement the impaired waters program and any specific recommendations on funding options to address the needs documented in the 2003 report.

Agency Process Used to Arrive at These Capital Requests

The MPCA has estimated design and construction costs for the remaining publicly-owned closed landfills that need remedial action. Construction activities at each of these sites may include: 1) the installation or augmentation of landfill covers to mitigate the generation of contaminated leachate; 2) the installation of ground water treatment systems to clean up contaminated ground water that threatens public drinking water sources; and 3) the installation of landfill gas control systems to prevent off-site threats of explosion to buildings and damage to crops. This construction is represented in this bonding request for \$26.092 million.

The MPCA requires reports from counties on septic systems that are failing or an imminent health threats. The total need based on 2001 county annual report is \$1.8 billion. Failing septic systems represent 176,000 systems, while another 64,000 systems are imminent health threats. Replacement costs are estimated at \$7,500 per system. This bonding request provides \$2.5 million of assistance.

Costs for municipal stormwater implementation, applying EPA estimate to Minnesota is approximately \$12 million per year. Based on estimates from other cities and non-EPA reviewers, Minnesota's costs could range from \$15 - \$62.4 million annually. This bonding request provides \$2.5 million of assistance.

Major Capital Projects Authorized in 2002 and 2003

In 1994, the MPCA received \$90 million in state general obligation bonds to be used for design and construction work at publicly owned landfills over a 10-year period. Expenditures from the original \$90 million authorized in 1994 have been ongoing since 1996 until February 2001 when spending of the unobligated amount was frozen. This unobligated balance of \$56.6 million was cancelled on July 1, 2001. The freeze in spending was due to the law legislature passed in 2000 requiring the Commissioner of Finance in odd years to report to the legislature and to cancel certain unspent or otherwise unobligated bond proceeds (M.S. 16A.642). The \$10 million authorized by the legislature in 2002 has been, or is currently being spent, at 11 closed landfills and will be exhausted in fiscal year 2004.

Closed Landfill Bonding

2004 STATE APPROPRIATION REQUEST: \$26,092,000

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) and acquire land at publicly owned, closed, mixed municipal solid waste landfills throughout Minnesota.

Project Description

This request for \$26.092 million in state funds is to design and construct remedial systems (cover, landfill gas mitigation, and ground water treatment systems) at publicly owned, state-permitted, closed, mixed municipal solid waste landfills throughout Minnesota in fiscal years 2005 and 2006. The Minnesota Pollution Control Agency (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 at up to 112 landfills currently qualified for the Closed Landfill Program (CLP). One of the funding sources for the CLP has been selling of state general obligation bonds, which were appropriated by the legislature in 1997 (1994 Minnesota Session Laws , Chapter 639, Article 3, Section 5).

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 legislature authorized up to \$90 million in general-obligation bond funds to be used for design and construction work at publicly owned landfills over a ten-year period. 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 construction, despite the fact that the legislature indicated in the 1994 law that bonds needed to raise some of the money could not be issued until later years.

The 1994 law was unique, not only because the legislature intended for bonds to be sold incrementally over 10 years, but also because the selling of these bonds was intended to provide a long-term funding source that enabled the MPCA to address the state's perpetual obligation to protect public health, public safety, and the environment at nearly half of the sites in the CLP. Now, these unused bonds – bonds the MPCA anticipated spending on construction at closed landfills in future years to meet its obligations – were cancelled on July 1, 2001.

In 2001 and 2002, the legislature authorized \$20.5 million and \$10 million, respectively to meet the MPCA's construction needs through fiscal year 2004. However, the MPCA estimates that an additional \$26.092 million is needed to complete remedial construction at 15 sites in fiscal years 2005 and 2006. The authorization of bonds will allow MPCA to carry out the original intention of the 1994 Act and to use the bond proceeds to pay for planned remedial construction at publicly owned landfills. The MPCA is requesting bond authority for the \$26.092 million in outstanding needs in the current capital budget cycle.

Impact on Agency Operating Budgets (Facilities Notes)

The legislature directly appropriates funds from the Remediation Fund to administer the CLP. Therefore, there is no additional impact on operating budgets to fund this initiative.

Previous Appropriations for this Project

Laws of 1994, Chapter 639; Laws of Special Session 2001 Chapter 12; Laws of 2002, Chapter 393.

Other Considerations

Closed Landfill Bonding

For the November 2000 forecast, the MPCA notified the Department of Finance of future state obligations relating to eligible closed landfills of \$231 million in 2002. These financial obligations are based on reimbursement agreements to responsible parties, needed remedial construction, and operation and maintenance of these systems and obligation to correct catastrophic failure such as landfill covers failure, fires or explosions.

Project Contact Person

Douglas Day	OR	Shawn Ruotsinoja
Supervisor, Closed Landfill Unit		Project Leader
Site Remediation Section		Site Remediation Section
Minnesota Pollution Control Agency		Minnesota Pollution Control Agency
520 Lafayette Road North		520 Lafayette Road North
St. Paul, MN 55155-4194		St. Paul, MN 55155-4194
Phone: 651-297-1780		Phone: 651-282-2382
Email: douglas.day@pca.state.mn.us		Email:
shawn.ruotsinoia@pca.state.mn.us		

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	6,382	1,979	630	0	8,991
4. Project Management	0	0	0	0	0
5. Construction Costs	57,438	17,813	5,670	0	80,921
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	63,820	19,792	6,300	0	89,912

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	63,820	26,092	0	0	89,912
State Funds Subtotal	63,820	26,092	0	0	89,912
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	63,820	26,092	0	0	89,912

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	26,092	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Restoration of Impaired Waters

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 2 of 2 ()

PROJECT LOCATION: Statewide

Project At A Glance

Design and construction of urban stormwater systems and replacement of illegal or failing septic systems to prevent impairment of Minnesota's lakes, rivers and streams or to fix those already impaired. The Governor's vision for water resources includes restoration of waters impaired by societal practices.

Project Description

The Minnesota Pollution Control Agency (MPCA), in cooperation with the Department of Trade and Economic Development, Public Facilities Authority (PFA), Natural Resources and Agriculture, and the Board of Water and Soil Resources, is seeking \$5 million for grants for restoration of those waters listed with Environmental Protection Agency (EPA) as impaired (not meeting standards). The federal Clean Water Act requires all states to identify and restore impaired waters. Restoration activities that would be targeted for this funding include infrastructure for urban storm-water systems and providing upgrades for failing septic systems. These, along with other "non-point" sources are estimated to contribute to 86% of the water pollution problem in Minnesota and are the main reason many lakes, rivers and streams are on Minnesota's impaired waters list.

The cost to restore the over 1,700 waters impaired by non-point sources on the 2002 list is estimated at \$600 million to \$3 billion. This does not include costs to upgrade point sources, such as municipal wastewater treatment facilities, which is the subject of a separate request by PFA. This initial request is for general obligation bonds, although MPCA anticipates that a permanent water quality funding source will be established in 2004 which could be used to support revenue bonds.

The MPCA currently has \$1.1 million per year in dedicated funding for restoration activities related to non-point sources. Local governments will play a leading role in restoration of impaired waters by receiving grants for infrastructure and equipment needed to develop or upgrade urban storm-water systems and for upgrading failing septic systems.

As of March 10, 2003, over 250 municipalities must obtain storm-water permits from the MPCA. These municipalities must develop and implement plans that include elimination of illicit discharges and control of construction site runoff, and most importantly, construction of pollution prevention systems to limit damaging runoff.

By state law, municipalities primarily implement the state's system of control for individual septic systems. Nearly 240,000 (about half) of these systems pose an imminent threat to public health or ground water quality. Of special concern, nearly two-thirds of Minnesotans use ground water as their source of drinking water.

Minnesota's waters – its scenic lakes and rivers, wildlife-rich wetlands and aquifers – are the state's most valuable natural resource. Water drives quality of life in Minnesota, provides habitat for fish and wildlife, and is the cornerstone of a \$10 billion per year tourism industry. Simple put, water quality and quantity are central to our success as a state. The Governor's vision for water resources includes restoration of waters impaired by societal practices.

This request, combined with PFA's existing and proposed funding for wastewater treatment facilities and MPCA's existing funding for restoration of impaired waters will begin to provide communities with financial assistance to address polluted ground and surface waters and return the waters of the state to their intended use.

Impact on Agency Operating Budgets (Facilities Notes)

The legislature directly appropriates funds for administration of Individual Sewage Treatment Systems (ISTS) and stormwater programs from the Environmental Fund, and Clean Water Partnership restoration funds from the General Fund. Therefore, there is no additional impact on operating budgets from this request.

Restoration of Impaired Waters

Previous Appropriations for this Project

None

Other Considerations

Other sources of impaired waters result from agricultural runoff and feedlots. The MPCA is working to have funds allocated toward restoration work for impaired waters from the Federal Farm Bill. In addition, the Conservation Reserve Enhancement Program and Reinvest in Minnesota Program are important funding tools that also address agriculture-related water quality issues.

Project Contact Person

Lisa Thorvig
Assistant Commissioner
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155
651-296-8811
lisa.thorvig@pca.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	5,000	5,000	5,000	15,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
State Funds Subtotal	0	5,000	5,000	5,000	15,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	5,000	5,000	15,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
Yes	MS 16A.695: Use Agreement Required (as per Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
Reinvest in Minnesota - RIM Reserve Program	1	GF	\$3,200	\$3,200	\$1,700	\$0	\$0	\$0
		GO	20,000	20,000	10,000	0	0	0
Local Gov't Road Wetland Replacement	2	GO	4,362	4,362	4,362	0	0	0
Streambank, Lakeshore & Roadside Erosion Control	3	GF	260	260	260	0	0	0
		GO	5,000	5,000	5,000	0	0	0
Project Total			\$32,822	\$32,822	\$21,322	\$0	\$0	\$0
General Obligation Bonding (GO)			\$29,362	\$29,362	\$19,362	\$0	\$0	\$0
General Fund Projects (GF)			\$3,460	\$3,460	\$1,960	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

BWSR's Strategic Plan identifies voluntary resource management strategies and related goals. The resource management strategies specified are education, incentives, and regulation. The plan also identifies goals that focus on assisting local governments and landowners in preventing natural resource problems and mitigating existing problems.

Agency goals and objectives that are achieved through capital projects include:

- Protecting or retiring marginal agricultural and environmentally sensitive lands.
- Targeting limited resources to the highest priority marginal and sensitive lands.
- Permitting land managers to focus their stewardship efforts on more productive lands.
- Creating natural retention systems to improve surface water runoff and enhance groundwater recharge.
- Achieving the state's policy of no net loss of wetlands.
- Installing best management practices on Minnesota lands.

BWSR programs outlined in the capital budget request use incentives include tools local governments can use to enhance local conservation program delivery. Incentives provide opportunities to remove marginal ag-land and environmentally sensitive land from production, and provide solutions for extreme shoreland erosion and flood damages to land and wildlife habitat. They encompass both urban and rural values and promote both loan and grant programs.

Conservation Easement Programs: As part of the state's effort to protect marginal land and improve water quality, BWSR administers various conservation easement programs. These programs acquire or support the acquisition of easements to restore or protect critical lands.

The state established the Reinvest in Minnesota Reserve Program in 1986. Since 1986, the state funded easement programs have secured more than 121,000 environmentally sensitive acres throughout the state.

The previous three years' focus for acquiring easements has gone to the Minnesota River CREP to realize the 100,000-acre goal and related water

quality and habitat benefits. While not ignoring the Minnesota River's ongoing resource needs, RIM Reserve's priority will resume a statewide focus. The conservation easement programs include:

RIM Reserve Match to the Minnesota River Basin Project under the Conservation Reserve Enhancement Program (CREP)

The purpose of this program is to retire marginal, flood-prone cropland along the Minnesota River and its tributaries and to reduce phosphorus and sediment pollution in the river.

RIM Reserve: Leverage Funding for Wetland Reserve Partnership (WRP)

This program restores previously drained wetlands and protects them from future drainage with a perpetual easement. The combination of a 30-year NRCS WRP easement and a RIM Reserve perpetual easement streamlines the easement process for both local units of government and landowners. The requested funding provides the state match. The geographic focus of this program is the Prairie Pothole Region.

RIM Reserve and Permanent Wetland Preserves (PWP)

RIM Reserve takes marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat. PWP protects existing, at-risk urban and rural wetlands from conversion to other uses by offering financial compensation to landowners in return for a perpetual easement. The geographic focus is statewide and the benefits are protection at a lower cost as compared to restoring drained or filled wetlands after the fact.

BWSR will continue to leverage federal funding through CRP, WRP, CREP, NAWCA, and other private conservation organizations to the maximum degree practical to realize program outcomes.

Public Transportation Wetland Replacement Program: The Minnesota Local Government Roads Wetland Replacement program is a **statutory obligation** the state has to replace wetlands lost to safety improvements 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. It benefits a wide number of constituent groups: local road authorities by assigning responsibility for replacing the inevitable loss of wetlands to the state; environmental interests by establishing higher quality

wetland replacement sites; state taxpayers by reducing the overall costs of constructing these replacement wetlands due to economies of scale; and citizens by avoiding delays in undertaking public safety enhancements to existing roads due to wetland mitigation costs.

Streambank, Lakeshore, and Roadside Erosion Control Program: This program will provide for the protection of water quality, fish and wildlife habitat, public infrastructures, and public safety through:

- Protection and restoration of environmentally sensitive lake and river shoreland areas through the purchase of conservation easements, 103F.225 (Shoreland Protection Program);
- Correction of severely eroded lake and river stream banks through the installation of erosion control practices with cooperating public entities; and
- Reduction of flood damages through the installation of road retention projects.

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

The following trends and issues are shaping the development of programs at BWSR:

- **Non-point source pollution strategy moves to implementation phase.** The strategy for non-point source pollution has moved to the implementation phase, which will necessitate the need to accelerate putting soil erosion and water quality practices on the land. BWSR's local government network provides the critical means of disseminating conservation and water quality financial and technical aid to private landowners throughout the state. BWSR has the structure and relationships needed, through its local water management programs, to identify, assess, prioritize, and implement programs and practices to address non-point concerns at the local level.
- **Federal action increases pressure.** Federal action by both the Environmental Protection Agency (EPA) and the United States Department of Agriculture over the past several years has increased pressure on BWSR and local governments to increase their efforts in land and water conservation. The federal government, through the Conservation Reserve Enhancement Program (CREP), has included authorization in the current farm bill for states to apply and have set-aside up to 100,000 acres of conservation easements. This program

provides the potential for the state to leverage \$4 of federal funds for every \$1 of state match. On the other hand, decreased U.S. Department of Agriculture (USDA) staffing for the Natural Resource Conservation Service (NRCS) has elevated pressure on local and state governments to provide the technical assistance necessary to design and install conservation practices. Increased emphasis by EPA is also being placed on the state to address water quality impairments through the Total Maximum Daily Loads (TMDL) process and on nutrient enrichment (hypoxia) in the Gulf of Mexico. Greater response and accountability by the state also affects service demands.

- **Increased acknowledgement of and reliance on the role and capabilities of local government.** Partnerships – particularly between state, local, and federal government – are an effective way to accomplish natural resource and environmental protection goals. Over the past several years, state government agencies have grown increasingly dependent on local government to carry out state initiatives. Cooperative resource management is an effective way to maintain or increase resources without increasing funding. State agencies acknowledge that local government officials and staff have advantages that the state does not – local governments have knowledge of local resources and attitudes, personal friendships, an awareness of local needs and priorities, and, probably the most important factor, the land use authority. With these increased expectations and BWSR assistance, local government capabilities in resource management have grown significantly. Local governments are now at a point, however, where they need a wider variety of training and assistance, from the most basic level to advanced, in areas such as technical skills, leadership, and management.
- **Increased natural resource awareness and willingness to take action among the general public, including landowners, to ensure a future with high quality natural resources.** Minnesotans are aware of environmental concerns, particularly water quality. With approximately one-third of Minnesota adults either owning a cabin or recreational land, the state's citizens are more willing to make reasonable sacrifices to protect and improve water quality. Going to "the cabin" is part of the tradition for many families. It follows then that more people will notice if poor water conditions affect their favorite lake or fishing stream. In addition, residents are more aware of the need to protect marginal lands, especially those close to critical water resources. The agricultural

community has accepted the need to remove marginal agricultural lands from production in order to improve overall production efficiency.

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

The following information outlines the condition of Minnesota's 23 million acres of cropland and related conservation needs.

Total Minnesota Cropland: 23 Million Acres

Soil Conservation Needs:

10 Million Acres:

- Adequately protected from erosion.
- Annual erosion is less than the tolerable rate of soil loss.
- Need to maintain good management practices.

8 Million Acres:

- Eroding at one or two times the tolerable rate of soil loss.
- Technical assistance to landowners to implement sustainable management practices to protect soil is key.

2.5 Million Acres:

- Eroding at greater than twice the tolerable rate of soil loss.
- Productive land only if protected with conservation practices.
- Targeted cost-share programs for conservation practices is critical and technical assistance to landowners to implement.

2.5 Million Acres*:

- Marginal cropland.
- Highly erodible and floodplains.
- Should not be farmed.
- Target with land retirement programs.
- Drained wetlands.

*Funding for BWSR conservation easement programs will be used on portions of these lands.

Other Resource Protection Needs:

- 1600 miles of eroding streambanks and lakeshore.
- 4300 cubic yards of soil are lost per year from roadside erosion.

Agency Process Used to Arrive at These Capital Requests

In determining the amount of this request, acreage and application estimates were compiled based on historical program demands. All estimates considered the amount of eligible land for the program and estimated landowner interest based on past history.

Internal agency estimates were used to arrive at the amount requested for PWP program. All requests are reflection of demands for service or assistance of local government and citizens.

Major Capital Projects Authorized in 2002 and 2003

Local Government Roads Wetland Banking Appropriations

2002	\$2.7 million (vetoed)
2003	\$2.7 million

Conservation Easement Program Appropriations

2002	\$2.0 million (vetoed)
2003	\$1.0 million

Shoreland Easements

2002	\$750,000 (vetoed)
------	--------------------

Reinvest in Minnesota - RIM Reserve Program

2004 STATE APPROPRIATION REQUEST: \$23,200,000

AGENCY PROJECT PRIORITY: 1 of 3 ()

PROJECT LOCATION: Statewide (if a CREP application is approved, priority will be NW, SW, SE MN)

Project At A Glance

The Reinvest in Minnesota (RIM) Reserve and the Permanent Wetlands Preserve (PWP) programs compensate landowners for granting conservation easements to:

- ◆ Protect or retire marginal and environmentally sensitive agricultural lands
- ◆ Protect and enhance water quality of rivers, streams, and lakes
- ◆ Creation of fish and wildlife habitat
- ◆ Contributes toward a net gain of wetland resources

Reducing flood damages through the creation of natural water retention systems

Project Description

Degrading water quality and diminished 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 retired cropland. The Reinvest in Minnesota (RIM) Reserve and the Permanent Wetlands Preserve (PWP) programs compensate landowners for granting conservation easements and establishing native vegetation habitat on these economically marginal, flood-prone, or highly erodible lands.

The Board of Water and Soil Resources (BWSR) is requesting \$23.2 million to purchase conservation easements on private land. Of the total amount, \$20.0 million is for easements and \$3.2 million is for implementation. BWSR's RIM Reserve program is an important component of the state's efforts to improve water quality by reducing soil erosion and improving wildlife habitat on private lands. RIM Reserve is implemented in cooperation with local Soil and Water Conservation Districts (SWCDs).

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 values. Phosphorus makes water unsuitable for fish or human activities, promotes excess aquatic plant growth, and promotes eutrophication of water resources.

Both the RIM Reserve and PWP programs meet the goals and objectives of BWSR's strategic plan. 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 alteration. Agency goals that are achieved through capital projects include:

- ◆ Protecting or retiring marginal and highly sensitive agricultural lands;
- ◆ Targeting limited fiscal resources to highest priority natural resources;
- ◆ Allowing land managers to focus stewardship efforts on more productive and profitable 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.

Data from the 991 easements obtained in the 1998-99 biennium indicate that 395 tons/year/easement of soil did not erode due to the presence of these easements. Approximately 137 tons/year/easement of sediment was kept out of our waterways. Total phosphorous reductions of 173 lbs./year/easement were realized.

Conservation Easement Partnerships/Funding Initiatives

BWSR is completing two agreements that have been secured with the United States Department of Agriculture (USDA) that effectively partners the RIM Reserve program with two popular federal land retirement programs. These partnerships enable BWSR to leverage significant federal funds towards the goal of protecting our vital natural resources. The two partnerships are outlined below:

Reinvest in Minnesota - RIM Reserve Program

RIM Reserve / USDA Wetland Reserve Program Partnership

BWSR signed an agreement with the USDA Natural Resources Conservation Service (NRCS) to jointly fund wetland restoration easements statewide via the RIM Reserve and NRCS Wetland Reserve Program (WRP). This agreement expires on Dec. 31, 2003. Landowners who apply and are accepted enter into a 30-year WRP easement and a perpetual RIM Reserve easement on the same parcel of land. To date, BWSR was approximately 8,500 acres enrolled under this program. This partnership also reduces the state's easement payments to landowners by 50 percent, and effectively leverages 2 federal dollars for each state dollar. Funding for this program is dependent on federal appropriations. State funds will come from those appropriated for RIM/PWP.

Conservation Reserve Enhancement Program (CREP)

BWSR entered into an agreement with the USDA Farm Services Agency (FSA) to do a CREP in the Minnesota River watershed. This state/federal partnership combines the existing USDA Conservation Reserve Program (CRP) with the RIM Reserve program to retire up to 100,000 acres of environmentally sensitive land in the Minnesota River watershed. BWSR met its 100,000-acre goal in that CREP. The state of Minnesota provided \$81.4 million for the entire effort, which leveraged \$163 million in federal CRP dollars. This CREP leveraged about \$2.30 for each state dollar spent. Under CREP, landowners voluntarily enrolled eligible land in a 15-year CRP contract followed by a RIM Reserve easement.

BWSR is presently developing a statewide CREP application with the State FSA office for a new 100,000-acre CREP in Minnesota. If the Governor and 2004 legislature support this application, it will target enrollment of conservation easements in the following watershed locations: Lower Mississippi, Red River Basin, and Des Moines & Missouri. It has been estimated that the total cost of this project would be \$200 million, which the state of Minnesota would contribute approximately \$40 million (20%), and the rest provided by the federal government (80%), or a 4:1 leverage opportunity. The state contribution can also include in-kind contributions as well as funds. A statewide CREP will allow the Minnesota to begin working simultaneously in three watersheds toward our state cap of 100,000 acres.

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 a total of approximately \$2.8 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 project (covering 18 counties in Northwestern Minnesota), and the Prairie Heritage restoration project (covering 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 within priority watersheds. This matching program requires a 1.5:1 match 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 U.S. 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 directly contributed approximately \$800,000 to the program, with additional donations in the form of grass seed and in-kind services.

Anticipated Outcomes

Target enrollment for the CREP/RIM Reserve and PWP programs is approximately 50,000 acres for the 2004-05 biennium. Acreage enrollment goals and funds required are shown below:

Acreage Enrollment Goals

	<u>RIM/CREP</u>	<u>RIM/PWP</u>	<u>Total</u>
Year to Date	100,000	79,880	179,880
04-05	50,000		50,000
06-07	<u>50,000</u>		<u>50,000</u>
	200,000	79,880	279,880

Reinvest in Minnesota - RIM Reserve Program

State Funds Required to Enroll Goal Acreage:

	<u>RIM/PWP/CREP</u> <u>Easement</u>	<u>Implementation</u>	<u>Total</u>
To Date	138.123 M	18.750 M	156.873 M
04-05	20.0 M	3.2 M	23.2
06-07	<u>20.0 M</u>	<u>3.2 M</u>	<u>23.2</u>
	\$178.123 M	6.4 M	\$184.523 M

Funding levels requested in this budget proposal reflect additional demand that we anticipate being placed on our conservation easement programs as a result of BWSR's highly successful CREP initiative in the Minnesota River watershed. The success of this initiative has put the spotlight on the numerous benefits to the state, landowners, and the public of conservation easements obtained through BWSR's RIM Reserve program.

Since funding for RIM Reserve outside the Minnesota River watershed has been limited in recent years, BWSR anticipates high demand for easements outside of this project area, particularly in the northwestern and southeastern regions of Minnesota. Conservation easements promote community sustainability by providing landowners with an alternative to try to earn a profit on flood-prone and marginal croplands. Greenways established by those easements will connect rural areas across the Minnesota landscape. The state achieves quantifiable water quality benefits by removing these marginal croplands from production. Through this agency's Local Government Annual Reporting System (LARS), with data reported by SWCDs, BWSR has calculated the benefits of 9.6 tons/acre/year soil loss reduction, 4.7 tons/acre/year sediment reduction, and 5.8 lbs/acre/year reduction of phosphorus from each acre enrolled in a conservation easement per year.

Impact on Agency Operating Budgets (Facilities Notes)

A direct operating budget appropriation of \$3.2 million is required to implement this program. This amount is required to support the necessary realty, engineering, and administrative functions associated with 425

easement acquisition and establishment of conservation practices on those easement lands. SWCDs will receive approximately 50 percent of this total as a RIM Services Grant to offset their cost to secure easement, develop conservation plans, and monitor easement compliance.

Previous Appropriations for this Project

1996	\$11.5 million
1998	\$15 million
2000	\$21 million
2001	\$51.4 million
2003	\$1 million

Other Considerations

In April of 1998, a citizen's advisory committee issued a report "The Continuing Journey to Preserve Minnesota's Outdoor Heritage." This report 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 succeeded as it was established in 1986. This report found that RIM has been successful, but it has been under funded. As a result, Minnesota's fish, wildlife, and native habitats continue to lose ground due to urban sprawl, agricultural practices, and other development. The report concluded that Minnesota must increase investment into programs that protect and restore fish, wildlife, and native plant habitats. The report called for expansion of the RIM Reserve, PWP, and CREP easement programs so that the state can protect more habitat, and recommended a funding level of \$20.0 million a year to accomplish it.

Project Contact Person

Ronald D. Harnack, Executive Director
Board of Water and Soil Resources
One West Water Street, Suite 200
St. Paul, MN 55107
Phone: 651-296-0878
Fax: 651-297-5615
E-mail: ron.harnack@bwsr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	73,500	20,000	20,000	10,000	123,500
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	9,889	3,200	3,200	1,700	17,989
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	83,389	23,200	23,200	11,700	141,489

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	67,239	20,000	20,000	10,000	117,239
General Fund Projects	16,150	3,200	3,200	1,700	24,250
State Funds Subtotal	83,389	23,200	23,200	11,700	141,489
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	83,389	23,200	23,200	11,700	141,489

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	1,696	1,696	901	4,293
Other Program Related Expenses	1,504	1,504	731	3,739
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	3,200	3,200	1,632	8,032
Revenue Offsets	0	0	0	0
TOTAL	3,200	3,200	1,632	8,032
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

Local Gov't Road Wetland Replacement

2004 STATE APPROPRIATION REQUEST: \$4,362,000

AGENCY PROJECT PRIORITY: 2 of 3 ()

PROJECT LOCATION: Statewide

Project At A Glance

The Minnesota Local Government Roads Wetland Replacement program is a **statutory obligation** the state has to replace wetlands lost to safety improvements to public transportation projects as required under M.S. 103G.222, Subd.1(l).

Project Description

The Minnesota Local Government Roads Wetland Replacement program is a **statutory obligation** the state has to replace wetlands lost to safety improvements to public transportation projects as required under M.S. 103G.222, Subd.1(l). This program supports the "no-net-loss" requirements of both state and federal regulations. It benefits a wide number of constituent groups: local road authorities by assigning responsibility for replacing the inevitable loss of wetlands to the state; environmental interests by establishing higher quality wetland replacement sites; state taxpayers by reducing the overall costs of constructing these replacement wetlands due to economies of scale; and citizens by avoiding delays in undertaking public safety enhancements to existing roads due to wetland mitigation costs.

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 as it transferred responsibility for replacing wetlands lost due to local government road construction from the local road authority to 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. That results is higher quality, more cost-effective wetland replacement.

The Local Government Roads Wetland Replacement program provides the following benefits:

- ⇒ Regulatory simplification and efficient and improved 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.
- ⇒ Fragmented impacts from road projects are consolidated in targeted areas to provide habitat, water quality, and other wetland functions away from traffic and highway runoff areas at a lower public cost.
- ⇒ Water management goals such as improving water quality, flood control, greenway preservation, and wildlife corridor enhancement can be better addressed collectively.
- ⇒ Site selection, ranking of project proposals, and setting program strategies consistent with overall state and federal wetland goals are achieved through an interagency process.

Local governments (counties, cities, and townships) believe strongly this state mandate should be a base element in BWSR's budget. The Legislature also recognized the ongoing state obligation this program fulfills and thus included the requirement for an assessment and recommendations report for the 2001 session. There is stakeholder consensus on the benefits of the program and the need to permanently fund this state obligation. Without a continued state commitment to this funding, local governments face paying for this work locally. That would result in a number of negative consequences, such as:

- ◆ Reduce or delay completion of local government road projects;
- ◆ Increase local property tax levies (levy limits restrict increases);
- ◆ Require a reversal of recent statute changes and undo a fragile stakeholder consensus that resulted in recent wetland regulatory reforms (*ML 1996, Chap. 462 and ML 2000, Chap. 382*); and
- ◆ Negate an agreement with the U.S. Army Corps of Engineers (COE) that allows this program to meet federal regulatory requirements, which means local road authorities would again have to seek individual federal permits and be responsible for wetland replacement.

Impact on Agency Operating Budgets (Facilities Notes)

Local Gov't Road Wetland Replacement

Past experience shows that an average of 193 acres of wetlands need replacement each year, at a total annual cost of \$1.6 million. This amount has increased to 225 acres in each of the past two reporting years corresponding to an annual cost of \$1.9 million. The number of acres impacted depends most directly on the money available to local governments for road construction. The cost of establishing the wetlands varies widely, from a low of \$3 thousand an acre in rural Minnesota, to more than \$20 thousand an acre for some projects in the metro area. In order to meet its minimum statutory obligations to conduct wetland replacement *BWSR projects that it will need \$4.362 million for 2 years (July 2004 through July 2006) however, the total dollars needed may increase due to increased road construction projects.* Of the \$4.326 million, \$3.2 million is for projects and \$562,000 is for implementation.

Previous Appropriations for this Project

1996	\$3 million
1998	\$2.75 million
2000	\$2.75 million
2001	\$2 million
2003	\$2.7 million

Other Considerations

The state has not determined whether this program should be funded from transportation sources, environmental sources, or some combination of the two and so it has always been funded via the capital budget. The program was funded for one year from the capital (bonding) budget by the 2000 Legislature via a \$2.3 million capital appropriation with a \$400 thousand supplement for annual implementation costs and covered state obligations through June 2000. In 2001, the Legislature appropriated \$2.0 million for the program and in 2003 appropriated \$2.7 million to cover past and current needs through June 2004.

To fully fulfill the regulatory requirements which are to establish the replacement wetlands *before* the losses occur (which is not being done now due to the fact that funding lags the wetland impacts), BWSR projects that it would need \$7.2 million in 2004 as it takes an average of 2.5 years from the date the funds are available to establish wetland banking credits (two years to find sites, acquire land and then do the construction and seeding and

another half-year for the credits to be certified and deposited in the wetland bank). This means that in order to comply with state and federal regulations that require the banking projects to be done *prior to or concurrent* with the wetland losses, 2.5 years worth of credits -- a positive balance of at least 563 acres -- should be established and maintained.

Project Contact Person

Ronald D. Harnack, Executive Director
Board of Water and Soil Resources
One West Water Street, Suite 200
St. Paul, MN 55107
Phone: (651) 296-0878
Fax: (651) 297-5615
E-mail: ron.harnack@bwsr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	12,352	3,800	3,800	3,800	23,752
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	798	562	562	562	2,484
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	13,150	4,362	4,362	4,362	26,236

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	10,000	4,362	4,362	4,362	23,086
General Fund Projects	2,750	0	0	0	2,750
General	400	0	0	0	400
State Funds Subtotal	13,150	4,362	4,362	4,362	26,236
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	13,150	4,362	4,362	4,362	26,236

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,362	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Streambank, Lakeshore & Roadside Erosion Control

2004 STATE APPROPRIATION REQUEST: \$5,260,000

AGENCY PROJECT PRIORITY: 3 of 3 ()

PROJECT LOCATION: Statewide

Project At A Glance

This program will provide for the protection of water quality, fish and wildlife habitat, public infrastructures, and public safety through:

- ◆ Protection of environmentally sensitive lake and river shoreland areas through the purchase of conservation easements;
- ◆ Correction of severely eroded lake and river stream banks through the installation of permanent erosion control structures and practices; and
- ◆ Reduction of flood damages through the installation of road retention projects.

Project Description

The Streambank, Lakeshore, and Roadside Erosion Control program will be implemented by BWSR in partnership with the state's 91 soil and water conservation districts, 43 watershed districts, and 87 counties. The project is comprised of three basic activities including: Streambank and lakeshore protection easements; restoration of degraded or highly eroded shoreland through construction of permanent conservation practices; and creation of temporary flood storage through the development of local floodwater road retention projects.

Conservation easements: Minnesota's lake and river shorelands are under greatly increasing development pressure as the population ages and internet access makes "cabin living" more attractive year-round. This puts urban-like pressures on those remaining undeveloped lake and river shoreland areas. Because the best shorelands have already been developed, what remains is often very steep or very wet. Along with being environmentally sensitive, these areas often include important fish and wildlife habitats such as fish spawning areas and loon nesting areas. A program designed after the RIM Reserve program was enacted in 2002 (103F.225 Shoreland protection program) in order to assist local governments to protect some of these

sensitive shoreland areas in concert with their comprehensive local water management plans and land use plans.

As part of a recent BWSR shoreland protection pilot program, Cass County was able to use \$250,000 of state dollars to purchase development rights on land valued at over \$1 million. In doing so, they were able to protect 8,160 feet of shoreline and 219 acres of land. The state's investment will allow for the environmental goals of clean water, fish and wildlife habitat, and open space to be produced from this land in perpetuity.

Erosion control structures and practices: The state's 91 soil and water conservation districts have identified more than 165 miles of severely eroded shoreline and 1,500 miles of eroded stream banks. Erosion of soil from these sites results in degraded water quality, destruction of near-shore fish and wildlife habitats, and impaired recreational use. Because the magnitude of the physical erosion is great, so will be the cost to control the problems.

For example: Although the North Shore of Lake Superior is known for its rocky shoreline, it also includes many bays and other reaches of shoreline that are composed of erodible red clay. Some of these shoreline areas have up to 70-foot-high clay banks. Wave action at the shoreline results in plumes of suspended red clay in the near-shore waters of Lake Superior. When wave action subsides, suspended clay settles to the bottom and blankets rock and sand substrate, which is critical for fish spawning and fish habitat. This area of fish habitat is critical in that it occurs only within the first few hundred yards from the shore. Surveys conducted by BWSR have identified approximately 35 miles of the North Shore's total length of 200 miles as high erosion areas.

Road retention projects: The severe flooding in 1993 and again in 1997 and 2002 has continued to highlight the need to reduce flood damage to roads, bridges, public and private structures, farm field, river banks, and urban centers within many rural parts of Minnesota. An interagency hazard mitigation team led by the Federal Emergency Management Agency (FEMA) prepared a report that identified floodwater retention at roads as an appropriate measure to reduce future flood damages. As part of this capital request, BWSR proposes to cost-share with local governments the cost of road retention projects. These projects will result in reduced flood damages to roads, bridges, structures, and fields, as well as reduced downstream

Streambank, Lakeshore & Roadside Erosion Control

sedimentation. The sediment and associated nutrient trapping efficiency of these projects is 50 to 90 percent, providing significant water quality benefits.

BWSR's strategic plan identifies the role of the state acting through BWSR to solve water quality and soil erosion problems voluntarily and collaboratively with local governments. Additionally, the state's soil and water conservation policy (103A.206) states that it is the policy of the state to encourage land occupiers (including local governments) to conserve soil and water resources through the implementation of practices to prevent erosion, reduce sedimentation of surface waters, control floods, prevent impairment of dams and reservoirs, and protect public lands.

Impact on Agency Operating Budgets (Facilities Notes)

Project Costs 04-05

Property acquisition

Easements and engineering and construction of supporting practices
\$5 million

Project Management

State Staff and Project Administration \$260 thousand

Previous Appropriations for this Project

2002 \$750,000 (vetoed)

Other Considerations

The State of Minnesota has a reputation for its quality of life. In 2001, Morgan Quitno Press, which annually ranks cities and states, named Minnesota the nation's "most livable state" – for the fifth year in a row. Minnesota is also known for its lakes, rivers, and outdoor recreation opportunities, from which the state sees a significant economic impact. According to the Department of Trade and Economic Development, domestic and international travel to Minnesota brings \$9.8 billion into the state's economy annually, supporting 135,400 tourism jobs and generating \$1.1 billion in tax receipts. This program provides additional assurance that the environmental goals of clean water, fish and wildlife, and scenic open spaces that the citizens of Minnesota

expect and that people come from around the world to enjoy are preserved and protected.

Project Contact Person

Ronald D. Harnack, Executive Director
Board of Water and Soil Resources
One West Water Street, Suite 200
St. Paul, MN 55107
Phone: (651) 296-0878
Fax: (651) 297-5615
E-mail: ron.harnack@bwsr.state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	5,000	5,000	5,000	15,000
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	260	260	260	780
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,260	5,260	5,260	15,780

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	5,000	5,000	15,000
General Fund Projects	0	260	260	260	780
General	0	0	0	0	0
State Funds Subtotal	0	5,260	5,260	5,260	15,780
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,260	5,260	5,260	15,780

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Zoological Gardens

Project Funding Summary

(\$ in Thousands)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
Zoo Master Plan Design/Construction	1	GO	\$48,000	\$18,900	\$21,322	\$0	\$0	\$0
Asset Preservation	2	GO	10,000	10,000	10,000	0	0	0
Project Total			\$58,000	\$28,900	\$31,322	\$0	\$0	\$0
General Obligation Bonding (GO)			\$58,000	\$28,900	\$31,322	\$0	\$0	\$0

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

Zoo Master Plan Design/Construction

2004 STATE APPROPRIATION REQUEST: \$48,000,000

AGENCY PROJECT PRIORITY: 1 of 2 ()

PROJECT LOCATION:

Project At A Glance

Zoo Master Plan Design/construction \$48,000,000

Project Description

This request is for \$48,000,000 to design and build a significant portion of the new and renovated facilities proposed in the **2001 Minnesota Zoological Garden Facilities and Business Master Plan**.

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 25 years old, and with significant advances in zoological and informal education facility design that have occurred over the last quarter century, the Minnesota Zoo is poised for 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.

The Master Plan process included extensive visitor market analysis, which revealed that although nearly a million people visit the zoo on an annual basis, there is a perception that the zoo's product is dated and that it lacks many of the types of animals and kinds of experiences other major zoos throughout the country offer. It is clear that the Zoo needs to provide opportunities for Minnesotans and visitors to experience wildlife in more meaningful ways. 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. And as state operating support declines, the Zoo must 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.

The need for significant state and private investment in the Zoo's capital infrastructure was clearly addressed in the 1999 Governance Study. The Master Plan provides an integrated physical phasing strategy and business program for this investment, which if implemented will result in a revitalized Minnesota Zoo with a steadily decreasing reliance on state funding for recurrent operational support. Conversely, if major capital investments in the Zoo's product are not made, it is likely that attendance and operating performance will decline over time.

Enhancements proposed in the Master Plan will improve the experience for all visitors and will specifically improve accessibility for seniors, handicapped, 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 creates an overall conceptual framework for the Zoo's future, but also specifically identifies four major projects selected for their ability---in combination---to attract public awareness and interest, and for their potential to improve the Zoo's economic performance. This in turn will help the Zoo achieve greater success in its efforts to effect conservation through direct action and education. When completed, the Master Plan will

Zoo Master Plan Design/Construction

result in an institution of international renown, creating a zoo for the State of Minnesota that is a point of pride, a national attraction and an invaluable educational and recreational resource.

The Master Plan document was completed and adopted by the Zoo Board in 2001. The next step is the specific design process (concept design, schematic design, design development and construction documentation) for the projects identified in the Plan. Private funds raised by the Minnesota Zoo Foundation are currently being used to develop concept plans and initial cost estimates for the first Master Plan project-- the **Gateway to the North** exhibit. The four major projects, and their proposed sequence of development, are described below:

Gateway to the North (formerly Asia Trail):

This project will serve as an introduction to the major outdoor exhibit area of the Minnesota Zoo---the Northern Trail. It will also be a "stand-alone" experience designed to be a significant new visitor attraction and addition to the Zoo's current programs of education, conservation and revenue-generating recreation. On a currently under-utilized 3-acre site near the Zoo's central plaza, a northeastern Asian coastal forest environment will be replicated. Visitors will explore the forest, encountering Sea Otters, Brown Bears, Wild Boar and Amur Leopards on an imaginary hike from the sea to the mountains. Many interactive learning opportunities will be provided, including a fossil dig where mammoth skeletons can be excavated, a log-covered shelter where bears can be viewed fishing for trout and a trapper's cabin with close-up views of wild boars and small animals. Overlooking the scenic stream and meadow of the bear exhibit will be a multi-purpose building, accessible from the zoo perimeter, where education activities and revenue-generating business or social functions can be conducted in a truly unique setting.

Biodiversity Center (Main Building Improvements):

The Zoo's 25-year old main building complex will be completely renovated, providing improved visitor services and exhibits that will greatly enhance the zoo experience. The redevelopment of the building into a new "Biodiversity Center" will expand opportunities for school group education programs, address the current lack of capacity for admissions, bring accessibility levels up to contemporary standards, and generate increased revenues through improved retail, food service and group event rental facilities. New displays--featuring habitats for primates, birds, butterflies, reptiles and fish--will

provide an introduction to the Zoo's overall presentation of the diversity of life. Orientation exhibits, each including living animals, will serve as "trailheads" for each of the Zoo's existing and proposed exhibit trails (Northern Trail, Oceans Trail, Minnesota Trail, Tropics Trail, Africa Trail). The lower level of the existing main building will be reconfigured and devoted to the Zoo's Education Department, quadrupling the classroom and lab space available for school and other groups, while providing special access and assembly areas for groups.

Prairie's Edge:

Minnesota's natural heritage will be celebrated and interpreted by this new complex, which will serve as an introduction to the entire Zoo experience. Dramatic prairie, woodland and marsh habitats, complete with iconic wildlife (Trumpeter Swan, Bison, Prairie Dog) will lead guests from newly reconfigured parking lots, designed to demonstrate best environmental management practices, directly into the heart of the Zoo. An overview of all of Minnesota's natural resources, together with the stewardship role of the DNR and private natural resource/conservation organizations, will be highlighted as visitors enter the zoo through these habitat vignettes. In addition to providing an immediate immersion into a wildlife environment, the Prairie's Edge will significantly improve access, services and orientation for the Zoo's millions of guests.

Africa Trail:

The zoo's original master plan envisaged a major exhibit of African animals, and after 25 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.

Infrastructure Improvements:

In order to support the increased attendance generated by the Master Plan projects, and to address long-standing infrastructure deficiencies, significant investment in utilities, circulation systems and service facilities is required. New and improved parking lots and roadways, upgraded water, sewer,

electrical, heating and cooling systems, expanded storage and support areas, and significant storm water management structures will be required.

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.

Previous Appropriations for this Project

The 2002 Legislature appropriated \$8.1million for this project, but it was vetoed by the Governor.

Other Considerations

Past capital additions to the Zoo since the original construction have been funded in part or completely by contributions from the private sector. The Zoo envisions that the Zoo Foundation will undertake a major fund raising effort in support of the completion of this major development and renewal at the Zoo.

Project Contact Person

Peggy Adelmann
Chief Financial Officer
13000 Zoo Boulevard
Apple Valley, MN 55124
Phone: 952.431.9309
Fax: 952.431.9211
E-mail: peg.adelmann@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	48,000	18,900	21,322	88,222
State Funds Subtotal	0	48,000	18,900	21,322	88,222
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	48,000	18,900	21,322	88,222

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	48,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 2 of 2 ()

PROJECT LOCATION: Minnesota Zoological Garden--Apple Valley

Project At A Glance

- Minnesota Zoological Garden Asset Preservation of \$10,000,000

Project Description

State funding of \$10,000,000 is requested to repair, replace and renew facilities at the Minnesota Zoological Garden.

The Zoo celebrated its 25th birthday in 2003. 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
- 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
- Storm water management
- Exhibit renewal

Asset preservation is an ongoing need at the Zoo. It is a fundamental component of the capital budget process. 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. Because of operating budget reductions in the past two years, funds for these purposes had to be reduced. In addition, Lottery in Lieu dollars received by the Zoo have come in lower than projected. These funds were earmarked internally for asset preservation. In FY04 they are partially diverted to support Chronic Wasting Disease work in other agencies. The Department of Administration is also reducing CAPRA funds which have gone toward state agency needs. These combined circumstances lead us to request \$10 million.

Impact on Agency Operating Budgets (Facilities Notes)

Funding this request will preserve the state's asset 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 will continue to experience a dated, deteriorating facility and attendance will decrease.

Previous Appropriations for this Project

\$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 funds include:

- Replace and repair decking and railing on main lake bridge
- Expand and upgrade fire detection system
- Replace damaged sidewalks and curbing
- Repair and replacement of mechanical systems insulation
- Duct cleaning and repair
- Replacement of Coral Reef exhibit life support systems

Asset Preservation

- Renewal of Tropics Sun Bear exhibit
- Perimeter fence repair and replacement

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 previous capital budget appropriations. The need for asset preservation activities at the Zoo has been increasing significantly as the facility ages and this asset preservation request has been expanded to include the total need for asset preservation funding at the Zoo.

Project Contact Person

Peggy Adelman
Chief Financial Officer
13000 Zoo Boulevard
Apple Valley, MN 55124
Phone: 952.431.9309
Fax: 952.431.9211
E-mail: peg.adelman@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	200	200	200	600
4. Project Management	0	100	100	100	300
5. Construction Costs	0	9,700	9,700	9,700	29,100
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	10,000	10,000	10,000	30,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	10,000	10,000	30,000
State Funds Subtotal	0	10,000	10,000	10,000	30,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	10,000	10,000	10,000	30,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			2004	2006	2008	2004	2006	2008
Historic Sites Asset Preservation	1	GO	\$6,287	\$5,025	\$2,755	\$0	\$0	\$0
Historic Fort Snelling Revitalization	2	GO	20,000	0	0	0	0	0
History Center Expansion Space	3	GO	6,000	2,000	0	0	0	0
County & Local Historic Preservation Grants	4	GO	2,000	2,000	2,000	0	0	0
State Capitol 2005 Furnishings Project	5	GF	660	0	0	0	0	0
Kelley Farm Land Acquisition	6	GO	700	0	0	0	0	0
Heritage Trails	7	GO	400	325	0	0	0	0
Historic Sites Network Master Plan	8	GF	500	500	0	0	0	0
Kelley Farm Visitor Center, Exhibits, & Maintenance		GO	0	1,800	0	0	0	0
History Center Parking Ramp Planning		GO	0	1,000	0	0	0	0
Split Rock Barn Reconstruction			0	0	0	0	0	0

Project Total	\$36,547	\$12,650	\$4,755	\$0	\$0	\$0
General Obligation Bonding (GO)	\$35,387	\$12,150	\$4,755	\$0	\$0	\$0
General Fund Projects (GF)	\$1,160	\$500	\$0	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

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

AGENCY MISSION STATEMENT:

The Minnesota Historical Society (MHS) is the oldest educational/cultural institution in the state, having been chartered by the first legislature of the Minnesota Territory in 1849.

The mission of the MHS is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past and find purpose for the future.

This mission is carried out by providing opportunities for people of all ages to learn about the history of Minnesota; collecting and caring for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond; and encouraging and doing research in Minnesota history.

The MHS is governed by an executive council of 30 members responsible for establishing major policies and monitoring the quality of its programs and services.

The council also performs duties mandated by the legislature under M.S. Chapter 138 and various session laws.

⇒ *Asset Preservation.* Historic resources are like natural resources in that if lost they cannot be replaced. Absent a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The Society's 32 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.

⇒ *Historic sites* are recognized by statute as important public resources

worth preserving. The "Minnesota Historic Sites Act" (M.S. 138.661-138.669), confers upon the MHS the control and responsibility for preserving, developing, interpreting and maintaining the sites for public use and benefit.

⇒ *Public Demand and Attendance.* The state historic sites network is in its third decade of heavy use by patrons. Since the early 1980s when the society's budget was reduced by more than \$2.1 million as a result of a downturn in state resources, the upkeep and repair of the 125 structures at the 32 state historic sites have suffered. Recent operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 visitors for over a decade) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Renewed marketing efforts have helped with overall historic sites attendance. However, this increased use will also increase wear and tear on sites facilities.

Historic Sites Attendance			
Fiscal Year		Fiscal Year	
1989	630,374	1997	691,856
1990	673,950	1998	695,759
1991	670,628	1999	741,276
1992	574,535	2000	662,705
1993	577,000	2001	702,579
1994	545,929	2002	630,352
1995	566,997	2003 (est)	600,000
1996	672,030		

⇒ *The Changing Nature of Education.* Education is no longer seen solely as a classroom-based function. Now education will be less defined by formal structure; learning will be recognized as a life-long activity that will take place in many non-traditional settings. The state's historic sites and the Minnesota History Center are places where citizens will actively practice this evolving educational philosophy and learn about our common history. For example, twice as many people are doing research in the History Center than did in the old facility. New information

technologies enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with a connection to the Internet to access the vast resources contained within the MHS.

- ⇒ *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% of U.S. adult travelers included a cultural arts, or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey.
- ⇒ In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism. The Minnesota Office of Tourism estimates that tourism is a \$10 billion industry in Minnesota. Heritage tourism plays a significant part in this important element of our state's economy. Minnesota's Historic Sites Network draws 40% of its visitors from out-of-state.
- ⇒ *Leveraged Funding Through Partnerships.* State funds can often be leveraged far beyond the initial appropriation. For instance, TEA-21 (the federal Transportation Equity Act for the 21st Century) provides four federal dollars for each state dollar. Similarly, small grants to local historical organizations not only generate matching funds, but also result in substantial volunteer work and commitment by groups of dedicated citizens. The Society's Development Office constantly seeks funding from corporations, foundations, estates, and individuals to further its mission, capitalize on the programmatic benefits, and further leverage state funds.
- ⇒ *Acquisition of New Sites.* During the 1996-97 biennium, title to the Sibley historic site was transferred to the state of Minnesota under the management of the Historical Society. This site has not yet been subject to the master planning process and the total extent of needed funding is unknown. We know that nearly \$1 million will be needed to stabilize and preserve the structures at the Sibley site. \$500,000 of this amount was appropriated in the 1994 capital-bonding bill. Volunteers have operated the Sibley historic site for the past 80 years with only minimal interpretation and related operating costs. An appropriate level of

operating costs, estimated to be \$250,000 per year, will be included in subsequent budget requests.

- ⇒ *State and Federal Policies.* CAPRA funds administered by the Department of Administration applies only to state-owned buildings. However, 14 of the sites in the network are owned exclusively by the Society, and are not eligible for CAPRA funding. The Society receives direct appropriations for repair and replacement for buildings under its ownership. Additionally, the 1990 Americans With Disabilities Act (ADA) requires facility and program adaptations.
- ⇒ *Diversity.* The Society recognizes the importance of properly reflecting the role and contributions of the state's diverse population in its sites and exhibits. For example, operating and interpreting sites that describe the Native American experience (Fort Snelling, Lower Sioux Agency, Jeffers Petroglyphs, Mille Lacs) are essential if we are to accurately and completely portray Minnesota's past.

Long-Range Strategic Goals in Relation to Capital Requests:

In 1996 the MHS engaged in a comprehensive strategic planning process. With the assistance of an internationally known consultant in the museum/arts field the Society's executive council established institutional priorities and programmatic emphasis. Four overriding goals were identified:

- ⇒ Rethink and revitalize the state's historic sites network.
- ⇒ Serve larger audiences, especially families, senior citizens, and school children with programs and services of the highest quality.
- ⇒ Increase services to people living beyond the Twin Cities metropolitan area.
- ⇒ Expand services to Minnesota's elementary and secondary schools.

These broad-based, institution-level goals are the basis on which this capital request is based. Additional initiatives incorporated into this capital request are listed below and augment the four major goals that resulted from the strategic planning process.

Preserve Existing Assets While Completing Site Development This initiative is to increase the preservation and use of existing capital assets while continuing to strive toward completion of those sites that are not yet fully

developed. Development of the state's historic sites system first began in 1965.

Increase Public Access. The Society's strategic plan addresses the need to develop programs for the increasingly diverse audiences the Society anticipates serving in the next few decades. This initiative also relates to user safety and comfort by addressing structural needs and ADA related improvements.

Leverage Non-State Funding. This initiative recognizes the inherent benefits of developing all appropriate sources of support and revenue. A key element in this request is that the state should take advantage of matching opportunities through the local grant program.

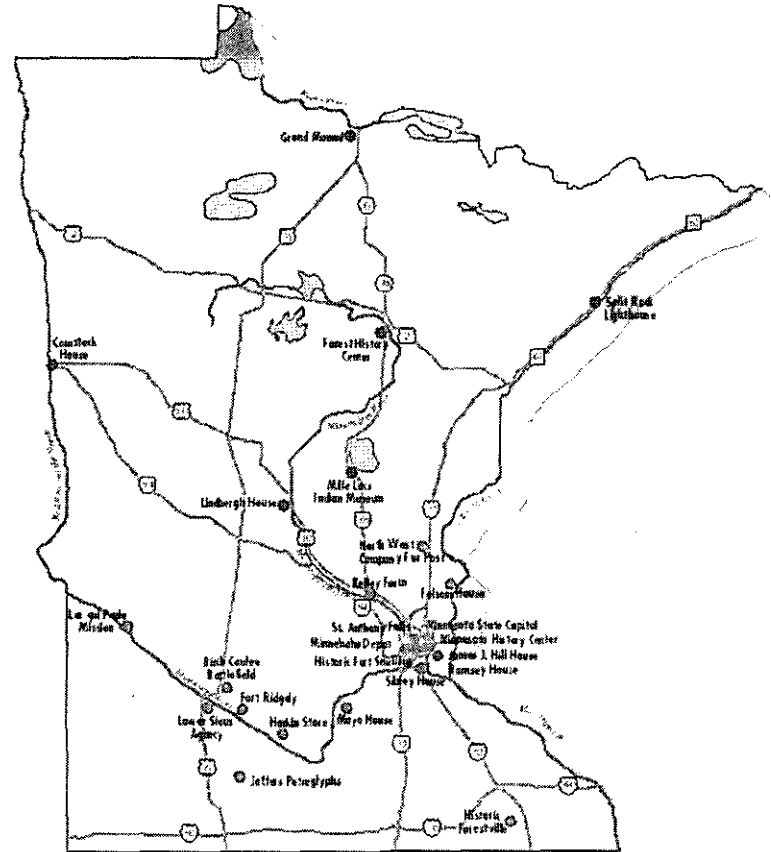
Prior Legislative Commitment. The Society has made a commitment to historic sites and resources that are a part of legislative action such as the Historic Sites Act of 1965 and the Historic Sites Act of 1993, Heritage Preservation Zone legislation, or the Outdoor Recreation Act of 1975. The Society has tried to reflect the intent of such legislation.

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

The Historical Society estimates the total scope of its deferred maintenance/asset preservation/capital improvement need for the next six years to be approximately \$37 million, including restoration of facilities and updating and replacement of obsolete and worn out exhibits.

Historic Site Facilities

Since the enactment in 1965 of the state's historic sites program, the Society has pursued a planned, progressive approach to acquiring, developing, interpreting and preserving historic sites. The Society owns or administers a network of 32 sites, comprising 125 significant historical structures and contemporary buildings, totaling 793,000 square feet of interior space. A number of these structures were built in the 19th Century.



Historic Sites Network

The very nature of 125 varied facilities, some of which are over 100 years old, makes it impossible to provide a single assessment of "physical condition, suitability and functionality" of the historic sites network, which includes many of the state's oldest and most fragile structures.

The historic relevance and importance of the state's historic sites coupled with their educational value cannot be disputed but century old buildings are in need of varying but substantive levels of stabilization, restoration and

preservation. Every component of the historic sites network is part of the capital iceberg. In constant need of cosmetic/surface attention (paint, windows, carpeting), many components of their infrastructure (roofs, foundations, support members, access and egress routes, utilities) are in need of immediate attention. Without that attention, these historic resources will deteriorate beyond repair.

Preserving historic facilities that contain unique and expensive architectural features or time-specific construction techniques (Hill House copper gutters, log structures, capitol furnishings and artworks) require capital funds that are greater than the need of contemporary buildings.

Exhibits and Artifacts

In addition to the buildings and landscapes of the historic sites themselves, exhibits form the core of the educational program at historic sites. The steady stream of patrons who visit the historic sites take a toll on structures, exhibits, audio-visual equipment and artifacts. Exhibits require periodic restoration and refurbishing to keep them presentable for public use. If they are not regularly refurbished, they become dirty, damaged, and unsightly. New technologies and contemporary design concepts have made older exhibits outdated and unappealing. As Society and the attitudes of its people change, so do views of the past. New social sensitivities and different perspectives arise causing exhibits to become intellectually obsolete. Original exhibits containing over 20,000 artifacts are now long overdue for replacement:

Historic Sites Exhibits (\$ in 000s)

Site	Exhibit Condition	Age of Exhibit	SQ. Feet	Est Cost to Refurbish
Forest History Center	Poor	23 yrs	6,135	\$1,400
Fort Ridgely	Poor	29 yrs	2,496	900
Fort Snelling:				
History Center	Fair	9 hrs	4,573	1,372
Long Barracks	Poor	28 yrs	3,833	1,150
Officers Qtrs	Poor	22 yrs	2,461	738
Hospital Building	Fair	18 yrs	799	240
Jeffers Petroglyphs-Spring '99	Excellent	5 yrs	1,500	0
Lac Qui Parle Mission	Poor	21 yrs	840	250

Lindbergh House-Summer '02	Excellent	2 yrs	3,466	0
Lower Sioux Agency-Spring '00	Excellent	4 yrs	2,220	0
Mille Lacs (New in 5/96)	Excellent	8 yrs	6,500	0
North West Co. Fur Post:				
New Visitors Center-Spring '03	Excellent	New	3,000	0
Oliver Kelley Farm	Poor	22 yrs	3,200	1,400
Split Rock Lighthouse	Good	18 yrs	4,500	1,315
Alexander Ramsey House	Fair	31 yrs		
Upper Sioux Agency	Poor	30 yrs	1,100	330
TOTAL			46,623	\$9,095

Markers and Monuments

The overall condition of the 170 state markers and 29 monuments is fair. Markers require maintenance and upkeep including preservation coating of bronze markers, casting of new markers, and foundation stabilization. Most urgently in need of ongoing maintenance and repair are the 29 state monuments; several of these large stone structures require tuck-pointing, replacement of granite blocks, and foundation stabilization. Sixty-five markers are at highway and interstate rest areas. Hundreds of thousands of people use these rest areas, and pause to read these markers. In this way, travelers from other states and countries, as well as citizens of Minnesota, learn about the state's rich historic heritage. Funding for monuments and markers is included in the preservation and repair request.

Minnesota History Center

The 1992 opening of the History Center, with 427,000 square feet on nine acres of land in the Capitol Complex provided Minnesotans with an appropriate facility to showcase, preserve, and use the state's historic resources. Attendance at the History Center has exceeded initial projections by about 40%. Since opening, nearly 3 million individuals have visited the History Center.

The center provides state of the art museum exhibits, demonstrations, workshops, lectures, and seminars designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for 110,000 school children each year are further enriched by hands-on activities in specially designed classrooms.

In the Library, visitors enjoy access to the State 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 1 million artifacts (including 950,000 archaeological artifacts and 250,000 historical artifacts). New information technologies will allow the Society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 10,000 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction within the expansion space will be included in a future capital budget.

Agency Process Used to Arrive at These Capital Requests

The process the Society's management team used to develop these requests began with the identification of all appropriate needs by staff, including Historic Sites Division restoration and construction staff. A series of meetings was held with staff to further develop this 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 2002 and 2003

Forest History Center—Permanent exhibit replacement--\$1,442,000
LeDuc House—Exterior and interior stabilization--\$1,000,000

Also during the past six years, the MHS has completed a number of significant projects. The construction management of these projects is done by Society staff, board designated committees, and professional construction management firms with appropriate assistance from the state departments of Finance and Administration.

Significant Projects Completed:

Completed a new visitor center, site improvements, and new exhibits for the

North West Company Fur Post in Spring 2003. Funding for this project was provided through Legislative Commission on Minnesota Resources funds (\$250,000), state bond proceeds \$2,000,000, and TEA-21 funds \$1,500,000

Completed a new visitor center addition and site improvements for the Charles A. Lindbergh Historic Site in Summer 2002. Funding for this project provided through state bond proceeds \$255,000, and TEA-21 funds \$745,000

Various asset preservation projects at historic sites - 1998-2003. Funding \$2,893,000 million.

Completed a new visitor center addition at Split Rock Lighthouse Historic Site in June 2003. Funding for this project provided through state bond proceeds \$750,000, and TEA-21 funds \$500,000

Mill City Museum, Minneapolis. Construction is nearly completed, with an opening date of mid-September 2003. Funding for this project provided through state bond proceeds \$\$\$, TEA-21 proceeds \$\$\$, and private funds \$\$\$

Historic Sites Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$6,287,000

AGENCY PROJECT PRIORITY: 1 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

The Minnesota Historical Society (MHS) is seeking \$6,287,250 million for the preservation and restoration of existing historic sites and for monuments located statewide. This request is for work that is critical to the preservation and maintenance of the state's historic structures, landscapes, building systems, and markers and monuments. The need for this project results from the use of the historic sites by over 15 million visitors in three decades, deferred maintenance, changes in preservation and life/safety regulations, environmental changes and the aging of the building materials and systems.

These highly significant historic buildings, and landscapes require specialized preservation and maintenance practices and technologies not typical of contemporary buildings. Historic buildings are non-renewable social and material cultural resources that require a high standard of care. 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. Project cost estimates are determined through historic structures reports for many of these projects. The MHS Historic Sites Division's restoration manager, in consultation with expert historical architects, undertakes this process.

These asset preservation needs cannot be met by the current level of repair and replacement funding from the society's operating budget. Action must be taken to preserve these buildings as examples for future study of building practices, land use and social history.

Historic buildings and landscapes contribute to the educational program of the statewide historic sites network and are a significant state investment.

Historic sites need skilled care and planned maintenance. Historic building materials and assemblies need to be maintained for as long as possible and when repair or replacement becomes necessary the work must be carefully researched, planned and executed by skilled tradespersons with exacting attention to historic details, materials and methods. As a learning resource for the student of Minnesota history, architecture or building trades, this work must meet or exceed the preservation standards set by state and federal agencies and professional organizations. To assure the health and safety and access of visitors and staff, the society must remain vigilant in the maintenance of the historic sites network.

**Inventory of Asset Preservation Needs for 2004
(Total = \$6,287,250) Priority Listing**

Site	Project Content	Cost
Hill House	Roof insulation, gutter/downspout, soffits and fascia repair and replacement	\$1,648,500
Fort Snelling	Structure stabilization and repair/replacement	\$1,890,000
Comstock House	Restore/stabilize Ice House	\$336,000
Split Rock Lighthouse	Lighthouse/fog signal building/barns/dwellings exterior preservation	\$871,500
Ramsey House	HVAC	\$236,250
Harkin Store	Building repair and stabilization	\$393,750
Folsom House	Building repair and stabilization	\$288,750
Statewide	Roof replacement	\$472,500
Monuments & Markers	Repair	\$150,000
Total		\$6,287,250

To accomplish the goals established by the long-range plan (see Strategic Planning Summary) part of the society's strategy is to invest a significant portion of available resources into assets that are currently being used by the public, rather than in new facilities that significantly increase operating costs. All of the sites in this project are a part of the statewide historic site network as defined in M.S. Chapter 138.661, and have strong local and regional support from the areas in which they are located.

The historic buildings, artifacts and landscapes within the Historic Sites

Historic Sites Asset Preservation

Network include sites that are of state and national significance. They fulfill the society's mission to collect and preserve evidence of human culture in Minnesota and provide unique tools for the teaching of Minnesota history in all its academic, technological, trade and social diversity. Failure to maintain these historic 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 Historic Site Asset Preservation in each capital budget bill since the early 1990s.

Other Considerations

These asset preservation requests will allow the Society to maintain its strong network of historic structures. Major repairs and construction work were performed at the historic sites 20-30 years ago. The life cycle of that work has been exceeded and a reasonable standard of care requires that the needs be addressed.

Many of the MHS's sites are not state-owned, and therefore not eligible for CAPRA funding. The capital budget is the primary source of funding for preservation needs of these irreplaceable resources.

The society's current repair and replacement budgets are inadequate to meet asset preservation needs within the state network of historic sites. An additional \$7.780 million is needed throughout the year 2008 (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, and preservation technology continues research and discovery of new materials and methods to preserve historic structures).

Additional Asset Preservation Needs in 2006 and 2008

SITE	PROJECT CONTENT	COST
Kelley Farm	Permanent exhibit replacement	\$1,400,000
Kelley Farm	Visitor center renovation	800,000
Hill House	Exterior stabilization including windows, Cleaning, repointing, gate house, fences, and gates	830,000
Split Rock Lighthouse	Stabilize/repair interior of dwelling #3, move caretaker's residence in dwelling #2 to dwelling #3	300,000
Fort Snelling	Phase II Development Camp Coldwater, Indian agency building, and stables	450,000
Hill House	Hillside stabilization	200,000
Ramsey House	Interior restoration	250,000
Statewide	Roof replacement	350,000
Monuments&Markers	Repair	125,000
Mille Lacs Indian Museum	Interior & exterior stabilization of Ayers House, cabins, and Trading Post	320,000
	Subtotal for 2006	\$5,025,000
Fort Ridgely	Permanent exhibit	\$500,000
Split Rock Lighthouse	Exhibit upgrade to fog signal building	320,000
Split Rock Lighthouse	Restore dwelling #2 to Coast Guard ear	320,000
Hill House	Attic restoration	300,000
Historic Forestville	Structural stabilization & interior restoration	270,000
Ramsey House	Carriage House building renovation	320,000
Mille Lacs Indian Museum	Exterior stabilization of museum	250,000
Statewide	Roof replacement	350,000
Monuments&Markers	Repair	125,000
	Subtotal for 2008	\$2,755,000
	Total for 2006 and 2008	\$7,780,000

Project Contact Person

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297-8085
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)**

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	293	0	0	293
5. Construction Costs	0	5,994	0	0	5,994
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	6,287	0	0	6,287

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,287	5,025	2,755	14,067
State Funds Subtotal	0	6,287	5,025	2,755	14,067
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,287	5,025	2,755	14,067

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,287	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Historic Fort Snelling Revitalization

2004 STATE APPROPRIATION REQUEST: \$20,000,000

AGENCY PROJECT PRIORITY: 2 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

This request will be used to design and build a variety of construction projects needed for a major redevelopment and renewal of Historic Fort Snelling. In order to meet the needs of the site for the next 30 years, improvements and changes to nearly all of the site's buildings are necessary for modern visitor needs and historical accuracy. One clearly identified need is to rejuvenate the site to offer a wider range of activities and experiences in order to drive repeat visits and longer stays at the fort. A multi-faceted group of experiences will meet this challenge and springboard Fort Snelling into its proper role as a major regional tourist destination. A benefit of this increased scope will be a new source of revenue producers to support the mission and activities of the Historic Fort Snelling Program.

Project History:

Historic Fort Snelling is Minnesota's first National Historic Landmark, the highest distinction given by the federal government. Fort Snelling was the governmental administrative center of this region from 1819 until statehood in 1858, and was an active army post until 1946. The original fort site was restored and opened to the public in 1965. A modern visitor center was completed in 1983.

In 2002, the Minnesota Historical Society proposed to temporarily close Historic Fort Snelling in order to focus energies on the necessary redevelopment projects at the site. The immense public outcry about this proposal has had a dramatic effect. If there was any doubt about the special place the site holds in the hearts of Minnesotans, it was put to rest. The legislature responded in kind, by providing additional funds necessary to keep the current operation intact, and by appropriating \$500,000 to

accelerate the planning for the site's rebirth. The Society added to this amount with private funds, and a master plan has been crafted that presents a bold new vision for the state's preeminent historic site.

The original restoration and site program at Historic Fort Snelling has now passed its 30th anniversary. While the site continues to serve a solid 85,000 people each year, it is not reaching its full potential due to limited visitor services facilities, decades old exhibits, and a program that doesn't incorporate much of the important 19th and 20th century history of the site and the state of Minnesota.

Just as important, the site is not taking advantage of its greatest assets—a prominent place in the psyche of Minnesotans, and a location that is still a central hub of population and transportation.

There is now a broad consensus for action. Buildings and grounds that are showing signs of heavy visitor use will need to be modernized. Attendance has not kept pace with the remarkable growth in the Twin Cities area, calling for a need to reposition the fort as an attraction to meet the recreational needs of people today and in the future.

Project Overview:

The site as currently developed offers visitors a single type of experience at the historic fort, and with only rudimentary site amenities. Under the new master plan, the site will be transformed into a multi-faceted experience with a wide variety of things to do and see.

The excitement and energy level of Fort Snelling will no longer be limited to historical reenactments. Today's visitors want a more varied experience than simply "walking back in time," and other eras of the site offer equally compelling stories. Therefore, modern-dress interpreters, new exhibit techniques, and multi-media presentations will be woven into the site experience. The new programs will underscore the profound importance of the site to Minnesotans, and the national context of the story that made the site the state's first National Landmark. Here are a few examples of the programs under development:

- ⇒ A multi-media, immersive experience about Minnesota in the Civil War. Visitors will gain insight into the heroics of the 1st Minnesota at Gettysburg, and see the rich collection of artifacts in our collection.

Historic Fort Snelling Revitalization

- ⇒ A companion exhibition experience about Minnesota in World War II. Located in the original barracks used for the country's first Japanese language school, it will allow visitor to track their family members who came through Fort Snelling, and explore this important era of U.S. history.
- ⇒ A broader use of living history will be created inside the walls of the Fort—more dramatic activities, coverage of the entire scope of the pre-territorial period, and new period rooms that are alive even when not staffed.
- ⇒ A new slate of special events will occur through the year, such as a recreation/celebration of the 1860s State Fair on the parade ground.
- ⇒ New guided tours of the site will be offered—by bicycle on the trails, by boat on the rivers, by foot around the immediate site, and by trolley around the larger area.
- ⇒ A modern, aboveground visitor center that welcomes visitors and provides a place to comfortably get oriented, and to rest after a long day. (Cost: \$9.25 million)
- ⇒ New exhibits and immersion experiences that will let people experience the story of Fort Snelling through its long span of history. (Cost: \$3.8 million)
- ⇒ A transformation and preservation of the empty historic mule barn at the edge of the parking lot into an exciting restaurant, giving visitors a unique site experience and allowing them to stay on site for a longer time. (Cost \$750 thousand)
- ⇒ A restoration of the two empty cavalry barracks in the middle of the site, with a hotel and exhibits inside for visitors who want to explore, and visitors who want to spend the night. This request would fund basic preservation of the two buildings, including building infrastructure and building envelope. (Cost: \$3 million)

To make this vision succeed, significant investment is needed in the physical resources of the site, and new visitor amenities will be developed in a creatively redesigned site campus. A new visitor center entrance will highlight the dramatic vista of the river, guide visitors directly into the site and efficiently handle bus on and off loading. New admission counters will avoid long lines on busy summer days, and new restrooms will ensure a comfortable visit. Better signs will help visitors find their way to and around the site. A restaurant will serve visitors who will be spending a longer part of the day experiencing the full site. A small hotel will afford them the opportunity to stay overnight and visit the state park and other attractions nearby. An expanded gift shop will give them opportunities to purchase a memento of their experience. New bike and pedestrian trails on the bluff will directly connect the fort to Minnehaha Park and the park system. A circulator route will connect the fort to the airport, adjoining ball fields and parks, the LRT, and the Sibley house. Finally, the Society hopes to partner with the Office of Tourism to create a new Travel Information Center so that travelers, fresh off an airplane, can finish planning their trips around the state.

Summary of Project Elements:

- ⇒ A new and improved living history program, with more historical dramas, better period rooms, a reintroduction of animals to the site, and more use of multiple time periods. These and other developments will require reinvestment in basic facilities such as electrical, sewer, etc., as well as design costs. (Cost: \$3.2 million)

Impact on Agency Operating Budgets (Facilities Notes)

Inevitably, a change of this magnitude will require additional dollars in the site's operating budget. Fort Snelling's location in the middle of the metro area serves as a blessing and a curse. On the one hand, it must compete for the scarce leisure time of Minnesotans and out-of-state tourists. On the other hand, having this many people at the site's doorstep makes it possible for the site to gain an ever-increasing level of self-sufficiency, if it is properly positioned to serve their needs and interests. An underlying assumption in this request is that there will be no operating budget tails for the state.

The Minnesota Historical Society is working vigorously to pursue partnerships and opportunities that will enable Historic Fort Snelling to shoulder this greater share of the operating burden of its programs. In addition to state operating support, new revenue from increased visitation, a modest fee increase, and new visitor amenities will off-set increased operational costs, and the volunteer program will be expanded even further to bolster the human capacity to serve visitors. Revenue increases from these changes and the expanded facility can be legitimately projected at several times the current revenue intake at the fort.

Previous Appropriations for this Project

Other Considerations

At its peak in the late 1970's, the Fort served over 150,000 visitors annually. The site still serves about 85,000 visitors per year, even with the severe limitations of its physical infrastructure. A prime motivation for this redevelopment is to realize the higher potential of this site to serve visitors, given its statewide significance and prime location. With a combination of marketing and enhanced programs, this site should be able to significantly increase its annual attendance. Our ultimate goal is to meet or exceed historic attendance levels.

The project has been developed to provide improved connection to and more shared programs with the adjacent Fort Snelling State Park. Plans for historic fort redevelopment have been coordinated with park staff and are consistent with goals of the new Fort Snelling State Park Master Plan.

This new direction for Fort Snelling will spur further planning for the future of the Sibley Historic Site in nearby Mendota. This site was acquired by the State in 1996, but has not yet realized the increase in its operating budget that will be necessary for long-term success. The Fort Snelling development will remake the historical link between these two sites with new coordinated programs and a needed boost of energy for both sites.

Project Contact Person

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297- 8085
Fax: (651) 296- 1004

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	1,240	0	0	1,240
4. Project Management	0	370	0	0	370
5. Construction Costs	0	12,720	0	0	12,720
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	50	0	0	50
8. Occupancy	0	3,801	0	0	3,801
9. Inflation	0	1,818	0	0	1,818
TOTAL	0	19,999	0	0	19,999

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	20,000	0	0	20,000
State Funds Subtotal	0	20,000	0	0	20,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	20,000	0	0	20,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	20,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

History Center Expansion Space

2004 STATE APPROPRIATION REQUEST: \$6,000,000

AGENCY PROJECT PRIORITY: 3 of 8 ()

PROJECT LOCATION:

Project At A Glance

This project will add additional storage capacity for the research collections of the Minnesota Historical Society by completing and outfitting the expansion space within the History Center that was planned when the building was built in 1990. In addition, climate controls and storage systems will be updated for the facility at 1500 Mississippi Street for the storage of very large artifacts. Finally, remodeling will be done to the library reading room to make the collections more accessible to the public.

Project Description

When the History Center building was planned in the mid-1980s, collection storage space was planned for existing holdings and 20 years' growth. Those spaces are now at capacity. To accommodate future growth, 10,000 square feet of space was left unfinished at the time of the building construction. This area is two floors high. This project adds a new floor in this space to create 20,000 feet of storage space, extend HVAC and electrical systems, as needed into this area and installs appropriate storage units. Some existing materials currently stored adjacent to the library reading room would move to this area and the space they vacate remodeled to make the book collection more accessible to public. This would also reduce operational costs for book retrieval. Large museum artifacts are now stored at in a facility at 1500 Mississippi that lacks adequate environmental controls for the long-term preservation. This project would upgrade the climate controls and add appropriate shelving.

Impact on Agency Operating Budgets (Facilities Notes)

As the space in the History Center is not currently heated and cooled, there will be an increase in utilities costs to operate the existing air handler that will

service this space. In the library area, staffing costs will be reduced due to the closer proximity of the reading room to the collections areas.

Previous Appropriations for this Project

None

Other Considerations

None

Project Contact Person

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297-8085
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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	800	0	0	800
4. Project Management	0	200	0	0	200
5. Construction Costs	0	4,900	0	0	4,900
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	100	0	0	100
9. Inflation	0	0	0	0	0
TOTAL	0	6,000	0	0	6,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,000	2,000	0	8,000
State Funds Subtotal	0	6,000	2,000	0	8,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,000	2,000	0	8,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

County & Local Historic Preservation Grants

2004 STATE APPROPRIATION REQUEST: \$2,000,000

AGENCY PROJECT PRIORITY: 4 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

This project provides funding, on a competitive matching basis, for county and local historic preservation projects. 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.

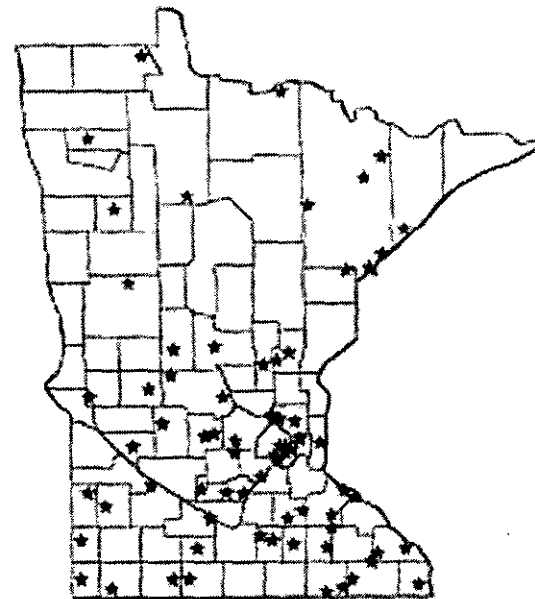
Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. This program is one of the most successful of its type with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Funds appropriated between 1994 and 2000 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 (M.S. 138.665). Some states, for example, attempt to preserve 125+ historic sites at the state level. In Minnesota, we have limited the state's historic sites network to 32 sites, allowing the society 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 the most recent rounds of grants, the society's Grant-in-Aid program has assisted to preserve and make 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.

Bond Funded Grants 1994-2000



From the financial perspective, 1994, 1996, 1998, 2000, and 2003

County & Local Historic Preservation Grants

appropriations totaling \$3,025 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. The \$3 million in state funds have been more than doubled by local matches used to implement projects, and quadrupled in the case of federal TEA-21 transportation grants. 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**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 eight-year history of the bond-funded grant program, the Society has received nearly \$5.8 million in requests for \$3,025 million available. For the most recent grant rounds, applications exceeded funds available by nearly 3:1. 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
St. Paul, MN 55102
Phone: (651) 297-8085
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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	4,000	0	0	4,000
9. Inflation	0	0	0	0	0
TOTAL	0	4,000	0	0	4,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	2,000	2,000	6,000
State Funds Subtotal	0	2,000	2,000	2,000	6,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	2,000	0	0	2,000
Other	0	0	0	0	0
TOTAL	0	4,000	2,000	2,000	8,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

State Capitol 2005 Furnishings Project

2004 STATE APPROPRIATION REQUEST: \$660,000

AGENCY PROJECT PRIORITY: 5 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

This project addresses critical needs of works of art, furnishings, and visitor service amenities in the Minnesota State Capitol. In priority order, the project includes: 1) completing a comprehensive furnishings plan and beginning its implementation (\$75,000); 2) review, conservation, and re-location of the existing Governors' portraits (\$55,000); 3) conducting a conservation survey of works of art and historical furnishings that are on the inventory--which includes chairs, desks, tables and sofas--and then treating, moving, and storing the objects according to the survey results (\$330,000); 4) continuing restoration of lighting in the governor's reception room area and office (\$72,000); 5) designing and building a new information desk for the first floor of the Capitol (\$80,000); 6) conservation treatment for the Capitol's busts, plaques and statues (\$48,000).

The funding in this cycle will not complete all object treatments in the Capitol, but will cover the most visible and at-risk items. Further restoration work will be requested in the 2006 capital budget cycle.

1) Furnishings plan. A comprehensive furnishings plan for the public and ceremonial spaces in the Capitol is only partially complete. This plan provides the historical research and documentation necessary to make restoration and maintenance decisions about Capitol spaces. The report documents window treatments, floor coverings, furniture and lighting. To complete the plan for the entire building, this project will work on the Senate Chamber and Retiring Room, the House Chamber and Retiring Room, the former Governor's Dining Room, and the former Supreme Court Justice's Dining Room.

2) Governors' Portraits. Under the current portrait layout, there is no room for a portrait of Governor Pawlenty's successor. The new exhibit plan will make new space available to hang future Governors' portraits, and will require relocation of each portrait, assessing and treating the portraits and frames, writing additional biographies, and producing new plaques. Both this project and a capital budget request of the Capitol Area Architectural and Planning Board (CAAPB) to restore the public corridors of the Capitol before the centennial will require that the portraits be removed, stored, and reinstalled. The Society and CAAPB will coordinate these projects to assure that the portraits are moved only once.

3) Furnishings. Over 800 of the original 1,600 pieces of 1905 Capitol furniture designed or selected by architect Cass Gilbert are extant. This useable collection of historic furniture, if restored, would enhance the appearance of the public and ceremonial spaces as well as office spaces for the Capitol centennial. Approximately 400 pieces of furniture are in daily use in public spaces of the Capitol; other pieces are used in offices, and many pieces are in storage due to poor condition. This project would include assessing the condition of the furniture, followed by implementing the repair on a prioritized basis and placing them for use. It will also include the reproduction or purchase of pieces as recommended for public spaces by the furnishings plan.

4) Lighting. Lighting in the governor's public and ceremonial areas has not kept pace with the functions of the spaces. Furthermore, lighting on the historic works of art produces glare that impedes visitors' view of the paintings. The project will include surveying lighting on the paintings, identifying the needs for general and task lighting, and implementing solutions that will balance preservation and conservation needs with the needs of the occupants of the spaces.

5) Information desk. The information desk on the first floor of the Capitol is 40 years old, no longer supports the work done at the desk, and is an inappropriate design for the public corridor. This project will include designing and building a new desk and small retail kiosk to better serve visitors to the Capitol and improve the appearance at the main front entrance for 2005.

6) Busts, plaques, statues. This project will implement a conservation assessment and treatment of these artworks, as well as recommendations for ongoing maintenance.

State Capitol 2005 Furnishings Project

The conservation and preservation of these works of art and furnishings is essential for the integrity of the Capitol building and its public areas.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project**Other Considerations**

As provided in M.S. Chapter 138.67-138.69, the Minnesota Historical Society has responsibility to preserve artwork in the State Capitol. Works of art as defined by statute include "paintings, portraits, mural decorations, stained glass, statues and busts, bas-relief, ornaments, furniture, plaques, and any other article or structure of a permanent character intended for decoration or commemoration placed in the Capitol in 1905 or placed subsequently for historic purposes or decoration."

The 100th anniversary of the Minnesota State Capitol will be celebrated in 2005. The Minnesota Historical Society is working closely with the Governor's 2005 Capitol Centennial Commission, and plans to take a leadership role in shaping educational events for this occasion. The Minnesota Historical Society, the CAAPB, and Department of Administration are cooperating to prepare the building for its centennial celebration and to complete restoration plans. For instance, the Society also cooperated with these agencies to produce the 2001 Predesign Study, which is another component of planning for the Capitol centennial.

Approximately 250,000 people visit the Capitol each year. The Information Desk alone fields over 40,000 questions annually. This traffic results in heavy use and deterioration of the furnishings in the public corridors and other high traffic areas like the Governor's Reception Room and the Supreme Court Chamber. Without funding for this project, the furniture will continue to deteriorate to a point where significant items will no longer be salvageable. Funds provided for this request will ensure that restoration and conservation measures on all furnishings will be in accord with standards set by the American Institute for Conservation of Historical and Artistic Works and will enable the Minnesota Historical Society to meet its statutory responsibilities.

Project Contact Person

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297-8085
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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	660	0	0	660
9. Inflation	0	0	0	0	0
TOTAL	0	660	0	0	660

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	660	0	0	660
State Funds Subtotal	0	660	0	0	660
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	660	0	0	660

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Kelley Farm Land Acquisition

2004 STATE APPROPRIATION REQUEST: \$700,000

AGENCY PROJECT PRIORITY: 6 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

The Minnesota Historical Society proposes to acquire land or interest in land—approximately 50 acres—adjacent to the Oliver Kelley Farm historic site to protect historic resources, minimize impacts on the environment, and enhance the educational history programs.

This National Historic Landmark site is run as an 1860s era working farm that helps Minnesotans remain connected to their agricultural heritage. The site is increasingly surrounded by commercial and residential development along the U. S. Highway 10 corridor. Land directly adjacent to the farm is still used for agricultural purposes, but the development pressure is intense. Preservation of the surrounding land in its current state will shield the historic farmstead from new developments, while also preserving green space and wildlife habitat in an area with increasing development pressure.

This project will be a key component in the protection and preservation of the Oliver Kelley Farm historic site. To maintain the integrity of the living history program and the historic resources of the site, we must build a strong buffer between the property and current land uses. The farm is no longer part of a larger agricultural landscape; rather it is increasingly an island of green amidst commercial development.

This project continues work done with previous projects funded by the Legislative Commission on Minnesota Resources (LCMR). In FY 1996-97 the site was part of a Heritage Trails Project that encompassed several sites. At the Kelley Farm, the trail showcases the three landscapes found at the site—prairie, woodland, and farmland. The prairie portion of this trail comes close to the current property line and would benefit the most from this buffer zone.

Further, the Minnesota Historical Society is currently managing an LCMR Project [M.L. 1999, Chap. 231, Sec. 16, Subd. 5(b)] for land acquisition that is undertaking the preparatory work for this project. The dollar amounts shown in this request are based on comparable nearby land values, but a formal appraisal will be done prior to launching this project.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

Other Considerations

The adjacent properties being considered are comprised of 250-300 acres owned by various landowners. The total property value is estimated to be about \$4.5 million. This project includes coordination with other public and private entities to keep the entire property intact as green space.

Project Contact Person

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297-8085
Fax: (651) 292-1004
E-mail: david.kelliher@mnhs.org

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	700	0	0	700
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	700	0	0	700

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	700	0	0	700
State Funds Subtotal	0	700	0	0	700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	700	0	0	700

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	700	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$400,000

AGENCY PROJECT PRIORITY: 7 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

This is a multi-year effort to develop trail systems at historic sites throughout the state. The project requested for 2004 will constitute Phase II of the Fort Ridgely trail project. Phase I research, trail planning and interpretive marker design and fabrication is being done with a 2003 LCMR appropriation. This request will complete the project by constructing a 1.25-mile trail at Ft. Ridgely state historic site, which is located seven miles south of Fairfax, Minnesota in Ft. Ridgely State Park.

The Minnesota Historical Society 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 lumbering 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 or at a natural feature, or archaeological site.

Since 1995 the Minnesota Historical Society 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 a number of historic sites, including Fort Ridgely (2004-2005), the Forest History Center (2004-2005), and the Upper Sioux Agency (2006-2007), in order to more fully explain, through trails and interpretive markers, how events affected the people associated with these sites.

Trails at Fort Ridgely will immerse visitors into the life of a frontier fort of the mid-nineteenth Century and tell the role the Fort played in the U.S.-Dakota

War 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 war of 1862.

Twice during that six-week conflict, Dakota soldiers attacked the fort. The tenacity of the fort defenders, along with the artillery pieces stationed there, prevented the Dakota from overtaking the fort. The Dakota felt that the fort was the key to controlling the Minnesota River valley during the war. Dakota losses at Fort Ridgely contributed to a quick conclusion to the conflict.

The fort 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. The current interpretive markers are nearly 20 years old, and no formal interpretive trail exists to help visitors better understand and appreciate the site. The new eight-foot wide Americans with Disabilities Act accessible trail will start at the reconstructed commissary and guide visitors around the original main fort complex. It will then extend into areas of the fort administered by the state park in order to more fully explain the events of the battles of 1862. The approximately twenty markers installed in Phase I of this project will provide more information on the fort buildings, fort life, and the human drama that unfolded during the U. S. – Dakota War of 1862.

The trail project at the Forest History Center includes construction of an all-season pathway connecting trails on Sylvan Point to other community public trails, construction of student and visitor learning stations, and interpretive trail signage.

Please refer to the Strategic Planning Summary for details about the Society's long-range plan.

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**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 Minnesota Historical Society has managed four grants totaling \$884,000 from the Legislative Commission on Minnesota Resources to develop or enhance trails at seven historic sites. These trails have significantly expanded public access to the properties, and have been very positively received.

Project Contact Person

David Kelliher, Legislative Liaison
Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297-8085
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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	50,000	0	0	50,000
4. Project Management	0	0	0	0	0
5. Construction Costs	0	333,877	0	0	333,877
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	16,123	0	0	16,123
TOTAL	0	400,000	0	0	400,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	400	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	400	325	0	725
State Funds Subtotal	0	400	325	0	725
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	400	325	0	725

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

Historic Sites Network Master Plan

2004 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 8 of 8 ()

PROJECT LOCATION:

Project At A Glance

Project Description

This project seeks a total of \$1 million from state general funds to update master plans and assist with design of future building projects within the Historic Sites Network. The project is requested to be implemented over four years with funding from the 2004 and 2006 capital budget sessions.

Funding requested in 2004 includes a staff project position to update master plans and support for architectural and engineering consulting and contract historians. Funding requested in 2006 extends the planning position but shifts attentions to collections and interpretive plan reviews.

In 2000, the Minnesota Historical Society (MHS) celebrated the 35th anniversary of the passage of the Historic Sites Act of 1965 by the Minnesota Legislature. (M.S. 138.661 – 138.6691.) During this 35-year period, a number of sites have been developed, and others added to the state's Historic Site Network. Master plans have been completed as required by the Outdoor Recreation Act of 1975 but should be updated for the network as a whole. Because most sites in the network were acquired in the early 1970s the plans developed for the sites reflect the thinking of the 1970s and focused on development rather than long-term maintenance. In updating the plans, the society will incorporate the current financial circumstances as well as new ideas about what to preserve and how best to do it.

Given the budget reductions within MHS in general and historic sites in particular, it is appropriate for MHS to take a longer term look at the network itself and explore new operational models for future development. A continued effort should also be made to address the capital deferred maintenance iceberg through more efficient design and planning. One of

four major goals adopted in the MHS's strategic plan is to rethink and revitalize the state's Historic Sites Network. Funding this request would enable the society to better plan for and anticipate its capital and operating needs over the next 10 years as they affect the larger segment of the society's capital assets.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

Other Considerations

Project Contact Person

David Kelliher, Legislative Liaison
 Minnesota Historical Society
 History Center
 345 Kellogg Boulevard
 St. Paul, MN 55102
 Phone: (651) 297-8085
 Fax: (651) 2926-1004
 E-mail: david.kelliher@mnhs.org

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	500	0	0	500
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	500	0	0	500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	500	500	0	1,000
State Funds Subtotal	0	500	500	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	500	0	1,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
Permanent Supportive Housing Loans	1	GO	\$4,000	\$6,000	\$6,000	\$0	\$0	\$0
Project Total			\$4,000	\$6,000	\$6,000	\$0	\$0	\$0
General Obligation Bonding (GO)			\$4,000	\$6,000	\$6,000	\$0	\$0	\$0

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

Permanent Supportive Housing Loans

2004 STATE APPROPRIATION REQUEST: \$4,000,000

AGENCY PROJECT PRIORITY: 1 of 1 ()

PROJECT LOCATION:

Project At A Glance

The *Minnesota State Capitol Predesign Study*, completed in June 2001, provides the basis for this request. The study determined the impending need for restoration to the Capitol's interior spaces and building infrastructure upgrade. The study also concluded the Capitol Building does not contain sufficient space to support the needs of the public and the current tenants, thus the study recommends exploring of expansion space, either in the form of a new building or converted space in an existing campus building. This request is in two parts:

1. \$1.2M to complete the Schematic Design of the Capitol Building's interior restoration study. (A \$1.5M request for Design Development will be forthcoming in 2006.)
2. \$500,000 for Predesign for expansion space for the Capitol Building.

As the Predesign Study of 2001 indicated, this request, though broken into two parts, is a continued response to the urgent demands being placed on the Capitol Building. When full restoration is complete, it will have taken over 10 to 12 years.

Project Description

The first part of this request would fund the Schematic Design work (at \$1.2M) for the phased renovation and restoration of the Capitol's interior, including all floors, ceremonial and public spaces, office suites, and spaces currently serving as hearing rooms. The Schematic Design is the next sequential step in the Capitol's interior restoration following the completed *Minnesota State Capitol Predesign Study* of 2001, which complies fully with the approved state procedure of three phases prior to construction.

The 2001 *Predesign Study* identified very critical deficiencies and future needs of the building's infrastructure, code compliance and adaptability to increased technology demands. Signage throughout the building fails to

meet the American Disabilities Act (ADA) Accessibility Guidelines or the Minnesota State Building Code. The east wing lacks fire sprinkler and smoke detection systems per code.

The Capitol's HVAC systems do not provide an adequate number of fresh air exchanges. Many of the existing mechanical units are near the end of their life, with most of the air intakes at ground level, making them totally vulnerable. Due to age and design of the existing system, balancing of air for heating, cooling, and humidity is inconsistent throughout the building. The unbalanced air is causing the visible deterioration of plaster and paint. Although new transformers were installed in 2001, the main electrical panel needs replacing, and the electrical distribution system does not meet the needs of the building. Lighting components are failing at a rate and a cost prohibitive compared to the cost of a system replacement.

The Schematic Design work would recommend more efficient and effective mechanical and electrical systems, as well as comprehensive, updated fire and life safety systems, and a full reassessment of security issues as a result of the findings of the Capitol Security Task Force following September 11, 2001. All work would be phased one wing at a time.

The second part of this request would fund the Predesign (at \$500,000) for the study of expansion space for the Capitol Building. This new space, either in the form of a new building, or converted space in an existing campus building, needs to be provided before the interior renovation work of the Capitol can proceed.

A direct finding of the 2001 *Predesign Study* is a critical need for new, improved, and expanded space for hearing rooms. These rooms must be capable of accommodating heightened security, so difficult to implement in the historic Capitol, while providing for the latest in technologies to address such advances as video conferencing, live feeds, and other outreach or access issues. Flexible hearing rooms are needed to accommodate fifty to several hundred participants, as state government assumes more responsibility on issues.

The CAAPB *Comprehensive Plan for the Minnesota State Capitol Area* (1998) and the Administration Department's *Strategic Plan for Locating State Agencies* (1995) precede the Capitol's 2001 *Predesign Study* in that those plans also recommended expansion space for the Capitol Building, on a site

Permanent Supportive Housing Loans

north of University Avenue. This new site would consolidate existing surface parking with a parking ramp shared with the Administration Building, whose current ramp has less than a five-year lifespan.

This Predesign for expansion space goes hand-in-hand with the Schematic Design as both need to address the needs of the building's occupants and the sequencing of all restoration projects to minimize disruption. Both will serve as the basis for CAAPB capital budget requests in 2006 and beyond.

Continuing to expect the Capitol Building to accommodate growing public needs with an infrastructure designed for vastly different purposes is a constant threat to its continued viability and life span. Other states have already come to acknowledge their state capitol building's need for major restoration projects, ranging from \$35 million to over \$145 million (Wisconsin) or even higher. Texas addressed restoration needs of their historic capitol and also expanded into an annex, spending over \$250 million.

This request is appropriate given the forthcoming Centennial of the Minnesota State Capitol Building in 2005, for which the previous and current Governor saw fit to establish the Capitol 2005 Commission by Executive Order, in order to plan the celebration as well as to raise funds for future restoration efforts.

Impact on Agency Operating Budgets (Facilities Notes)

The 2001 *Minnesota State Capitol Predesign Study* identified during the course of restoration, tenants may be temporarily or permanently relocated. The public will experience some inconvenience. The Schematic Design will address how to accomplish this restoration efficiently and with minimal disruption. It is anticipated that cost and time efficiencies are achieved by restoring a total wing of the Capitol, one at a time. Other states have proven this sequencing the most effective in restoring their capitols.

Previous Appropriations for this Project

\$300,000 for Capitol Building Predesign for interior restoration (2000).

Other Considerations

The 2005 Centennial Celebration will be a time to reflect on the value this historic building holds in the hearts of Minnesotans. The Capitol 2005 Commission is planning not only the celebration during that year, but also looking to establish a private endowment for future work on the Capitol

Building. At a time when there is the opportunity to seek private monies for the much needed interior restoration work for the Capitol Building (estimated at roughly \$60 million in the 2001 *Predesign Study*), the state has the responsibility to outline the needs, to develop a long term plan, and then to work toward a public match for future projects.

Project Contact Person

Paul Mandell, Principal Planner
204 Administration Building
50 Sherburne Avenue
Saint Paul MN 55155
Phone: 651-296-6719
Fax: 651-296-6718
E-mail: Paul.Mandell@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	6,000	6,000	16,000
State Funds Subtotal	0	4,000	6,000	6,000	16,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,000	6,000	6,000	16,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates		
		Funding Source	2004	2006		2008	2006	2008
Public Library Accessibility Grants	1	GO	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0
Project Total			\$1,000	\$1,000	\$1,000	\$0	\$0	\$0
General Obligation Bonding (GO)			\$1,000	\$1,000	\$1,000	\$0	\$0	\$0

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

Public Library Accessibility Grants

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 1 of 1 ()

PROJECT LOCATION:

Project At A Glance

- Provide \$1 million 2004 funding for Public Library Accessibility Grants to fund approximately 20 projects
- Grants are competitive and require a dollar for dollar local match
- Maximum grant award is \$150,000
- 85 libraries have benefited since 1994
- Access to services for approximately 1 million Minnesotans

Project Description

The Americans with Disabilities Act (ADA) mandates that government buildings be compliant accessible to all citizens with physical disabilities (28CFR 31.150). This request seeks \$1 million in the current legislative session and \$1 million in each of the next two odd-year legislative sessions to continue the dollar-for-dollar competitive matching grant established by M.S. 134.45 in 1994 to support public library accessibility with funding to remove architectural barriers.

Architectural barriers are defined as an affixed element of a library building or site that either 1) does not conform to the accessibility requirements of either the Americans with Disability Act Accessibility Guidelines (ADAAG) or the Minnesota Accessibility Building Code, Chapter 1341, which ever is more restrictive; or 2) interferes with or limits the access to any public portion or any public use of the library building or site by persons whose needs are addressed by ADAAG or the Minnesota Accessibility Building Code.

Individuals with permanent or temporary physical disabilities need accommodation with parking, building entrance, emergency alarms,

accessibility to multi-storied levels, use of restrooms and water fountains, public service counters, signage, and computer workstations, among other items. This grant program allows removal of these architectural barriers to comply with ADA, and benefits more than just those with permanent disabilities, the elderly, or the infirm. Compliant access to public library facilities provides equal opportunity to all citizens to avail themselves of the services that open doors to learning, and provide recreation and entertainment.

State Population Requirements

The Minnesota Council on Disability states there is no reliable data on the Minnesota population with disabilities. On a national scale, the most accepted prevalence of disability indicates that 20% of the population has a physical disability. (Source: Council of Disability website.) Based on the Minnesota State Demographic Center estimates for 2005, that is just over 1 million Minnesotans. Local factors, such as amenities attractive to retired citizens or location of agencies devoted to assisting the disabled, could influence this rate in specific communities.

In addition to the estimated current 20% of citizens with a physical disability, between 2005 and 2010, the number of Minnesotans 65 years and older, ages more prone to infirmities, is expected to increase 9.6%, from 620,300 to 680,000. By 2020, it is estimated that 16% of Minnesotans will be age 65 or older. (Department of Administration, State Demographic Center)

Grants Process

A competitive grant program ensures equitable distribution of funds based on objective criteria. The criteria, established by statute, are 1) degree of collaboration with other public or private agencies that deal with or represent the disabled; 2) the public library jurisdiction's tax burden, with consideration for those communities with a history of increasing support to their libraries; 3) long-term feasibility of the project to ensure a reasonable time for the building to be used as a library after renovation; and 4) the need for the project based on the standard building survey.

Public Library Accessibility Grants

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. The grant award is one-half of the disabled access project cost, up to a maximum of \$150,000. Funds cannot be used for new construction, however grant funding may be used as part of a renovation that includes non-accessibility renovations if specific costs can be attributed to accessibility issues.

A grant review committee comprised of a staff member of the State Council on Disability, an architect with a disability who is recognized authority on architectural accessibility issues, the director of the Minnesota Library for the Blind and Physically Handicapped, and two citizens, one of whom has a disability, review grant applications. Based on statutory criteria, the committee ranks applications and make recommendations to the commissioner.

The Commissioner of Education, in consultation with the State Council on Disability reviews applications and recommendations of the review committee to award the accessibility grants.

Applicants whose proposals are rejected are given explanations and suggestions for improvements and may re-apply in subsequent submission periods.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

A DOE library staff member provides technical assistance to applicants on draft applications by making recommendations to the applicant on needed clarifications prior to submission of the official grant application. In addition, agency expense to administer the grants includes travel to meet with grantees regarding the proposal and provide recommendations, review of construction in progress or completed accessibility improvements.

Previous Appropriations for this Project

The Public Library Accessibility Grant Program was established in 1994 by M.S. 134.34, subd. 5. Since inception, the following funding has been provided:

1994	\$1 million
1996	\$1 million
1998	\$1.5 million
2000	\$1 million
2003	\$1 million

For the 1994 funds, there was no upper limit on the grant amount per building. Beginning in 1996, legislation set a cap of \$150,000 per building.

Based on 2001 data, it is estimated that 50% (181) of Minnesota's 361 library buildings still have architectural barriers. This number has been derived from the knowledge that 305 public libraries were built prior to 1992, when all new public buildings had to be barrier-free. Of those 305 buildings, 181 have not been remodeled since 1992. To date, 85 libraries have received Library Accessibility Grants.

A list of all projects funded to date is available at: <http://cfl.state.mn.us/library/Projects-All-Web.doc> (change link when new available)

Other Considerations

While inflation is not a current issue, the \$150,000 maximum grant amount established in 1996, has been eroded by inflation through the years. An increase in the maximum grant amount will enable some more costly projects to be funded at one-half of the cost, rather than the \$150,000 limit.

Many libraries throughout the state need to address renovation and expansion issues beyond the scope of this program to preserve aging facilities and to provide space for services, such as public computer stations, not offered when the facility was constructed. As a result, individual communities seek funds for such projects directly from the legislature.

Project Contact Person

Director of Education Support
1500 Highway 36 West

Roseville, MN 55113

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	1,000	1,000	3,000
State Funds Subtotal	0	1,000	1,000	1,000	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,000	1,000	1,000	3,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2004	2006
Asset Preservation	1	GO	\$4,000	\$2,000	\$2,000	\$0	\$0	\$0
West Wing Noyes Phase Two	2	GO	1,500	0	0	0	0	0
Safety Improvements	3	GO	1,400	0	0	0	0	0
MSAD Frechette Renovation			0	4,247	0	0	0	0
MSAB Dorm Expansion			0	3,225	0	0	0	0
Mott Hall Vocational Renovation			0	2,416	0	0	0	0
MSAD Rodman Dining			0	0	6,359	0	0	0
MSAD Lauritsen Recreation & Fitness Center			0	0	5,217	0	0	0
MSAB Vocational Expansion			0	0	1,257	0	0	0
MSAD Garage			0	0	1,034	0	0	0

Project Total	\$6,900	\$11,888	\$15,867	\$0	\$0	\$0
General Obligation Bonding (GO)	\$6,900	\$2,000	\$2,000	\$0	\$0	\$0
Unspecified	\$0	\$9,888	\$13,867	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

The primary long-range strategic goal of the Academies is to ensure all students receive a Free and Appropriate Public Education (FAPE) within the least restrictive environment, as mandated by the Individuals with Disabilities Education Act (IDEA). The Academies will provide specialized programming to equip deaf and blind students with skills necessary to become productive citizens. The academies also provide support to local educational districts through a variety of services for non-enrolled students.

The Academies' long-range capital goals include:

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

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

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

Issues that may affect future enrollment:

- Advances in technology and the Academies' ability to provide instruction in this area will likely encourage increased enrollment for both schools. In the past, the Academies' lack of technology has had a negative impact on the level and effectiveness of educational services offered.
- Short-term services provided by the Academies increase the total number of students serviced and may decrease the number of enrolled students.

- Shortage of qualified teachers and interpreters may increase enrollments.
- Students with increasingly more complex needs will impact facility space and requirements.
- Early identification of babies due to newborn infant hearing screening will increase the need for services.

Other issues affecting the demand for Capital Programs at the Minnesota State Academies:

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

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

The Academy for the Deaf and the Academy for the Blind are located on separate campuses, about one mile apart from each other, in the town of Faribault, Minnesota. The Academy for the Deaf is situated on 50 acres of land adjacent to Shattuck-St. Mary's School, a private educational facility. The campus houses 11 major buildings, two of which are on the National Register of Historic Places. The Academy for the Blind campus occupies 30 acres of land adjacent to the District One Hospital and the Faribault Correctional Facility. The campus consists of 5 major buildings.

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

The Academy for the Deaf was constructed to house and educate a larger enrollment in an "institutional" environment. Consequently, there is structural

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

The Academy for the Blind was not designed to meet the needs of students with multiple disabilities. Consequently, its capital plan focuses on adapting the current facilities to a changing student population. As result of several major projects funded by direct capital appropriation by the legislature, including asset preservation and CAPRA funding, many of the buildings have been improved over the past years. These projects have included:

- improvements of the sewage and water systems at MSAB;
- renovation of Tate Hall at MSAD;
- renovation and expansion of the Lysen Education Building at MSAB;
- improvements to the electrical systems at MSAD;
- renovation of the west wing of Noyes Hall;
- upgrades to exterior lighting;
- replacement of the Tate Hall tower, which burned;
- replacement of the MSAD gym floor;
- upgrades to the fire alarm systems;
- replacement of a boiler burner;
- replacement of a number of roofs and windows;
- demolition of Dow Hall;
- sidewalk replacement;
- access improvements to comply with the Americans with Disabilities Act.

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

Agency Process Used to Arrive at These Capital Requests

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

The 1997 process included an advisory team composed of department representatives across the agency, which worked with the design team throughout the process. Staff and students also were involved in a participatory group process to identify needs. Each school worked separately in their respective focus and design groups. For 3 days, the Adams Group conducted an on-site analysis of needs for each campus by identifying deficiencies, needs and desires, and considering ideal spaces for each campus. In addition, the Adams Group completed a walk-through assessment of all buildings on both campuses, which revealed a number of deficiencies that were recorded and considered in the master plan development.

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

In 1999, the master plan was updated to include emerging needs and the needs of other agencies residing on the campus. The Minnesota State Academies, in partnership with the Minnesota Department of children, Families and Learning, developed a joint strategic facility Master Plan that

also addresses the needs of the Minnesota Library for the Blind and the Minnesota Resource Centers, which are housed on the campus. While their individual missions may vary according to the services they provide, these 5 agencies depend on each other for support and collaborate to provide services in a coordinated manner.

Review of the Minnesota State Academies' capital needs has and will continue to be an ongoing process. Staff and managers are continually encouraged to bring forth suggestions for capital improvements. The superintendents and the physical plant director have reviewed capital plans for a variety of concerns, including asset preservation. Various studies have analyzed existing mechanical and infrastructure deficiencies. Cost estimates were obtained from the Department of Administration. These cost estimates are included in the capital budget project outlined for consideration.

Major Capital Projects Authorized in 2002 and 2003

Asset Preservation Projects:

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

Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$4,000,000

AGENCY PROJECT PRIORITY: 1 of 3 ()

PROJECT LOCATION:

Project At A Glance

Minnesota State Academies Asset Preservation

MSAB Roof Replacement	Lysen	900,000
MSAD Air Quality	Smith Hall	850,000
MSAD Air Quality	Quinn Hall	775,000
MSAD Air Quality	Rodman	750,000
MSAD Fire Protection	Lauritsen Gym	600,000

Project Description

The Minnesota State Academies (MSA) for the Deaf and the Blind are requesting \$4 million for asset preservation activities, to address health and safety issues and to maintain the physical plant at both campuses. The Minnesota State Academies 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; air quality; sidewalk replacement and parking improvements; and installation of fire protection systems. 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.

The current level of repair and replacement funding available in the MSA operating budget cannot meet these asset preservation needs. 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 MSA for the Blind and the MSA for the Deaf 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 2000	1.0 million
Asset Preservation in 2002	2.06 million

The Minnesota State Academies received \$1.25 million in asset preservation monies in 2000. This included funding 2 special projects, a \$500 thousand electrical upgrade for MSAD and a \$500 thousand water/sewer repair at MSAB. An additional \$75 thousand was added to the agency operating budget in 1999 to assist with smaller ongoing needs, bringing the total operating budget for repair and replacement to \$225 thousand annually.

The list of asset preservation projects developed by agency staff is estimated to cost \$8 million.

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 Minnesota State Academies.

Asset Preservation

Project Contact Person

Harry Chappuis, Physical Plant Director
Box 308
Faribault, MN 55021

Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell, MSAD Superintendent
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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,000	2,000	2,000	8,000
State Funds Subtotal	0	4,000	2,000	2,000	8,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	4,000	2,000	2,000	8,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

West Wing Noyes Phase Two

2004 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 2 of 3 ()

PROJECT LOCATION:

Project At A Glance

West Wing Noyes Hall Phase Two

The Minnesota State Academies are requesting \$1.5 million to complete the renovation of Noyes Hall on the Minnesota State Academy for the Deaf campus. This project is the last one necessary to complete the renovation of this historic building.

Project Description

This request is for renovation of the auditorium space in the building which connects the east and west wings together. This auditorium is used on a regular basis for the following types of activities:

- Student pep rallies, dances, and assemblies;
- Large staff meetings
- In-service workshops
- Special events
- Graduation
- Drama and theater performances
- Student science fairs and exhibits
- Speech and oratorical contests

This phase two project will improve air quality with the addition of a new HVAC system. The project also includes improvements to sight lines and lighting, window treatments and the use of natural light, addition of a sound system and auditory supports as well as acoustical improvements. New seating with inclined flooring will improve the sight lines as will the use of natural lighting and new auditorium lighting. These enhancements will solve long-standing problems specific to those in the audience who are deaf/hard of hearing or blind/visually impaired. Currently the space functions poorly for blind people acoustically and for deaf people visually.

Impact on Agency Operating Budgets (Facilities Notes)

The new HVAC system should be more efficient so this project should not impact the operating budget of the Academies.

Previous Appropriations for this Project

Other Considerations

Noyes Hall is a historic building on the National Historic Registry. This building has had renovation done to both its east and west wings. The original construction of Noyes Hall began in 1903 after the legislature granted \$25 thousand for the purpose of constructing a new school building. In 1904, the east wing of Noyes Hall was completed and occupied, with remodeling occurring in 1994-95. The west wing of Noyes Hall was added in 1907, completed in 1908, and renovation was completed in the fall of 2002.

Project Contact Person

Harry Chappuis, Physical Plant Director
Box 308
Faribault, MN. 55021

Phone: (507) 332-5468
Fax: (507) 332-5498
E-mail: harry.chappuis@msad.state.mn.us

Linda Mitchell, MSAD Superintendent
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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,500	0	0	1,500
State Funds Subtotal	0	1,500	0	0	1,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,500	0	0	1,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Safety Improvements

2004 STATE APPROPRIATION REQUEST: \$1,400,000

AGENCY PROJECT PRIORITY: 3 of 3 ()

PROJECT LOCATION:

Project At A Glance

Safety Improvements for the Minnesota State Academies.

The Minnesota State Academies is seeking \$1.4 million for the construction of a new roadway around the perimeter of the Minnesota State Academy for the Blind (MSAB) campus, construction of a new garage and parking space for both campuses. These improvements are necessary to provide for the safety needs of both the deaf and the blind students served based on state and federal law. The Academies serve students from all regions of the state, providing services for school districts that are either unavailable or prohibitively expensive to provide in local communities.

Project Description

The components of this project include the following:

- A new perimeter road around the back portion of the MSAB property removing the current road from the playground area. Major delivery vehicles and automobiles would circumvent student activity areas.
- A new perimeter road around the west side of the MSAD campus removing the traffic from the center campus play area, the George Hanson Green.
- New parking space to remove traffic from roadways that students use as play areas.
- A new vehicle garage on the MSAB campus for up to 10 vans and vehicles to protect the state's assets and serve as a space to store tools as well as a space for maintenance to work.
- Greater independence and safer environments for students' mandated Individualized Education Plans.

This project is aimed at correcting long-term safety concerns based on:

- Removing traffic from student play and travel areas
- Providing work storage and work space for maintenance of state equipment
- Placing parking in more secure locations

The current situation fails to meet safety standards. Students with sensory impairments often miss auditory and visual cues necessary to alert them of dangerous situations. Roadways are part of the playground area at both campuses and pose an on-going safety concern.

Impact on Agency Operating Budgets (Facilities Notes)

Energy expenses created by this project can be handled within the current operating budget.

Previous Appropriations for this Project

Other Considerations

This project has been present in the long-term strategic capital improvement plan (under different titles) for the past six years. The project also provides prerequisite components for future projects included in the Master Plan by providing access to projected independent living facilities and dormitory facilities on the MSAB campus. It also meets the requirements for present and future projects of the Library for the Blind and Physically Handicapped as outlined in their capital improvement plan.

This project achieves our highest priority of meeting student safety needs for present and future students.

Project Contact Person

Harry Chappuis, Physical Plant Director
Box 308
Faribault, MN. 55021
Phone: (507) 332-5468

Safety Improvements

Fax: (507) 332-5498

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

Linda Mitchell, MSAD Superintendent

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,400	0	0	1,400
State Funds Subtotal	0	1,400	0	0	1,400
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,400	0	0	1,400

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,400	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Asset Preservation	1	GO	\$600	\$0	\$0	\$0	\$0	\$0
Beta Building Demolition	2	GO	500	0	0	0	0	0
Alpha Building Renovation	3	GO	500	0	0	0	0	0
Dormitory Renovation	4	GO	2,000	0	0	0	0	0
Project Total			\$3,600	\$0	\$0	\$0	\$0	\$0
General Obligation Bonding (GO)			\$3,600	\$0	\$0	\$0	\$0	\$0

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

Asset Preservation

2004 STATE APPROPRIATION REQUEST: \$600,000

AGENCY PROJECT PRIORITY: 1 of 4 ()

PROJECT LOCATION:

Project At A Glance

Maintenance and repair of campus facilities.

Project Description

This request is for \$600,000. It is necessary to replace the roof of the east wing of the Administration/Arts High School Building. A third of it has been patched, but the entire roof should be replaced. We also need to repair and or replace sidewalks and driveways on campus. And we need to replace the security fence along the perimeter of the wooded area on campus. Replace water pipe and sewer pipe at the GAIA building.

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	600	0	0	600
State Funds Subtotal	0	600	0	0	600
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	600	0	0	600

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	600	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Beta Building Demolition

2004 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 2 of 4 ()

PROJECT LOCATION:

Project At A Glance

Demolish 13,800 square foot building.

Project Description

This request is for \$500,000 to demolish this 42+ year-old building. The Beta building is a sick building and the State has never been used for its intended purpose. As a result of a leaking roof, the building is beset with mold and asbestos issues. We don't believe that the building can be saved and, as it is now, it is a health hazard. Only trained and certified persons can enter the building. We believe that anyone entering the building, with or without permission, would be at risk. The sooner the building is taken down the better.

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	0	0	500
State Funds Subtotal	0	500	0	0	500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	0	0	500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Alpha Building Renovation

2004 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 3 of 4 ()

PROJECT LOCATION:

Project At A Glance

Renovate 13,800 square foot building.

Project Description

This request is for \$500,000 to renovate this 42+ year-old building. The goal is to take care of the building envelope to protect the structure so that it can be used for maintenance and storage. This may involve a new roof and some work on windows and doors. In the interior we will have to remove some asbestos in the form of broken tiles and pipe insulation. In addition, we will want to, clean paint and reconfigure some space for maintenance functions.

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	0	0	500
State Funds Subtotal	0	500	0	0	500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	0	0	500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Dormitory Renovation

2004 STATE APPROPRIATION REQUEST: \$2,000,000

AGENCY PROJECT PRIORITY: 4 of 4 ()

PROJECT LOCATION:

Project At A Glance

Renovate 36,900 square foot residence hall.

Project Description

This request is for \$2,000,000. This building is 27+ years old and in need of a complete renovation. We want to replace the mechanical system with one that can accommodate an air conditioning system. We want to upgrade the electrical system in the building. We want to replace existing toilet and shower facilities, including replacing walls to eliminate and retard the growth of fungi. And we want to generally refurbish the rooms, including wardrobes and desks, and refurbish common areas. We believe that the building is structurally sound and worth the investment to bring it up to date.

We need to make the dorm more attractive for our students and we want to air condition it so that the entire PCAE facility can be used in the summer to serve students and teachers from throughout the state.

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
State Funds Subtotal	0	2,000	0	0	2,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,000	0	0	2,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Project Title	Agency Priority	Agency Request				Governor's Recommendation	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2004	2006
HEAPR (Higher Education Asset Preservation)	1	GO	\$100,000	\$100,000	\$100,000	\$0	\$0	\$0
Winona SU - Pasteur Hall Science Renovation	2	GO/UF	10,235	0	0	0	0	0
MSU Moorhead - Hagen Hall Science Renovation	3	GO/UF	9,645	0	0	0	0	0
Century CTC - Technology Center Renovation	4	GO/UF	4,500	0	0	0	0	0
St. Cloud SU - Centennial/Riverview Renovation	5	GO/UF	2,900	1,500	0	0	0	0
Lake Superior - Acad & Student Services Addition	6	GO/UF	10,350	0	0	0	0	0
St. Cloud TC - Workforce/"G" Wing Addition, Renov	7	GO/UF	13,860	0	0	0	0	0
South Central TC - Applied Lab Renovation	8	GO/UF	4,747	0	0	0	0	0
Inver Hills CC - Student Services Add & Renov	9	GO/UF	5,565	0	0	0	0	0
Systemwide Science Lab Renovations	10	GO/UF	8,900	2,000	0	0	0	0
Systemwide Workforce Training Classrooms	11	GO/UF	5,600	1,000	1,000	0	0	0
Systemwide Technology-Updated Classrooms	12	GO/UF	3,700	1,000	1,000	0	0	0
Systemwide Demolition Initiative	13	GF	1,625	1,000	1,000	0	0	0
Systemwide Program Consolidation Initiative	14	GO/UF	2,000	0	0	0	0	0
Systemwide Land Acquisition	15	GO/UF	2,000	2,000	2,000	0	0	0
Dakota TC - Info Tech & Telecomm Renovation	16	GO/UF	6,800	0	0	0	0	0
Fergus Falls CC - Instructional IT, Fine Arts Addi	17	GO/UF	7,000	0	0	0	0	0
Northwest TC Moorhead - Health & Trades Addition	18	GO/UF	6,500	0	0	0	0	0
Bemidji SU - Bridgeman Remodel, NTC Health Remodel	19	GO/UF	10,000	5,000	0	0	0	0
MSC-SETC Winona - Stud Serv, LRC, Nursing Remodel	20	GO/UF	3,500	0	0	0	0	0
St. Paul College - Construction Trades Renovation	21	GO/UF	10,120	0	0	0	0	0
MSU Mankato - Trafton Hall Addition, Renovation	22	GO/UF	2,560	30,550	21,205	0	0	0
St. Cloud SU - Brown Science & Math Hall Renov	23	GO/UF	900	13,450	0	0	0	0
Rochester CTC - Health Science Renovation	24	GO/UF	11,745	0	0	0	0	0
Mpls CTC - Health & Science Lab Renovations	25	GO/UF	5,790	0	0	0	0	0
Century CTC - New Science & Library Building	26	GO/UF	1,000	18,600	5,400	0	0	0
Riverland CTC (both) - Science Labs Renov	27	GO/UF	5,100	0	0	0	0	0
ARCC Cambridge - Academic Bldg Addition, Demo	28	GO/UF	9,650	0	0	0	0	0
Fond du Lac TCC - New Library & Cultural Center	29	GO/UF	635	9,825	0	0	0	0
MSU Moorhead - MacLean/Bridges Renovation	30	GO/UF	500	8,500	0	0	0	0
Central Lakes CTC - Heavy Equipment & Music Add	31	GO/UF	5,480	0	0	0	0	0
Northland CTC - Workforce Add, Crim Justice Renov	32	GO/UF	1,985	0	0	0	0	0
2006/2008 Capital Improvement Program			0	55,575	118,395	0	0	0

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

Project Total	\$274,892	\$250,000	\$250,000	\$0	\$0	\$0
General Obligation Bonding (GO)	\$215,406	\$162,223	\$120,384	\$0	\$0	\$0
User Finance Bonding (UF)	\$57,861	\$31,202	\$10,221	\$0	\$0	\$0
General Fund Projects (GF)	\$1,625	\$1,000	\$1,000	\$0	\$0	\$0
Unspecified	\$0	\$55,575	\$118,395	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

In 2002, the Board of Trustees of the Minnesota State Colleges and Universities adopted their new strategic plan for 2002-2005 entitled *Designing the Future*. Three principles are held above all others in everything that the system strives to accomplish:

Student focus – helping students achieve personal, learning and career goals
Community success – educating a people committed to building the vital civic and economic institutions that contribute to thriving communities
Stewardship – earning the public's trust by efficiently and effectively managing the system's human, fiscal and facilities resources.

The long-range strategic directions are:

1. Increase access and opportunity
2. Expand high-quality learning programs and services
3. Strengthen community development and economic vitality
4. Fully integrate the system

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**Strategic Plan, *Designing the Future*:**

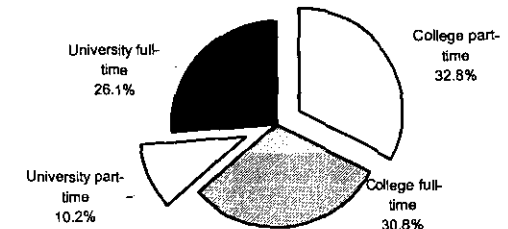
Minnesota state colleges and universities are the largest single provider of higher education in the state. The system consists of 53 campuses at 33 institutions operating in 46 communities. The Board of Trustees of the Minnesota state colleges and universities, under the guidance of Chancellor McCormick, developed and adopted a 2002-2005 strategic plan that fully focuses on serving the current and future learning needs of Minnesota. The strategic plan was built on an earlier report, *Access to Success*, by the Citizens Advisory Commission.

Minnesota state colleges and universities will pursue four strategic directions to fulfill its vision, mission and guiding principles:

1. *Increase access and opportunity*:

More people from different backgrounds will have the opportunity to experience the benefits of higher education, and full participation (enrollment, retention and success) of non-traditional students and under-served populations will be encouraged. Apropos of this capital budget, MnSCU will ensure that its facilities provide an inviting and safe learning environment for students from all walks of life.

Trends – MnSCU enrolled over 135,000 full-time equivalent (FYE) students in 2004. This is not the full story, as over 235,000 different students made up that number. This means that a large number of incumbent workers are taking courses part-time in order to increase skills for their current job or learn new skills for a different job. In fact, more than 43% of MnSCU students attend college part-time.



In addition to part-time students, MnSCU serves another 130,000 incumbent workers per year in non-credit retraining programs. This points up a trend toward students being older than the traditional student age (18-24). In fact, the average age of MnSCU students is just under 27.

According to the 2000 census, Minnesota's population is growing more diverse. The Minnesota Minority Education Partnership reports that minority students account for 59% of the growth in K-12 enrollment from 1990 to 2000. Students of color made up 11.4% of the MnSCU student enrollment in 2002, up from 7.7% in 1992. Sixteen percent of Minnesota K-12 students represent a community of color.

2. *Expand high-quality learning programs and services*:

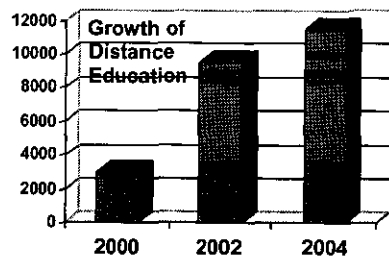
Minnesota state colleges and universities will provide students with a full range of high-quality learning programs and services that respond to student needs and document student achievement. Students will develop lifelong learning, critical thinking and citizenship skills through high-quality liberal arts and occupational and professional degree programs. MnSCU will provide up-to-date and innovative curriculum and equipment that prepares students for entry into the workforce and advancement in their careers. This includes the use of electronic-learning tools and processes to support classroom learning, support a wide variety of teaching and learning styles, and provide a full range of electronic student services.

Trends – According to HESO in Fall 2000, students of color high school graduate participation rates in post-secondary education were 5 points higher. However, their retention is lower (38% of African-Americans vs 49%

of Asian Pacific Islanders and 52% of Caucasians graduate from college within six years). *Designing the Future* states, "Students of all cultures, ethnicities, and abilities need to feel that the college or university they attend is welcoming and encourages them to grow and achieve their goals."

This retention underscores the need for expanded student services which is directly impacted by two of the capital projects and is a portion of other requests. HESO predicts that in the coming years, high school graduates of color will increase, requiring "broadening the appeal of post-secondary education to students from increasingly diverse backgrounds."

This strategic direction is primarily aimed at "enhancing the use of electronic learning tools and processes to support classroom learning". In 2000, the Chancellor's Office of Instructional Technology (OIT) negotiated a collaborative purchase of a software platform to develop delivery of online and web-enhanced courses within MnSCU. This was a successful service that drew national recognition from the Western Cooperative for Educational Telecommunications. OIT just completed awarding E-Learning Development grants to seven colleges for e-learning initiatives in drafting, teacher education, police supervision, sign language, vacuum technology, and mass communications. They received \$4.5 million in campus requests, indicating strong interest. The Center for Teaching and Learning annually conducts (1) Discipline Workshops, (2) Summer Seminars, and (3) Weekend Seminars to improve teaching and learning at MnSCU through active learner-centered learning. Many of their seminars teach effective integration of instructional technology.



Remarks by Chancellor McCormick to the 2003 Center for Teaching and Learning Conference made reference to classroom technology integration. Systemwide use of distance education grew 220%, from 2,988 registrations in Fall 2000 to 9,564 in 2002. As of Spring 2003, 5.5% of total headcount students were enrolled in 41 online programs at

95% of MnSCU institutions. "Through a coordinated online effort, we can help students put the pieces of their academic puzzle together in a way that works. I applaud all the pioneers among you who have jumped into

designing and teaching courses online first and pushed MnSCU into national prominence." Infrastructure for integrating technology into the curriculum is part of all 2004 capital requests.

3. *Strengthen community development and economic vitality.*

Minnesota state colleges and universities will continue to work in new and collaborative ways to maintain and build vital communities and economies at the local, regional and state levels. The campuses play a central role in economic development by educating a skilled and flexible workforce. Providing organizations with business and management training, and conducting applied research will contribute to innovation and productivity increases as Minnesota's economy becomes part of the global marketplace. While the campuses must respond to needs of emerging industries, it must also strengthen its key role in preparing teachers, nurses, police officers and supporting traditional Minnesota industries such as agriculture, food production and manufacturing.

Trends – MnSCU graduates 25,000 students each year, 85.3% of whom stay in Minnesota to join the workforce or continue their education. MnSCU graduates the largest share of the state's new teachers, accountants, law enforcement officers, computer professionals, business people, firefighters, technicians, building tradespeople, and nurses.

In fact, MnSCU graduates 79% of the state's new nurses. The Department of Economic Security's Minnesota Statewide Job Vacancy Survey reported 2,436 vacancies for RN's and 1,167 vacancies for LPN nurses in the 4th quarter of 2002. Fulfilling educational requirements of their respective registration boards will require a shift to more science and technology offerings and will require retooling of laboratories and electrical systems.

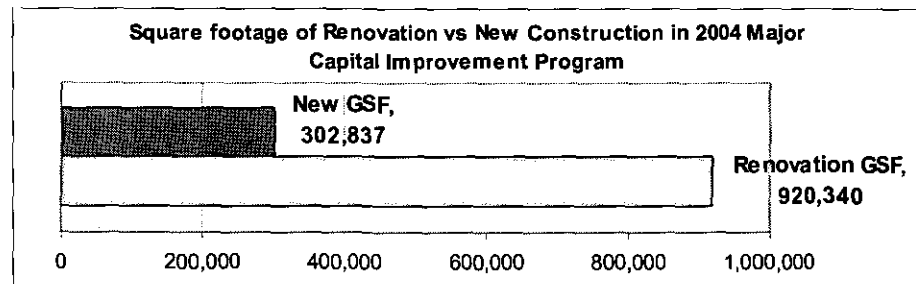
4. *Fully integrate the system.*

Minnesota state colleges and universities will become a more fully coordinated and integrated system of distinct higher education institutions that provide high-quality education. This will include integrating strategic, academic, financial, technology and facilities master plans at each institution and at the system level. Most importantly, it places a top priority on being a good steward of its capital assets by maximizing the use of and appropriately maintaining, repairing and renewing the buildings and infrastructure of the system and its individual campuses.

This top priority on protecting the public investment in MnSCU physical assets has led to Higher Education Asset Preservation and Replacement (HEAPR) being the number one request in the 2004 capital budget. It has also led to renovation of existing sound structures being a larger portion of this capital budget, which will also have the effect of reducing the deferred maintenance backlog.

Trends – Higher Education Asset Preservation and Replacement (HEAPR) has been MnSCU's top capital budget priority since 1998. In addition to the 12.2 million square feet of roof replacements, the 2.5 million square feet of fire safety improvements and the nearly 500,000 square feet of major mechanical and electrical improvements, MnSCU is also requesting a growing amount of asset preservation in major renovation projects in the major capital improvement program.

In FY2000, the system's request included 59% renovation vs new construction; the FY2002 request was 64.8% renovation, and now in FY2004, based on square footage impacted by the budget, the system's request includes 75.2% renovation of existing spaces. The Chancellor and



Trustees are exhibiting good stewardship of existing assets by placing the highest priority on renovating facilities that the state already has before investing in new square footage. In addition, capital budget guidelines require that all colleges and universities submitting capital budget requests must pay for a predesign out of institution operating budgets prior to approval. Guidelines for MnSCU predesigns also require integration of campus strategic, academic, technology and facilities master plans.

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

Minnesota state colleges and universities operate classroom buildings, libraries, and other structures, totaling 20 million square feet, excluding revenue fund buildings. The facilities range in age from over 50 years to less than 5 years, with many built in the 1960s and 1970s.

MnSCU undertook a baseline engineering assessment of the condition of deferred maintenance needs at all 53 campuses in 1998. In 2002, this baseline facilities condition assessment was enhanced, making it a dynamic record of the condition of campus physical assets. The facilities condition assessment baseline data has been augmented by: (1) further engineering study of mechanical and electrical systems at all seven state universities, (2) annual engineering inspection of all 287 acres of roofs, (3) a 2002 study of status of fire detection and suppression devices, and (4) updating by campus facilities directors to remove corrected items and add new items that have deteriorated in the intervening six years.

Deferred maintenance needs identified across 20 million square feet showed the recurring patterns of systems that have passed design life:

- Mechanical reliability: HVAC, plumbing, electrical systems
- Exterior envelope integrity: roofs, windows, tuckpointing
- Restoration of interior spaces: safety, code compliance, lighting, egress

This 2003 update shows that past investments in roof replacements have had an impact. At present 41% of roofs in the system meet MnSCU's 40-year standard. At the same time, as campuses exceed the average age of 35, original mechanical and electrical systems are wearing out and need replacement. HVAC replacement is a growing component of MnSCU's deferred needs and HEAPR requests.

Suitability and functionality of facilities are more of an issue than capacity. While the buildings are structurally sound, they are outdated and must be renovated to accommodate today's technological academic delivery needs.

Agency Process Used to Arrive at These Capital Requests

Following adoption of *Designing the Future*, the Trustees adopted formal capital budget guidelines. A workshop was held for campus administrators in July 2002 where colleges and universities were presented the guidelines and asked to show:

- connections with MnSCU's strategic goals,

- connections between capital requests and campus level academic, facilities, and instructional technology master planning,
- evidence of a space utilization inventory showing the existing facilities are being fully used, or that the capital request will improve utility,
- condition of the existing building(s), capacity of current utility infrastructure, and amount of asset preservation to be accomplished with the request, and
- a plan for debt service under the current formula.

Eight technical advisory teams were created from campus facilities, finance and instructional technology officers, plus academic affairs and facilities personnel from the Office of the Chancellor. These teams evaluated and scored the projects received in accordance with the Trustee's guidelines. The scoring mechanism gave preferential points to asset preservation (renovation) projects and projects receiving prior legislative funding. Each project was double scored. Individual team members could not review their own campus' proposal.

The Board of Trustees held three public hearings in February 2003 (Minnesota West CTC at Granite Falls and Saint Paul College), and March 2003 (Bemidji State University). The Chancellor worked with individual Board members to review and rank the 2004-2009 projects in keeping with prior commitments made in the 6-year plan, and with ranking assigned by the technical advisory teams following the Board's priorities. In addition, the Office of the Chancellor incorporated information from the campus master plans, space utilization study, facilities condition assessment, enrollment, project predesigns, and prior level of capital investment.

The Board of Trustees held its first reading of the capital budget in May 2003 and its second reading in June 2003, at which time the capital budget was approved.

Major Capital Projects Authorized in 2002 and 2003

Alexandria TC	Classroom Bldg	\$9,150,000	2002
Winona SU	New Science Bldg	\$30,000,000	2002
MSU Moorhead	New Science Bldg	\$18,955,000	2002
System	Science Labs	\$1,900,000	2002
Century CTC	Purchase/Design 916 Bldg Renovation	\$2,500,000	2002
System	Land Acquisition	\$10,000,000	2003
Bemidji SU	Design Colocation II	\$1,000,000	2003
NWTC Moorhead	Design Addition	\$400,000	2003
St. Cloud SU	Centennial Renov	\$10,000,000	2003
MSU Mankato	Athletic Facilities	\$8,400,000	2003
Southwest SU	Library Renovation	\$9,200,000	2003
Hennepin TC	Renovation	\$2,000,000	2003
NEHED Virginia	Science, LRC Ren	\$5,496,000	2003
Lake Superior	Design Addition	\$700,000	2003
Southeast TC	Design Renovation	\$580,000	2003
Dakota TC	Design Telecomm	\$500,000	2003
St. Cloud TC	Design Workforce	\$700,000	2003
Ridgewater CTC	Science Renovation	\$2,880,000	2003
South Central TC	Design Renovation	\$300,000	2003
Fergus Falls CC	Design Addition	\$760,000	2003
MnWest Worthington	Science, Nursing	\$6,300,000	2003
Inver Hills CC	Design Addition	\$500,000	2003

Institution	Project	Appropriation	Year
System	HEAPR	\$60,000,000	2002
Normandale CC	Science Renovation	\$9,900,000	2002
Minneapolis CTC	Consolidate Renov	\$9,000,000	2002
Metro SU	New Library	\$17,442,000	2002

HEAPR (Higher Education Asset Preservation)

2004 STATE APPROPRIATION REQUEST: \$100,000,000

AGENCY PROJECT PRIORITY: 1 of 32 ()

PROJECT LOCATION: Statewide

Project At A Glance

Asset Preservation at all 53 campuses in all 46 communities
 MnSCU entrusted as stewards of 20 million square feet
 One-third of all building space in the state
 HEAPR will reinvest in asset, preserve well into the future

Project Description

Provide funding to maintain and preserve MnSCU's existing physical assets as specified in M.S. 135A.046. This maintenance and asset preservation request includes roof replacement, heating, ventilation and air conditioning (HVAC) replacement and repair, fire alarms and sprinklers, window replacement, tuckpointing, as well as life safety and code compliance projects, for items that have reached the end of their useful life expectancy.

MnSCU's physical assets are comprised of 20 million gross square feet of academic buildings located on 53 campuses. This request does not include state university revenue fund buildings. The request can be broken into the following categories:

- Roof Replacement
- Mechanical and Electrical Reliability
- Fire Safety
- Equitable Distribution (Safety, Code, Exterior)

MnSCU Strategic Plan:

Under the direction of Chancellor McCormick, MnSCU adopted a 3-year strategic plan entitled "Designing the Future". The three overarching guiding principles the plan "holds above all others" are:

- Student focus
- Community success
- Stewardship

Stewardship, in this context, means the efficient and effective management of the state's investment in facilities resources entrusted to MnSCU.

The guiding principle of stewardship is further developed in Goal 18 (Serve as Good Stewards of Capital Assets) which states, "The Minnesota State Colleges and Universities will serve as good stewards of its capital assets by maximizing the use of and appropriately maintaining, repairing, and renewing the buildings and infrastructure of the system and its individual campuses." The system and its 33 institutions have a public responsibility to make sure these physical assets are maintained to protect the public investment.

This translates into repair, replacement and life safety improvement of existing facilities being the Trustee's top priority in the 2004 capital budget.

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. These individual assessments were informed by:

- (1) Benchmark 1998 facilities condition assessment survey has been revisited, updated and turned into a dynamic facilities condition assessment data base survey in 2002;
- (2) Further 2002 engineering survey of the major mechanical and electrical systems at all seven state universities;
- (3) An on-going annual roof inspection program of all 287 acres of roofs; and
- (4) Currently undertaking a further engineering survey of the major mechanical and electrical systems at 17 two-year colleges.

The funding distribution model emphasized (1) roofs and building envelope integrity, (2) major mechanical and electrical system replacements, and (3) fire safety. Individual campus priorities were respected. An attempt was made to allocate money to projects that were roughly proportional to the amount of square footage at a particular institution, but this was not always possible because the size of some needed replacement projects at smaller campuses skewed the averages. 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.

Enrollment and Space Utilization:

Total	FY2000	FY2002	FY2004
FYE	114,199	126,215	135,000

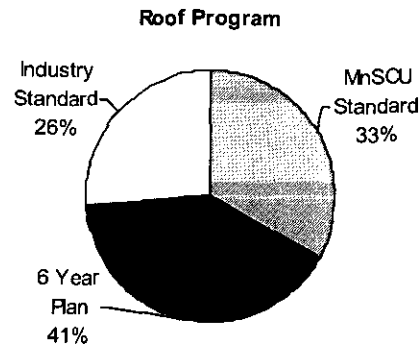
HEAPR (Higher Education Asset Preservation)

Strategic HEAPR Priorities:

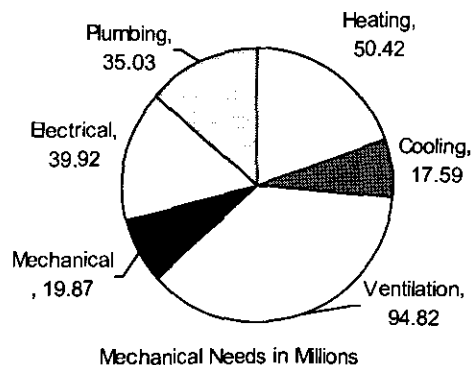
HEAPR is a critical one-third component of the overall “catch-up and keep-up” plan to maintain the state’s assets. The other two components are operating dollars for repair and replacement, and capital dollars spent on major renovations.

Major replacement and/or repair items of a capital nature to systems that have surpassed their useful, functional life are included.

1. Roof Replacement: This includes 287 acres of roofs on just the educational buildings. It replaces 1,211,708 square feet, or 10%, of roofs. Well over half the roofs on this list are currently leaking. 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.



2. Mechanical and Electrical Reliability: Next to integrity of the roofs, maintaining warmth and safe air quality for students is paramount. MnSCU has placed its highest priority on keeping students dry and warm. Most campus buildings are 1960s and 1970s construction and mechanical systems only have a life expectancy of 35 years. They have now exceeded their designed life expectancy, and while campus maintenance personnel are doing a good job of patching them, equipment can only work for just so long before the systems *must* be replaced. Current major mechanical system needs are:



3. Fire Safety: Following a fire three years ago, MnSCU surveyed all 53 campuses for fire detection, monitoring, and suppression equipment. HEAPR funding in 2002 addressed fire detection and monitoring. As a result of that 2001-2002 inventory, this request addresses fire sprinklers at several campuses.

4. Equitable Distribution: Following funding of complete projects in the first three priorities, an equitable distribution was done based on square footage per campus to preserve the physical asset in good condition. Life safety, code compliance, interior and exterior space restoration projects to extend the life of the facilities are all portions of the request.

Impact on Agency Operating Budgets (Facilities Notes)

Some projects will have no impact on the operating budget; others will decrease them. Overall, operating budgets will be decreased as these major deferred maintenance items are addressed.

Previous Appropriations for this Project

MnSCU was appropriated \$60 million in HEAPR funds in FY2002. In 12 months, as of June 2003, MnSCU had encumbered or spent \$40.6 million, or 67.6% of the FY2002 HEAPR appropriation.

Thirty (30) Month Execution:

MnSCU has implemented an execution strategy to complete HEAPR projects within 30 months of receiving an appropriation. Both the 2000 and 2002 appropriations were fully committed well within the 30-month schedule.

This accelerated execution schedule was made possible by:

- Projects being delegated to respective MnSCU institutions,
- Advance engineering completed by the college 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 quarterly,
- Developing expedited contracting procedures for pre-approved consultants as well as pre-approved construction contractors for smaller HEAPR projects.

Project Contact Person

HEAPR (Higher Education Asset Preservation)

Allan W. Johnson, Associate Vice Chancellor of Facilities
Minnesota State Colleges and Universities
30 East 7th Street, St. Paul, MN 55101-4946
Phone: (651) 282-5523
FAX: (651) 296-8488
E-mail: allan.johnson@so.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	5,990	10,000	10,000	10,000	35,990
4. Project Management	341	717	270	270	1,598
5. Construction Costs	53,669	89,283	89,730	89,730	322,412
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	60,000	100,000	100,000	100,000	360,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	60,000	100,000	100,000	100,000	360,000
State Funds Subtotal	60,000	100,000	100,000	100,000	360,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	60,000	100,000	100,000	100,000	360,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	100,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
No	Project Cancellation in 2007 (as per Finance Dept)

Winona SU - Pasteur Hall Science Renovation

2004 STATE APPROPRIATION REQUEST: \$10,235,000

AGENCY PROJECT PRIORITY: 2 of 32 ()

PROJECT LOCATION: Winona

Project At A Glance

Phase 2 of Winona State University's Strategy for Science
Remodel 58,631 square feet of Pasteur Hall
Sciences, Nursing, Engineering, Science Teacher Preparation
Address \$6.5 million in deferred maintenance

Project Description

Renovate, furnish, and equip Pasteur Hall (58,631 gsf) into a multi-purpose, technology-rich classroom, and dry science lab facility. Completion will (1) address the critical need for safe, efficient science labs, (2) provide space designed specifically for high-quality science education of K-12 teaching majors, and (3) provide important future-oriented, high-tech classroom/lab space for the entire university. This project complements the Phase 1 new wet-lab building, funded in 2002 and scheduled for completion in Spring 2004, with efficient co-location of compatible functions.

Academic programs impacted are: Biology, Chemistry, Geoscience, Physics, Nursing, Health Sciences, Engineering, and K-12 Science Teacher preparation.

MnSCU Strategic Plan

The inviting, integrative, flexible, high-tech renovation of Pasteur Hall reflects the stewardship principle. Specific strategic directions:

Increase access and opportunity.

- Vision to enhance science-education experience for future K-12 teachers
- Valuable resource for the continuing education of inservice teachers.
- Science education faculty have successfully obtained state and federal funding to support these initiatives.
- Includes spaces inviting to traditional and non-traditional students alike

- Designed to attract community members and showcase the importance of science and technology to our future
 - High-tech infrastructure to support modern teaching methods, the laptop initiative, and access to science technology used by industry
- Expand high-quality learning programs and services. Core to the university's mission is the mandate for leadership in the fields of science, technology, health science, and teacher preparation. The renovated infrastructure will support dedicated faculty addressing different ways of learning and teaching and keeping research current and applicable to the workplace.
- Strengthen community development and economic vitality. University partnerships with industry and government have led to the creation of 8 Science and Engineering centers (e.g. Composite Materials Testing Center, Water Resource Center). These centers provide research, analytical, and testing services to the community, and also serve to provide real-world hands-on experiences for students. Resources housed at the university are used by businesses, the community, and other educators.
- Integration of system – good stewards of capital assets. WSU will serve as a good steward of its capital assets by renewing Pasteur Hall, creating a more efficient facility that supports faculty efforts to enhance scientific literacy among all students and specifically to prepare future scientists.

Winona State University Master Plan & Regional Collaborations:

Master Plan. WSU was the first campus to complete campus master academic and facilities plans in 1998. The construction of a new science facility was identified as a top priority. After wet labs are relocated to the new building, Pasteur will remain outdated and will still present safety and health issues that must be addressed.

Regional Collaborations. WSU offers classes and programs shared by Southeast TC and Rochester. Science research is conducted in collaboration with regional agencies such MPCA, DNR, and the SE MN Water Resources Board (9-county agency housed in Pasteur Hall).

Enrollment and Space Utilization:

Enrollment at WSU is capped but continues to increase at an average of 4% per year.

<u>FYE Enrollment</u>	<u>FY 2000</u>	<u>2001</u>	<u>2002</u>	<u>2004</u>
	6,690	6,997	7,366	7,680

Winona SU Pasteur Hall Science Renovation

Science and Technology majors = 1100.
 Elementary Education majors = 1000.
 Nursing and Health Science majors= 1100.

All university students must take a year of science that includes a lab course. Campus master plan and system space utilization studies show a large deficit in teaching lab and research lab space. Current estimates show a classroom-space deficit of more than 25% at WSU. The renovation will replace lost classroom space for general university use.

Project Rationale:

Completion of Phase 2 remains critical to the success of the WSU Science complex. The complex was designed to be a contiguous structure that physically links science and the professional programs of engineering, nursing, and health sciences. Adjacent programs share resources and service functions and stimulate interdisciplinary studies. The Pasteur Hall science renovation is an integral part of the complex.

Safety- An outdated ventilation system does not properly vent fumes or adequately move ambient air in Pasteur. The return system pulls air out of the labs into the hallways to be exhausted at the end of the corridor, a current code violation. Even after wet labs are relocated, unsafe piping and materials remain in the rooms. Elevators, classrooms, and especially laboratories are not ADA accessible. New fire sprinklers and emergency lighting are needed. Pasteur Hall will be renovated into dry science labs, classrooms, service areas, and science and technology faculty offices.

Outdated for Current Pedagogy-Pasteur was designed for a static, individual lab and classroom experience. This conflicts with current teaching methodologies and modern science curricula. We require adaptable space with hard-wired computer technology and instrumentation infrastructure. As a laptop university, students need internet access and multimedia capability to prepare for the science careers of tomorrow.

Impact on Agency Operating Budgets (Facilities Notes)

This is a renovation of Pasteur only and will not increase square feet. In fact, there will be net savings of \$19,800 per year in demolition of 6,400 square feet of a 2-story annex and basement area.

Capacity of Current Utility Infrastructure:

New campus boilers and chillers were recently installed and designed to account for the new lab facility (Phase I) and future renovations. Additionally, an electrical upgrade will be completed during Phase I. Phase 2 will not increase existing square footage; thus present utilities will adequately service the renovated Pasteur Hall.

Energy Efficiency/Sustainability:

Energy-efficient mechanical, and electrical systems have been designated for renovated space. Green materials have been included in the design.

Previous Appropriations for this Project

Predesign for both phases was completed in August 2000 and reviewed by MnSCU and Admin. Schematic design is also complete and was reviewed by the Trustees in June 2001. Legislative funding was appropriated for design in 2000, and construction of a new science building in 2002.

Other Considerations

The renovation of Pasteur Hall will eliminate the entire deferred maintenance estimate of \$6.5 million. This represents over 60% of the project cost and is a substantial reduction of deferred maintenance cost for the university.

Consequences of Delayed Funding:

Loss of critical space. At present Pasteur Hall cannot be used. After the wet labs are relocated to the new lab building, the rooms will not be usable for classroom teaching. The abandoned labs and support areas will remain a health and safety issue with residual effects of chemical fumes due to inadequate air quality.

Project Contact Person

Richard Lande, Facilities Manager
 WSU Maintenance Building
 Winona, MN 55987
 Phone: (507)457-5045
 Fax: (507)457-2623
 E-mail: rlande@winona.edu

Dr. Nancy O. Jannik, Dean
 College of Science & Engineering
 WSU, Winona, MN 55987
 Phone: (507)457-5585
 Fax: (507)457-5681
 E-mail: njannik@winona.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	85	0	0	0	85
3. Design Fees	2,444	139	0	0	2,583
4. Project Management	1,259	454	0	0	1,713
5. Construction Costs	26,577	7,722	0	0	34,299
6. One Percent for Art	0	68	0	0	68
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	1,320	1,318	0	0	2,638
9. Inflation	0	534	0	0	534
TOTAL	31,685	10,235	0	0	41,920

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	31,600	10,235	0	0	41,835
MN State Colleges & Univ's	0	0	0	0	0
State Funds Subtotal	31,600	10,235	0	0	41,835
Agency Operating Budget Funds	85	0	0	0	85
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	31,685	10,235	0	0	41,920

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	<19>	<39>	<58>
TOTAL	0	-19	-39	-58
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,817	66.6%
User Financing	3418	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

MSU Moorhead - Hagen Hall Science Renovation

2004 STATE APPROPRIATION REQUEST: \$9,645,000

AGENCY PROJECT PRIORITY: 3 of 32 ()

PROJECT LOCATION: Moorhead

Project At A Glance

The Department of Administration (Admin) is requesting funds for asset preservation projects. Admin has identified key projects that must be completed in the near future to ensure the safety and well being of building tenants and visitors, and the preservation of state facility assets. The projects noted below represent only the most critical items on a long list of repair and maintenance work required to keep the 21 buildings under the custodial control of Admin operating in a manner that preserves them and provides suitable space to support agency operations.

Project Description

The following are listed in order of priority, with life/safety concerns noted first, followed by the need to address cited code violations. Projects which preserve critical building envelope concerns wrap up the list. Negative consequences of not doing the work include deterioration of indoor air quality (IAQ), the continued inability to bring buildings up to current safety standards, further building deterioration and structural decay, rapidly escalating repair or emergency repair costs.

*Veterans Service Building – First Floor and Basement Abatement and Renovation: Renovation of floors 2-5 of Veterans Service Building renovation is currently underway using funding from the Facility Repair and Replacement account (FR&R). Abatement and renovation of these last two floors needs to be completed to prevent major asbestos and IAQ problems from occurring, to address mechanical, technical and code changes, and for efficient operation of the building.

*Administration Building First Floor Abatement and Renovation: Asbestos is present in the fireproofing, insulation, and floor tile. The majority of ground, second, and third floors have been abated and renovated through prior projects, but first floor still needs to be done. Removal of the asbestos will allow the building to be properly serviced and maintained.

State Office Building Elevator Renovation: Upgrade and renovate freight and top floor elevators to prevent failure, ensure compliance with current codes, and promote efficient operation.

State Office Building Exterior Step Stabilization and Repair: The steps on the east side of the State Office Building have sub-structural deterioration that prevents proper sealing, maintenance, and drainage. This continues to worsen as water seeps under the stairs, is trapped, and then freezes.

Code Compliance and Interior Stair Safety Upgrades: Many of the existing interior stairs on the Capitol Complex have railings that no longer meet code, which requires a maximum of four inches between rails. The State Office, Centennial, Minnesota History Center, Capitol and Judicial Buildings are not in compliance, and the state has been cited by the City Fire Marshal's office for this deficiency.

*321 Grove Street Asbestos Abatement and Renovation: Abatement of asbestos in and above the ceiling is required in order to safely accommodate additional state employees and maximize the efficiency of the space.

History Center Roof Replacement: The roof of this building is nearing the end of its useful life, and timely replacement is critical to prevent water damage to the building and the archives of the state.

Centennial Air Handler Replacement – Final Phase: The main air handlers were replaced in 2002, and funds from this request would be used to complete this project by replacing the perimeter induction and other smaller units.

Unanticipated critical asset preservation projects: While the above projects represent the department's highest priorities at this time, events that occur between this request and funding may need to be added to this list.

Impact on Agency Operating Budgets (Facilities Notes)

The reduction in the FR&R account of \$9.1 million for FY04/05 leaves Admin with many planned and necessary projects un-funded. Coupled with a significant cutback in operating funds, the department also finds itself without any funds to cover emergencies. As preventative maintenance decreases, the number of emergencies or critical projects is expected to rise.

MSU Moorhead - Hagen Hall Science Renovation

Previous Appropriations for this Project

There have been no previous appropriations for any of these projects. Funds used for asset preservation in the last biennium came from the depreciation collected as part of lease rates, which were put into the account referred to as FR&R.

Other Considerations

The cost of bond interest over 20 years and depreciation over 30 years will be recovered through Lease rate increases to building tenants. Not addressing the most critical asset preservation issues now will increase maintenance and temporary repair cost, and will ultimately result in far higher costs.

*Admin's "Agency Relocation Capital Budget Request" includes funding for the relocation required for this project.

Project Contact Person

Kath Ouska, Assistant Commissioner,
200 Administration Building
St. Paul, MN 55155-3000
Phone: (651) 296-6852
Fax: (651) 297-7909
Email: kath.Ouska@state.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	20	0	0	0	20
3. Design Fees	1,467	132	0	0	1,599
4. Project Management	384	351	0	0	735
5. Construction Costs	15,731	7,791	0	0	23,522
6. One Percent for Art	163	0	0	0	163
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	2,800	757	0	0	3,557
9. Inflation	0	614	0	0	614
TOTAL	20,565	9,645	0	0	30,210

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	20,555	9,645	0	0	30,200
State Funds Subtotal	20,555	9,645	0	0	30,200
Agency Operating Budget Funds	10	0	0	0	10
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	20,565	9,645	0	0	30,210

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,424	66.6%
User Financing	3,221	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Century CTC - Technology Center Renovation

2004 STATE APPROPRIATION REQUEST: \$4,500,000

AGENCY PROJECT PRIORITY: 4 of 32 ()

PROJECT LOCATION: White Bear Lake

Project At A Glance

Remodel 21,900 square foot building just purchased from Intermediate School District 916 in 2002
 Remodel and update 21,145 square feet of classrooms and offices on the east campus
 Update open computer labs and technology-enhanced classrooms

Project Description

Remodel and convert 43,045 square feet of outdated space on Century's East Campus into a collegiate, technology-enhanced classroom building. This asset preservation request consists of three areas:

- 1). 21,900 square feet Transition Wing purchased from ISD 916 with FY 2002 bond funds. Transition Wing, attached to Century's east campus, will be into a technology center that will house remodeled Information and Telecommunications Technology (ITT), Microcomputer Support Technology (MCST), computer labs, and Information Technology (IT).
- 2). 18,000 square feet of east campus space vacated by these moves into modern technology-enhanced classrooms, and high technology customized training classrooms for business.
- 3). 3,145 square feet of space once leased to ISD 916 for administrative offices into college offices.

MnSCU Strategic Plan:

Access to Opportunity – Century College is MnSCU's largest two-year institution with a 44.4% growth in FYE since FY 1999. Century has a space deficit with no surplus space to convert to classrooms. Students can't always get the courses they want because there are not enough sections available due to limited space.

Learning Options and Services – Converting outdated, cramped classrooms to well lit, computer wired classrooms gives students the opportunity to upgrade their technology skills to match workforce needs.

Integrated System – In the spirit of stewardship, Century requests to preserve and improve space state taxpayers have provided. Clearly, the college has to stay current with changing technology so students are prepared to enter the workforce.

Century College Master Plan & Regional Collaborations:

Century College completed a master facilities plan and presented it to the Board of Trustees in September 2001. This capital request furthers that master plan in several ways:

Curricular Renewal and Teaching Excellence - Additional classrooms with a built-in technology infrastructure will allow students (on and off campus) access to a state-of-the-art curriculum relevant to today's workplace, particularly for degrees in Information and Telecommunications Technology, Microcomputer Support Technology, and Microcomputer Certified Specialist Engineer.

Technology Expansion and Integration – A remodeled Transition Wing will provide a full range of future-oriented information technology access.

Workforce Development - The college's new Health Careers Institute, a partnership with several Twin Cities hospitals and the partnership with Conseco and MN Job Skills to develop computer security skills are just underway and will need this additional space to serve students.

Facilities Renewal and Expansion - Century will maintain and upgrade its existing buildings systematically.

Enrollment Management - The college will have a systematic process for monitoring, projecting, planning and managing student enrollment. This project will offer safe and secure 24/7 computer access to students.

Enrollment and Space Utilization:

Enrollment at Century continues to increase at an average of 7.25% per year.

FYE Enrollment	FY 2000	2002	2003	2004
	4,478	5,213	5,796	5,918

According to the December 2001 Space Study, Century has a 64% space deficiency in classrooms in 2001, growing to a projected 87% by 2006.

Project Rationale:

Century C/C - Technology Center Renovation

Transition Wing must be transformed from high school special education use to college classroom use. To accommodate a 50% growth in demand for network information technology degrees, its new ITT and Microcomputer Specialist Engineer programs and the college Information Technology department will move into renovated space. Co-locating instruction programs with the college's IT department will provide students with valuable real-world experiences in solving technology problems that present themselves at the college. The ITT program will seek an additional \$5.0 million from foundations and businesses to upgrade instructional equipment.

The East Campus, the former technical college, had only 11 general purpose classrooms. With the 1995 merger, the East Campus had to change to a more collegiate environment with larger, general purpose "smart" classrooms. The added classrooms could serve over 250 FYE per fiscal year.

Impact on Agency Operating Budgets (Facilities Notes)

The operating cost for utilities and custodial staff is estimated to increase the college expenses by \$145,000 annually. This expense will be offset by state appropriation and tuition receipts from increased enrollment.

Capacity of Current Utility Infrastructure:

The college is currently centralizing the chiller plant for both east and west campus use. A needed boiler replacement is requested in FY2004 HEAPR.

Previous Appropriations for this Project

Predesign was completed in July 2002 and reviewed by MnSCU and Admin. The legislature appropriated \$2.5 million in 2002 to purchase the building from ISD 916 and to design this renovation. Schematic design is complete and will be presented to the Board of Trustees in July 2003.

Other Considerations

Transition Wing was purchased in 2002. This capital request is to convert the space from a high school special education use to a college environment. Since this is a remodel only, no other sites were considered.

Consequences of Delayed Funding:

Delayed funding would affect the quality of the education students receive at Century. Students would attend class in cramped classrooms that cannot sustain a modern technological set-up. Access and opportunity will also be denied to an estimated 250 FYE prospective students. Workforce training needs will remain unmet.

Project Contact Person

Scott Erickson, Vice President of Finance
Century College
3300 Century Avenue North
White Bear Lake, Minnesota 55110
Phone: (651) 779-3279
Fax: (651) 779-3417
E-mail: s.erickson@century.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	2,320	0	0	0	2,320
2. Predesign Fees	21	0	0	0	21
3. Design Fees	180	88	0	0	268
4. Project Management	0	185	0	0	185
5. Construction Costs	0	3,245	0	0	3,245
6. One Percent for Art	0	27	0	0	27
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	733	0	0	733
9. Inflation	0	222	0	0	222
TOTAL	2,521	4,500	0	0	7,021

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,500	4,500	0	0	7,000
State Funds Subtotal	2,500	4,500	0	0	7,000
Agency Operating Budget Funds	21	0	0	0	21
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	2,521	4,500	0	0	7,021

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	146	146	292
Other Program Related Expenses	0	11	11	22
Building Operating Expenses	0	67	67	134
Building Repair and Replacement Expenses	0	44	44	88
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	268	268	536
Revenue Offsets	0	0	0	0
TOTAL	0	268	268	536
Change in F.T.E. Personnel	0.0	2.0	0.0	2.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,997	66.6%
User Financing	1503	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$2,900,000

AGENCY PROJECT PRIORITY: 5 of 32 ()

PROJECT LOCATION: St. Cloud

Project At A Glance

Phase 2 remodel of remaining 41,000 square feet of Centennial Hall
 Design and Construct part of 28,168 square foot Riverview Hall remodel
 Move Speech Communications out of Math & Science and into Riverview
 Asset preservation of existing general classrooms at SCSU

Project Description

- 1). Remodel, furnish and equip Phase 2, the remaining 41,000 GSF renovation/ conversion of Centennial Hall from a former library to classroom/office use for the MnSCU Regional Administrative Computing Center.
- 2). Design and construct the Phase 1 preservation, code correction and renovation of 28,128 GSF of Riverview Hall, and addition of a small 1,500 GSF vestibule. Riverview is the oldest classroom building on campus and is on the National Register of Historic Places. MS 138.665 and MS 138.666 require state units of government to protect significant historic and cultural resources.

Phase 1, funded in FY2003, will remodel the first 105,000 GSF of Centennial to convert it from a library to space for the:

- G.R. Herberger College of Business
- English Department
- Center for Student Success

MnSCU Strategic Plan

Consistent with MnSCU's Plan for access and service to students and the state, this project will provide for the effective use of existing facilities at our anticipated enrollment levels.

Increase Access and Opportunity - The Riverview remodel solves critical space shortages on campus to prevent compromise of academic quality.

Expand High-Quality Learning Programs and Services - Project will enhance the nationally accredited G.R. Herberger College of Business. The Riverview project will provide for appropriate instructional technology that can only be used marginally now in the 90-year-old building.

Fully Integrated System - St. Cloud is demonstrating system collaboration by hosting the regional computing center that provides computer network support and web servers to the entire central region (about one-quarter of the state) on its campus. The regional computing center supports the central region Integrated Student Record System. This center makes the production and distribution of rural distance education possible through its network support to college and university libraries. Renovation of these buildings is also wise preservation and use of the state's existing investment.

St. Cloud State University Master Plan & Regional Collaborations:

Centennial Hall was vacated by completion of the new library. Consistent with the University Master Plan and enrollment, the building will be renovated and renewed to serve as academic and academic service space. Riverview Hall will be vacated when the English Department moves into newly renovated space in Centennial Hall, allowing it in turn to be renovated to provide an academic home for the Speech Communications Department. The Speech Communications Department is currently located in the Math-Science Building, which does not provide good synergy for them, and is taking space that the math and science disciplines need for their enrollments.

Enrollment and Space Utilization:

Enrollment at St. Cloud SU has been on an increasing trend since FY1999. SCUS educates about 10% of the total full-time equivalent enrollment at MnSCU

St. Cloud SU	FY2000	FY2002	FY2003
FYE	12,671	13,859	14,254

The December 2001 MnSCU Space Utilization Study showed St. Cloud State University with a 34% deficit including 42,380 ASF classroom, 48,747 ASF teaching laboratory, 37,331 ASF open labs and 47,120 ASF office deficit. This project will add about 100,000 ASF in these areas reducing the deficit from about 176,028 ASF to about 76,000 ASF.

St. Cloud SU - Centennial/Riverview Renovation

Project Rationale:

Centennial Hall was the former SCSU library, and the current proposal calls for a renovation from library to classroom, computer lab and office building to make adaptive reuse of a sound structure. Several years ago a comprehensive campus plan was developed integrating academic, enrollment, and technology planning with facilities needs. The university conducted its own space utilization study to optimize use of current space. This utilization study led to the choice of the business school, English department, and regional computing center as occupants for a remodeled Centennial Hall, to make full use of a sound structure to meet space needs. For the same reason, the utilization study called for the renovation of Riverview to house the Speech Communications Department.

Riverview is the oldest building on campus (ca. 1911). This attractive building deserves preservation since it can continue to provide good service to our students. However, it does not support the trend of increasing use of instructional technology in smart classrooms, which will be one of the major improvements achieved with the remodeling.

In addition, this project will address approximately \$780,000 of deferred maintenance and accessibility issues in Riverview Hall in the areas of fire safety improvements, ADA compliance, egress code compliance, window replacement, plumbing upgrades, and ventilation air quality improvement.

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses:**

This is existing space that is currently being served by utilities, however, it is maintained at a minimal level because the building is two-thirds unoccupied. Two additional FTE maintenance workers must be added when building is fully occupied for a yearly cost of \$72,000.

Capacity of Current Utility Infrastructure:

The buildings are presently served by adequate sewer, steam, chilled water, and electrical service. The electrical service was just upgraded in 2002.

Energy Efficiency/Sustainability:

The key sustainability issue is that this is an adaptive reuse of one existing 30-year-old and one existing 90-year-old facility. Renovation of a sound structure is the epitome of sustainability.

Previous Appropriations for this Project

Pre-design was begun with University operating funds in 1997 and updated in 2000. This pre-design was reviewed and approved by MnSCU and Admin in August 2001. Legislative funding of \$10 million was appropriated in FY2003 for Phase 1 remodeling of Centennial Hall.

Other Considerations

While both buildings are fundamentally sound, they do not meet functional needs particularly for instructional technologies. The project will reduce deferred maintenance by approximately \$780,000.

Consequences of Delayed Funding:

The university will continue to have heating and maintenance costs for buildings of very limited utility. The "crunch" for instructional and student service space will continue, reducing the level of student service.

Project Contact Person

Steven L. Ludwig
Vice President for Administration
St. Cloud State University
720 Fourth Avenue South
St. Cloud, MN 56301-4498
Phone : (320) 255-2286
FAX: (320) 255-4707
E-mail: SL.Ludwig@stcloudstate.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	54	0	0	0	54
3. Design Fees	827	52	0	0	879
4. Project Management	414	119	44	0	577
5. Construction Costs	7,282	1,714	1,025	0	10,021
6. One Percent for Art	62	16	10	0	88
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	1,465	767	257	0	2,489
9. Inflation	0	232	164	0	396
TOTAL	10,104	2,900	1,500	0	14,504

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	10,000	2,900	1,500	0	14,400
State Funds Subtotal	10,000	2,900	1,500	0	14,400
Agency Operating Budget Funds	104	0	0	0	104
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	10,104	2,900	1,500	0	14,504

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	108	144	252
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	85	113	198
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	193	257	450
Revenue Offsets	0	0	0	0
TOTAL	0	193	257	450
Change in F.T.E. Personnel	0.0	2.0	0.0	2.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,931	66.6%
User Financing	969	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Lake Superior - Acad & Student Services Addition

2004 STATE APPROPRIATION REQUEST: \$10,350,000

AGENCY PROJECT PRIORITY: 6 of 32 ()

PROJECT LOCATION: Duluth

Project At A Glance

Construct a 39,102 square foot Student Services addition
Remodel 12,411 square feet for classrooms, workforce development and student life
Lake Superior has averaged 9.5% annual enrollment growth over the past 4 years, and shows a deficit of student support spaces

Project Description

This is a project to:

1. Design, construct, furnish and equip an Academic and Student Services addition (39,102 GSF) to Lake Superior College to house a consolidated system of student services, multi-media (or smart) classrooms, open labs, technology support services, and workforce development seminar rooms.
2. Renovate vacated spaces (12,441 GSF) for workforce development, student life and general classroom space.

MnSCU Strategic Plan:

This project is in direct support of the MnSCU Strategic plan, "Designing the Future" and its strategic goals of:

Increasing Access and Opportunity – lack of space is currently constraining access to the college's programs for regional students.

High Quality Learning Options and Services - up-to-date technology infrastructure to provide future-oriented learning options aligned to the needs of students and regional businesses. LSC's leadership in offering of on-line education will be enhanced by construction of student service and instructional space geared toward development of e-services, including electronic advising, e-tutoring, and use of e-portfolio and e-instruction. More Fully Integrated System aligning the technology infrastructure, maximizing the use of, and renewing and preserving the buildings and infrastructure of the campus.

Lake Superior College Master Plan:

Lake Superior's master plan, presented to the Board of Trustees in January 2002, identifies strategic goals for technology and student services/student

life. The Academic Master Plan identified 24 strategic objectives classified under the four broad goals seven of which this project directly addresses:

- Ensure adequate technical support for learners and the instructors and staff who assist them in the use of technological innovations.
- Establish a virtual learning community on campus
- Increase the college's distance education program and services.
- Establish additional dedicated space to enhance student life.
- Expand the college's involvement in workforce development initiatives.
- Establish dedicated space for adequately meeting the instruction, technology and student support needs, and
- Establish space to meet expanding training needs.

Space Utilization and Enrollment:

LSC:	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Projected
	2,501	2,923	3,040	3,131

Enrollment has increased an average of 9.5% over the past 4 years. On-line enrollment has grown even more dramatically in the five years since the first on-line course was offered. Today, 1700 students access 90 courses through the college's Virtual Campus. However, the infrastructure that supports on-line learning and on-line student services has not kept pace with the burgeoning enrollment, nor has the space needed for designing technology-imbedded learning tools to serve the on-ground curriculum.

The 2001 Paulien Space Utilization study identifies an overall **space deficit of 71%** for FY 2006 based on projected enrollment of 2952. Additionally, Fire Marshall concerns about the inadequate current space in the college's Business Office requires us to relocate these offices in the new building.

Project Rationale:

The college's enrollment, counseling and other support services are located in the oldest section of the building, built in 1968. The spaces are not configured to provide efficient services to students. In the early 1970s enrollment averaged 1,140 (headcount) as compared to 3,422 projected for 2007, a tripling of students registering, paying tuition and fees, and needing counseling and other support services. A realignment of space is overdue.

Lake Superior Acad & Student Services Addition

Remodeled space will allow improved services to students by locating compatible functions contiguously, to expand the capacity to serve our customers, to allow new technology in the delivery of instruction through smart classrooms, and to eliminate 50%, or \$460,000, of deferred maintenance costs. It will also allow students to meet, study, and learn in a healthy, comfortable environment. The current 1200 square foot Student Life area houses the Student Life Director and assistant, 5 Student Senate Officers, office space for 25 student organizations, including a college newspaper, and service space for college ID processing. It is totally inadequate for enhancing student leadership.

All computer-oriented academic programs will benefit from additional open laboratories, currently at a space deficit. New multi-media technology classrooms will also benefit programs throughout the campus.

Additionally, these new facilities will address the current 58% deficit the college faces in the areas of special use, and support space:

- Media production
- Central computer and telecommunication support, and
- Custom Training/Continuing Ed. – a rapidly growing area

The Minnesota Department of Economic Security and UMD Center for Economic Development recently completed the Northeast Minnesota Skills Assessment Report. The report recommended focusing economic development efforts on improving education and training systems, growing high wage local companies, and attracting and retaining young workers. The report identified trade and service firms as the economy's largest sectors. Additionally, St. Louis county has the highest percentage of available labor in the region. The majority of degrees offered at Lake Superior College fall into the trade and service sectors, thus the college continues to build its connections to these businesses through customized training and re-certification, to "upskill" current and dislocated workers through education.

This capital request clearly addresses these demographic needs. A Job Training Partnership Act office will be housed in the new building, as well as space for the regional NorthEast Alliance for Telecommunications. Room for creative partnerships with K-12 Tech Prep, our home school academic support program, and Perkins-related programming will also be enhanced.

Impact on Agency Operating Budgets (Facilities Notes)

The operating budget will increase approximately \$135,000 annually with the additional square feet in this proposal, with operational costs increasing \$63,000 per year, and an additional 2 FTE at \$72,000. Current utilities will handle the new square footage demands as presented in this proposal.

Previous Appropriations for this Project

Predesign was completed in August 2001, and reviewed MnSCU and Admin. The legislature appropriated \$700,000 for design in 2003.

Other Considerations

Site Selection:

No other sites were considered, as the college already owns this land. In addition, the Board of Trustees' policy is to attach buildings contiguously.

Consequences of Delayed Funding:

Lake Superior College has reached its maximum facility use in the current space. Current student service space is cramped, inefficient, and spread throughout the college. Spaces to support rapidly expanding online, computer careers and customized training programs are needed. Should this project not be funded, the college will face the following realities:

- Inefficient and inadequate support to students,
- Limited support for business/industry training and no support for lifelong learning
- Stagnant learning methods lacking in innovative technologies,
- Stagnant enrollment,
- Continued and increased stress on already inadequate facilities.

Project Contact Person

Mr. Rick Halvorson, Vice President of Finance and Administration
 Lake Superior College
 2101 Trinity Road
 Duluth, MN 55811
 Phone: (218) 733-7613
 FAX (218) 733-5937
 E-mail: r.halvorson@lsc.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	83	0	0	0	83
3. Design Fees	723	65	0	0	788
4. Project Management	110	484	0	0	594
5. Construction Costs	0	8,612	0	0	8,612
6. One Percent for Art	0	74	0	0	74
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	679	0	0	679
9. Inflation	0	436	0	0	436
TOTAL	916	10,350	0	0	11,266

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	700	10,350	0	0	11,050
State Funds Subtotal	700	10,350	0	0	11,050
Agency Operating Budget Funds	216	0	0	0	216
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	916	10,350	0	0	11,266

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	36	144	180
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	32	126	158
Building Repair and Replacement Expenses	0	0	102	102
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	68	372	440
Revenue Offsets	0	0	0	0
TOTAL	0	68	372	440
Change in F.T.E. Personnel	0.0	0.5	1.5	2.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,893	66.6%
User Financing	3457	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$13,860,000

AGENCY PROJECT PRIORITY: 7 of 32 ()

PROJECT LOCATION: St. Cloud

Project At A Glance

Design and construct 42,925 square foot academic classroom and student services addition
 Design and remodel 34,000 square feet for Workforce Center
 Healthcare and computer careers

Project Description

Design, construct, furnish and equip a 42,925 GSF multi-story addition, and remodel, furnish and equip a 34,000 GSF remodeling of the existing building. A large portion of the remodeling would house a 25,000 GSF co-location of the Stearns-Benton Workforce Center on campus. MnSCU is participating with the Department of Economic Security on plans to co-locate workforce centers on MnSCU campuses. This project directly relates to those plans.

The remainder of the addition and remodeling will create an Allied Health wing to bring together all the nursing and allied health programs, increase the number of basic science laboratories, incorporate up-to-date and industry-standard technology, and allow for needed expansion in response to increased enrollment in healthcare and computer careers professions.

Academic programs impacted are: nursing, cardiovascular technology, sonography, echocardiography, core anatomy and physiology courses, as well as the full range of computer career degree programs.

MnSCU Strategic Plan

This project is in direct support of the MnSCU strategic goals of:

Access and Opportunity – Workforce Center co-location will improve access for a population that needs work skills to enter the regional economy.

Expand High-Quality Learning Programs and Services - St. Cloud has developed strong partnerships with regional healthcare providers to supply a

skilled workforce. Providing modern laboratories, incorporating the latest in healthcare technology, and interactive instruction will prepare healthcare workers, not just for a first job, but for a lifetime of careers.

Strengthen Community Development and Economic Vitality – Good opportunity to partner with state government and private healthcare organizations to better match up student needs and employer needs.

Integrated System – Asset preservation of the existing building to bring it up to 21st Century pedagogical standards.

St. Cloud Technical College Master Plan & Regional Collaborations:

This project is in support of the St. Cloud Technical College master plan, adopted by the Board of Trustees in February 2000, specifically:

- To offer open enrollment to all students, including economically and educationally disadvantaged students.
- To create incentives for faculty to update technical and teaching skills and to continuously improve the curriculum, equipment, supplies and services to keep current with the demands of industries served.
- To develop partnerships with other colleges, businesses, government, and organizations to expand the capacity to deliver programs and services.
- To extend college's role in economic development; to assist in business development, retention and expansion by "upskilling" the existing workforce.
- To stimulate higher-order thinking skills through faculty-student dialogue.

Enrollment and Space Utilization:

The college has grown from an FYE enrollment of 1,753 in 1995 to 2,396 in 2002, an average 4.5% increase per year, or 58% over the past ten years.

St. Cloud TC FYE	FY2000	FY2002	FY2004
	2,082	2,396	2,694

Currently, most of SCTC's 35 academic programs are at full capacity. There is no adequate laboratory space to accommodate additional healthcare classes. The demand for these courses exceeds the college's current ability to offer them. The 2001 Space Utilization Study showed an overall current deficit of 24%, and a projected deficit of 41% by 2006.

Project Rationale:

The legislature directed a ten-year plan to locate workforce centers on MnSCU campuses. Locating the Stearns-Benton Workforce Center at St. Cloud TC is one recommendation of that plan. Co-location will develop a

St. Cloud TC - Workforce/"G" Wing Addition, Renov

strong supportive relationship between SCTC and DES to develop workforce skills. Co-location will help development of a convenient system to transition people from unemployment and welfare dependency to gainful employment.

The following academic and support spaces will be improved and expanded with this capital project:

- Stearns-Benton Workforce Center
- Nursing and Allied Health careers
- Innovative, up-to-date science laboratories
- Computer and Information Technology careers
- Multi-media center
- Smart classroom renovations
- Enhanced student support center

Improvements in student services and the student support center will enable the college to turn new entering students at SCTC into returning sophomores, and eventually graduates. New and emerging technologies have changed the character of traditional technical programs and created a demand for advanced career options that require state-of-the-art technology, "smart" classrooms for media-rich instruction, and socio-adaptive alternative formats to enable different types of learners to develop workforce skills.

As a technical college, SCTC never had general science labs. Moving anatomy and physiology out of the nursing program and into the general science curriculum to raise the bar on skill standards, created a need for science labs. SCTC needs modern science labs to adequately train nurses and allied health professionals so they can pass their certification exams.

This project includes \$628,000 in asset preservation, removing \$342,000 in deferred maintenance in the areas of HVAC, electrical, plumbing, life safety, and code compliance.

Impact on Agency Operating Budgets (Facilities Notes)

The operating budget will increase \$222,000 annually with the additional square feet. Building operation costs are expected to increase \$150,000 per year and two custodians will be hired for an additional yearly cost of \$72,000. However, the Stearns-Benton Workforce Center will pay rent for 25,000 GSF, and the rent collected will cover increased operating expenses.

Capacity of Current Utility Infrastructure:

SCTC's FY2000 capital project added to the campus utility infrastructure, but the facilities condition assessment still shows a \$1.7 million deficiency in HVAC. This budget includes \$286,000 to upgrade the HVAC in G-Wing.

Energy Efficiency/Sustainability:

SCTC will increase energy efficiency through an energy management system, designed to control temperature setback at night and to control the amount of fresh air brought into the building. Other energy efficiency enhancements include replacement and installation of new energy efficient windows and the incorporation of new roofing design standards.

Previous Appropriations for this Project

Predesign was completed in February of 2002, approved by MnSCU and reviewed by Admin. The legislature appropriated \$700,000 in design funds in 2003.

Other Considerations**Site Selection:**

The primary objective is to co-locate the Workforce Center at SCTC. No other sites were considered as the college already owns the land. In addition, it is the Board of Trustees' policy to attach buildings contiguously.

Consequences of Delayed Funding:

The Stearns-Benton Workforce Center is currently renting space. Their lease will expire in 2005. If the college cannot provide space for their needs by that date, they will need to relocate elsewhere. Depending upon the terms of their new lease, the opportunity for the workforce center to co-locate with the college may be lost.

Project Contact Person

Lori Kloos, Vice President of Finance and Facilities
St. Cloud Technical College
1540 Northway Drive
St. Cloud, MN 56303
Phone: 320-654-5026
Fax: 320-654-5027
E-Mail: lak@cloud.tec.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	35	0	0	0	35
3. Design Fees	859	75	0	0	934
4. Project Management	27	832	0	0	859
5. Construction Costs	0	10,716	0	0	10,716
6. One Percent for Art	0	92	0	0	92
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	1,071	0	0	1,071
9. Inflation	0	1,074	0	0	1,074
TOTAL	921	13,860	0	0	14,781

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	700	13,860	0	0	14,560
State Funds Subtotal	700	13,860	0	0	14,560
Agency Operating Budget Funds	221	0	0	0	221
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	921	13,860	0	0	14,781

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	36	144	180
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	75	300	375
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	111	444	555
Revenue Offsets	0	<150>	<500>	<650>
TOTAL	0	-39	-56	-95
Change in F.T.E. Personnel	0.0	2.0	0.0	2.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	9,231	66.6%
User Financing	4629	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

South Central TC - Applied Lab Renovation

2004 STATE APPROPRIATION REQUEST: \$4,747,000

AGENCY PROJECT PRIORITY: 8 of 32 ()

PROJECT LOCATION: North Mankato and Faribault

Project At A Glance

Remodel 86,203 square feet of applied teaching labs
 Improves space for SCTC's Targeted Industry Partnerships in Printing and Graphics Technology
 Expands space for Electronics and Wireless Communication that support emerging regional businesses

Project Description

Design, remodel, furnish & equip 86,203 GSF of teaching labs at the North Mankato campus, as well as 62,000 GSF of asset preservation at the Faribault campus. Faribault asset preservation work will include fire sprinkling, tuck pointing and window replacement.

Academic programs affected by the teaching lab renovation at North Mankato include:

- Manufacturing Technology
- Printing and Graphics Technology
- Electronics and Wireless Communications
- Agribusiness Service Technology

This project will resolve current and deferred life safety and asset preservation issues on both campuses as well as resolve major ADA accessibility issues in Agricultural Service Technology and Heating and Refrigeration at North Mankato.

MnSCU Strategic Plan

Access and Opportunity - SCTC is one of the few remaining colleges offering Manufacturing Technologies, Printing, and Graphics in the state, making it a critical access point. In addition, programs in Electronics and Wireless Communications offer students unique access to a growing industry.

Community Development and Economic Vitality: The Electronics and

Wireless Technologies programs work closely with sister departments at MSU, Mankato as well as with the Global Wireless Education Consortium (GWEC). As Printing and Graphics degree programs are closing across the state, SCTC will become a Center of Excellence supported by Targeted Industry Partnerships with local and regional printing businesses.

Integrated System – Existing buildings at both North Mankato and Faribault will be improved and preserved to protect the existing state asset.

South Central TC Master Plan & Regional Collaborations:

The Master Plan was presented to the Board of Trustees in February of 2002. The project directly supports three goals in the SCTC Strategic Plan:

1. Serve Our Regional Communities – The areas to be renovated are key to the economic development and health of our region. The renovations are endorsed by key regional advisory committees and key business and industry leaders.
2. Integrate Emerging Technologies – This project will help SCTC maximize access to emerging technologies for students and employees. The renovations will support important upgrades in technology in the various programs affected.
3. Expand and Manage Resources – This project is specifically identified in SCTC's long range master capital improvement plan, and is contemplated as a single phase renovation of existing space. This will be the first major Capital Reinvestment Project for SCTC in fifteen years. The related curricular redesign is a one-time project identified in the master academic plan.

Enrollment and Space Utilization:

The Mankato campus of SCTC has grown from 1319 FYE in FY98 to 1552 FYE in FY02. SCTC is experiencing a 4% annual growth over that period and projects campus enrollment of 1700 FYE in FY2004.

South Central TC	FY2000	FY2002	FY2004
FYE	2,494	2,531	2,725 (Projected)

Teaching labs show a deficiency of 28,417 square feet in the MnSCU Space Utilization Study while open labs and classrooms space show a surplus of 26,338 square feet. The renovation converts surplus open lab and classroom space to deficient teaching lab spaces, to reallocate space more efficiently on the North Mankato campus.

South Central TC - Applied Lab Renovation

Project Rationale:

The renovation project will impact the following spaces at Mankato:

Manufacturing – open up or remove walls in the current machine tool lab area to provide an open flexible lab space easily adaptable to changes in equipment and curriculum. Welding will be integrated into other curricular programs. These changes were recommended by the college's local advisory board, and by MnSCU's Manufacturing Business and Industry Partnership plans.

Agribusiness Service Technology– enlarge garage doors and remove walls to provide a more open lab environment that will accommodate the larger size of current farm machinery. Several deferred maintenance items will also be corrected.

Printing and Graphics – remove and replace walls and HVAC to accommodate the changes in curriculum to create a press flow that simulates printing and industry practices. Reallocate space for proposed press improvements as part of the printing and graphics industry partnership best in class criteria. This a growth high-wage employment field in the Mankato service area.

Wireless and Electronics – renovate space to accommodate change in technology and large growth of wireless as a new major curriculum within electronics. Wireless technology is a rapidly growing employment field with several large firms located in the Mankato region.

The asset preservation project at Faribault, a growing exurban city, results from deficiencies noted in the MnSCU Facility Condition Assessment. This project will preserve the state's investment in physical assets at Faribault:

Building Envelope – replace windows and tuckpoint brick to prevent moisture from further damaging the building.

Fire Safety - upgrade smoke alarms and sprinkler systems building-wide.

Renewal for Existing Programs – other general building code, safety and egress improvements.

All teaching lab renovations impact programs noted as important or growing programs within the SCTC Academic Plan. The changes are consistent with recommendations from local advisory committees.

Impact on Agency Operating Budgets (Facilities Notes)

There should be no increase in building operating expenses related to this project as it is renovation of existing space only. There should be no new utility, maintenance or personnel costs associated with this project.

Capacity of Current Utility Infrastructure:

The current utility infrastructure is capable of handling an additional 67,000 square feet. This project does not add any new square feet.

Energy Efficiency/Sustainability:

This project will result in energy savings as well as improving efficiency ratings by renovation of the aging HVAC equipment which has reached the end of its useful life expectancy.

Previous Appropriations for this Project

Predesign work was completed in August 2001 and approved by MnSCU and the Dept of Administration. Design was funded in FY2003.

Other Considerations**Consequences of Delayed Funding:**

Instructional programs will fall further behind current industry standards and practices if funding does not allow renovation of the teaching labs. Without asset preservation funding, the Faribault campus could face major future emergency repairs.

Project Contact Person

Richard Straka, Vice President of Finance and Operations

South Central Technical College

1920 Lee Boulevard

North Mankato, MN 56003

Phone: 507-389-7206

FAX: 507-388-9951

E-mail: ricks@sctc.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	15	0	0	0	15
3. Design Fees	258	86	0	0	344
4. Project Management	42	207	0	0	249
5. Construction Costs	0	3,970	0	0	3,970
6. One Percent for Art	0	32	0	0	32
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	217	0	0	217
9. Inflation	0	235	0	0	235
TOTAL	315	4,747	0	0	5,062

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	300	4,747	0	0	5,047
State Funds Subtotal	300	4,747	0	0	5,047
Agency Operating Budget Funds	15	0	0	0	15
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	315	4,747	0	0	5,062

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,162	66.6%
User Financing	1585	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Inver Hills CC - Student Services Add & Renov

2004 STATE APPROPRIATION REQUEST: \$5,565,000

AGENCY PROJECT PRIORITY: 9 of 32 ()

PROJECT LOCATION: Inver Grove Heights

Project At A Glance

Construct 12,000 square foot "one-stop" student services addition
 Remodel 19,000 square feet of student services
 Integrate customized training students with credit students
 Campus below guidelines of recommended space per FYE student

Project Description

Construct, furnish and equip a 12,000 GSF addition and remodel 19,000 GSF in the College Center Building that will:

- Create a "one-stop student services shop" for both credit and customized training students,
- Enlarge and co-locate central services, the bookstore, and loading dock,
- Provide a welcoming "front door" and help desk , as well as,
- Remove a pedestrian safety hazard.

MnSCU Strategic Plan

This project will support MnSCU's Strategic Goals of:

Increase Access & Opportunity- Improve current and adult learner's abilities to seamlessly attain educational and career goals through coordinated "one-stop" student services.

Strengthen Community Development and Economic Vitality- Inver Hills is one of five Cisco Certified Network Professional Training sites, serving 12 mid-western states with one of the highest certification pass ratios in the country. The project will consolidate customized training students with credit students, making registration easier.

Fully Integrate the System- focus on preservation of current college assets by solving plant services space deficits and deferred maintenance issues.

Inver Hills Master Plan & Regional Collaborations:

College Center is prioritized in the Master Plan approved by the Board of Trustees in July 2002 and supports five primary college strategic goals:

- Provide multiple opportunities to help students determine their educational/ career goals.
- Help students persist to achieve their academic and career goals,
- Provide the foundation for continued education and life-long learning,
- Improve the students' effective use of technology in learning
- Help businesses and organizations improve effectiveness through incumbent worker education and re-training.

Enrollment and Space Utilization:

Inver Hills' service area population has grown 13% in the last decade. Enrollment is projected to increase to 3,309 FYE by 2005 and 3,500 by 2010. The college served 2,479 continuing education students in 2002. The IHCC strategic plan foresees continuing education growth to serve 3,000 incumbent workers by 2005 and 4,000 by 2010 with customized training.

<u>Inver Hills</u>	<u>FY2000</u>	<u>FY2002</u>	<u>FY2004</u>
FYE	2,230	2,923	3,212

MnSCU's Space Utilization study identified a current campus-wide deficit of 31,977 square feet (25%) that will increase significantly by 2006.

Project Rationale:

This project will correct several significant deficiencies related to student services operations and college infrastructure at the college, including:

- The 2003 facility condition assessment identified \$500,300 of deferred maintenance in the College Center, all of which will be corrected.
- Insufficient space is limiting new student orientation and ease of access to needed services, as well as compromising student confidentiality.
- Access for persons with physical disabilities has been particularly challenging as student services space does not meet ADA standards.
- Several business functions formerly handled by the system office have been transferred to the college in the past few years, requiring the hiring of staff and corresponding business office space increases.
- An undersized bookstore requires limiting access to students due to fire code restrictions. The bookstore also has a drastic shortage of receiving and

Inver Hills CC Student Services Add & Renov

storage space that causes staffing increases.

- The college's customized/continuing education program has grown into a highly successful operation in the last few years. Sadly, space limitations are constraining growth and creating image and quality problems.
- This project will resolve an unsafe pedestrian short-cut conflict through the loading dock by re-organizing movement patterns.

The project will involve improvements in the following areas:

- The **Student Services Center** will create a one-stop shop in a single, efficient location for all student services, career assessment, admissions, registration, counseling, financial aid, business office, services for students at risk, and customized training/continuing education. Student services are currently located throughout the campus, making it unnecessarily confusing for a first time student to register. Counselors are sharing offices, hampering confidentiality. And one admissions representative has no space in Admissions. Inver Hills is planning to implement a retention program for students at risk for academic failure, such as the successful TRIO program. However, there is no space to house this program needed by 300 identified at-risk students. Retention of customized training students could increase by 50% with a co-located "one-stop student services shop," as they are the population that is the most frustrated by a complicated registration lay-out.
- **Business Office** is located in disjointed spaces, causing inefficiencies, posing security risks, and impeding the free flow of communication. Over 500 hours of staff time are lost each year to this inefficiency.
- **Bookstore and Centralized Services** will get desperately needed realigned space with access to the loading dock. The remodeled space will allow better staffing efficiency, and will save an estimated 500 to 1,000 staff hours in the receiving function. Lack of space for Central Services prevents the college from installing modern equipment that would reduce costs.
- **Physical Plant Services** operates at a 376% space deficit, and is one-quarter the size of its national peers with similar sized student bodies. Physical plant spaces will expand to provide adequately for air handling and other mechanical equipment necessary to serve remodeled and new spaces while correcting all outstanding deferred maintenance issues.
- **A front door** and campus help desk will be created to greet visitors and potential students in a welcoming customer-focused manner.

Impact on Agency Operating Budgets (Facilities Notes)

Building operating expenses will increase by \$132,400 per year or \$11 per square foot, which includes 1 new GMW. Program expenses will increase by \$207,000 annually, including 2 accountants and 3.5 support staff.

Capacity of Current Utility Infrastructure:

Completion of a centralized chiller plant in December 2003 and the current boiler will handle this additional 12,000 GSF and all the other campus needs.

Energy Efficiency/Sustainability:

The project will be designed with sustainable approaches to reduce energy costs by 30% more than building code, to simplify cleaning and maintenance, and to meet MnSCU's design standards.

Previous Appropriations for this Project

Predesign was completed in August, 2001 and was approved by MnSCU and Admin. The college advanced schematic design with college resources, and that design will be completed July 2003. The legislature appropriated \$500,000 in 2003 to complete design.

Other Considerations

Consequences of Delayed Funding:

If this project is not funded:

- A coordinated, efficient student services program will be delayed because contiguous space to achieve this concept is not available.
- Bookstore and Central Services will fail to adequately serve students.
- Physical plant services will operate inefficiently in substandard space.
- HVAC, ADA, indoor air quality, and other code issues will not be addressed, resulting in higher utility and repair costs and lost work time.
- Growth in customized training/continuing education will be curtailed and opportunities to create partnerships will be lost.

Project Contact Person

Dr. Cheryl Frank, President
 Inver Hills Community College
 2500 E 80th Street
 Inver Grove Heights, Mn. 55076
 Phone: 651-450-8641
 Fax: 651-450-8679 or 651-544-3706
 E-Mail: cfrank@inverhills.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	66	0	0	0	66
3. Design Fees	417	4	0	0	421
4. Project Management	154	142	0	0	296
5. Construction Costs	25	4,665	0	0	4,690
6. One Percent for Art	0	35	0	0	35
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	429	0	0	429
9. Inflation	0	290	0	0	290
TOTAL	662	5,565	0	0	6,227

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	5,565	0	0	6,065
State Funds Subtotal	500	5,565	0	0	6,065
Agency Operating Budget Funds	162	0	0	0	162
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	662	5,565	0	0	6,227

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	48	486	534
Other Program Related Expenses	0	12	14	26
Building Operating Expenses	0	127	193	320
Building Repair and Replacement Expenses	0	10	118	128
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	197	811	1,008
Revenue Offsets	0	<14>	<163>	<177>
TOTAL	0	183	648	831
Change in F.T.E. Personnel	0.0	1.0	3.5	4.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,706	66.6%
User Financing	1859	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Systemwide Science Lab Renovations

2004 STATE APPROPRIATION REQUEST: \$8,900,000

AGENCY PROJECT PRIORITY: 10 of 32 ()

PROJECT LOCATION: Statewide

Project At A Glance

Systemwide initiative to remodel science labs at 17 campuses
Supports nursing, allied health, and the basic sciences

Project Description

Design, renovate, furnish and equip 30,283 GSF of science laboratories at the following 17 college and university campuses:

- Alexandria TC - Allied health lab - (2,035 GSF)
- Anoka-Ramsey CC - Cambridge - Biology/nursing lab - (1,663 GSF)
- Central Lakes College - Staples - Multi-purpose lab - (1,560 GSF)
- Century College - Pharmacy tech lab - (1,250 GSF)
- Dakota County TC – Multi-purpose science Lab - (2,000 GSF)
- Minneapolis – Biology Lab - (1,207 GSF)
- MnWest CTC Granite Falls - Allied health lab - (1,900 GSF)
- MnWest CTC Pipestone - Allied health lab - (1,600 GSF)
- NWTC Bemidji - Allied health lab - (1,027 GSF)
- NWTC Moorhead - Dental lab (1,075 GSF)
- Pine TC - Multi-purpose science lab - (1,220 GSF)
- Ridgewater CTC Willmar – Physics & General Science labs (4,400 GSF)
- Ridgewater CTC Hutchinson – Physics & General Science Labs (3,250 GSF)
- South Central TC Mankato - Multi-purpose lab - (1,979 GSF)
- Southwest SU – Biology/Agronomy & Chemistry labs - (3,600 GSF)
- St. Cloud TC - Biology and nursing lab - (1,285 GSF)
- St. Paul TC - Biology lab - (2,008 GSF)
- Vermilion CC (NEHED) - Environmental Science Labs - (3,526 GSF)

All will be renovation projects, under \$500,000 in cost, with a construction schedule of less than 12 months, reduce deferred maintenance in the college's science labs, bring them up to current building codes, and current educational delivery and computer technology standards.

Academic programs impacted are: biology, chemistry, anatomy & physiology, medical laboratory technician, pharmacy technician, physics, environmental science, dental assistant, dental hygiene, associate degree nursing, LPN, allied health, and general science transfer courses.

MnSCU Strategic Plan, “Designing the Future”

The Science Initiative meets MnSCU's strategic goals of:

Access and Opportunity - Improve access to scientific opportunities and careers for all Minnesotans, and help meet national goals for a better educated workforce in the sciences that is being articulated and funded by the National Science Foundation through grant programs.

High-Quality Learning Options and Services - Improve instructional technology in MnSCU labs to both bring a wider array of scientific information to students in the labs, and to increase options to broadcast information out from the labs to students in distance delivery and alternate formats.

Integrated System - This is an Office of the Chancellor initiative to assist campuses meet workforce needs for healthcare employees, as well as campus educational objectives in the sciences, while simultaneously reducing the backlog of interior deferred maintenance issues.

Enrollment and Space Utilization:

These are renovation projects only, so space utilization will not change. In some cases, space left vacant by closure of programs is being converted to meet a critical workforce need for nurses and allied health professionals, which will increase utilization of those spaces.

Four year enrollment data for the seventeen schools is projected as follows:

FY2000	FY2002	FY2004 (Projected)
27,956	29,974	33,514

Project Rationale and Predesign:

The following deferred maintenance items will be reduced or eliminated:

Systemwide Science Lab Renovations

- 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 protections, fire-code-mandated second egress, emergency lighting and handicapped accessibility.

Over a four-year period from 1998 to 2002, MnSCU undertook an assessment of the quality and condition of science labs at all 53 campuses. Areas inspected were: (1) mechanical and plumbing systems, (2) laboratory service reliability, (3) electrical service, (4) casework and furnishings, and (5) life safety and accessibility. The full report is available on request. The assessment identified \$242 million in science laboratory remodeling needs over the next ten years. The legislature funded \$61 million in science laboratory construction and renovations in FY2002.

Further results of the science laboratory assessment were that:

- Average age of MnSCU's science laboratories is 26.3 years, with 80 labs having had no remodeling in over 30 years.
- Current building codes, including safe chemical storage and fire egress, are fully met in only 25% of all MnSCU labs.
- Information technology, for real-time data collection without the purchase of expensive diagnostic equipment, is inadequate in all but the newest labs.
- The ventilation systems are Poor to Fair in 75% to 80% of labs. Southern region electrical systems showed 71% only rated as Fair.

This project will improve the *overall condition and functionality* of science laboratories. It will achieve \$1.68 million in asset preservation and remove a combined \$642 thousand from the deferred maintenance backlog.

This project focuses on the Board's *priority on science and technology*. The pace of change in the sciences has outdistanced MnSCU's ability to keep up with renovations to teaching and learning spaces, particularly making the labs technologically "smart". This will help MnSCU strategically meet a heavier demand for a workforce educated in the sciences in the most up-to-date fashion on the standard of equipment currently used in industry.

This project focuses on the priority on *targeted industry partnerships in nursing and allied health*. Minnesota has seen an 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. This has put pressure on availability of science labs and caused labs 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 from the life safety and air quality improvements. Addition of voice and data cabling will support changes in educational delivery from close-ended problems with a known answer to open-ended problems requiring student creativity and exploration, most often working in teams using computers for real-time data collection and plotting.

College Level Project Descriptions:

Attached to this document is an addendum providing a more detailed description of the proposed science project for each of the 17 campuses.

Impact on Agency Operating Budgets (Facilities Notes)

Since all 17 projects are renovations of current square footage only, there will be no significant increases in operating expenditures. There will be no need for additional FTE personnel.

Previous Appropriations for this Project

Predesign was completed in February 2003, approved by MnSCU, and reviewed by Admin. Phase 1, Science Lab Renovations, was funded at \$1.9 million in FY2002 and construction will be completed in 2003.

Other Considerations**Alternatives Analysis:**

The legislature could appropriate monies through HEAPR for these interior space renovations. With no additional monies, MnSCU will be teaching the skills of the future in facilities of the past with many maintenance problems requiring personnel time to keep patched up and operating. The greatest problem with science labs is the lack of fresh air intake on antiquated HVAC systems that is a public safety issue for students and staff.

Project Contact Person

Allan W. Johnson, Associate Vice Chancellor of Facilities

Systemwide Science Lab Renovations

Minnesota State Colleges and Universities
700 Wells Fargo Place; 30 East 7th Street
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-8488
E-mail: allan.johnson@so.mnscu.edu

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

College Level Project Description Addendum:

Alexandria TC - Alexandria will use \$513,000 to renovate a large lecture room into a multi-purpose allied health lab in support of medical lab tech, phlebotomy, and licensed practical nursing programs, plus a biology offering in general education. The college has added a general education requirement in the sciences for its degree programs, and seen growth in its allied health careers offerings, causing crowding in its only laboratory.

Anoka-Ramsey CC Cambridge - Cambridge will use \$513,000 to renovate a classroom into a biology/environmental science lab in support of its growing associate degree nursing, healthcare and liberal arts programs.

Central Lakes College Staples - Staples will use \$485,000 to renovate two underused classrooms into one multi-purpose lab to offer chemistry, biology, anatomy & physiology, microbiology, and physics, and to ensure adequate electrical distribution for the fume hoods. The lab will support Staples John Deere Construction & Forestry Equipment Technician, Robotics/Automated Systems Technology, Communication Art & Design, and Photographic Equipment & Technical Services, Photographic Imaging Technology programs, as well as the college's growing nursing programs. The Staples Campus has also added general education requirements in the sciences following the merger.

Century College - Century will use \$513,000 to remodel its outdated pharmacy technician laboratory at the east campus. Ventilation and hazardous materials deferred maintenance issues will be corrected. Computer stations will be added to train students on equipment currently in use in the pharmacy field.

Dakota County TC - Dakota will use \$513,000 to remodel vacant classrooms into a multi-purpose biology, anatomy & physiology, and microbiology lab. This lab will support its nursing, allied health, speech pathology, exercise science programs, as well as a general education requirement in the sciences added following the merger. The college presently has no science lab.

Minneapolis CTC - MCTC will use \$436,000 to remodel a biology lab for nursing, allied health and Biology general education transfer credits. MCTC has targeted industry partnerships with hospitals and clinics in the greater Minneapolis area. The lab will install Level 3 instructional technology, as the college does offer some hybrid distance/lab classes, and participates in UMD's "Water on the Web" project.

MnWest CTC Granite Falls - Granite Falls will use \$513,000 to remodel underused applied technology labs into a multi-purpose science lab in support of its growing allied health and plant processing technology programs, as well as a general education requirement in the sciences. The lab will be used to teach biology, anatomy, and physics. Science is taught at the high school now.

MnWest CTC Pipestone - Pipestone will use \$495,000 to renovate its current medical lab technician lab into a multi-purpose science lab, to bring it up to today's safety and code requirements, modern pedagogical standards, and to make it highly flexible. The lab will be designed with maximum flexibility to support nursing and allied health, and also satisfy a new general education requirement in the sciences.

Northwest TC Bemidji - Bemidji will use \$320,000 to flip its allied health lab and an underused classroom in support of its growing clinical lab science, practical nursing, and dental technician programs. The lab was temporarily moved to its current location with college operating funds, but a full-scale remodel will allow for increased student enrollment, modern pedagogy, and appropriate air quality standards.

Systemwide Science Lab Renovations

Northwest TC Moorhead - Moorhead will use \$400,000 to remodel and expand its dental lab in support of both dental assisting and dental hygiene programs to improve safety and code compliance. The expansion will allow for another 6 students per year in the program. The current lab has air quality and space problems.

Pine TC - Pine Tech will use \$495,000 to remodel its former library into a multi-purpose science lab in support of its growing nursing and high-tech manufacturing technology programs. The library has moved into a new addition funded in 1998. Pine Tech has been offering a licensed practical nursing program via a distance education collaborative agreement with St. Cloud TC. However, the laboratories cannot be offered via distance; they require hands-on experience. In addition, its premiere high-tech manufacturing technology program requires a physics lab, and there is no place on campus in which to offer it. The lab will also support the college's new requirement for general education courses in the sciences.

Ridgewater CTC Willmar - Willmar will use \$613,000 to remodel current outdated Physics and General Science labs to bring up to current building codes, improve life safety, correct indoor air quality issues, and bring up to current pedagogy in Phase 2 of the Ridgewater Science Initiative.

Ridgewater CTC Hutchinson - Hutchinson to use \$600,000 to remodel existing high bay space at Hutchinson by installing instructor science workstations complete with serviceable utilities and technological enhancements to aid computer, electronic and interactive instructional delivery methods that will physics lab/lecture. The project will also remodel to convert existing outdated lab space into nursing support labs, faculty offices, medical assistant and allied health support service areas to complete the Simulated Nursing Center and provide a permanent location for Medical Assistant.

South Central TC Mankato - North Mankato will use \$513,000 to remodel two underused classrooms into a multi-purpose science lab in support of its growing nursing, paramedic and EMT programs, as well as to meet its new requirement for general education coursework in the sciences. The college has a waiting list for the RN nursing program.

Southwest SU - SSU will use \$512,000 to remodel two labs - agronomy/biology and chemistry. The project will address life safety and building code problems, air quality, plumbing, and electrical service to the labs. It will also upgrade several ADA stations in each laboratory. Because SSU is connected by underground tunnels, and the entire campus is accessible, it has attracted a large number of handicapped students and must keep up-to-date on ADA stations in all its labs and classrooms to serve this student population. In general, SSU's labs need to be brought up to current pedagogical standards that support technology-rich curricula, and with sufficient flexibility to promote multi-discipline utilization of the labs.

St. Cloud TC - St. Cloud will use \$513,000 to remodel underused classroom space into a biology, and anatomy lab in support of their fast growing nursing programs. St. Cloud Technical College had until recently sent their science students to St. Cloud State University under a collaboration agreement. However, the university's need for science laboratory space to support its own enrollment forced an end to the arrangement. St. Cloud needs laboratory space for a nursing program with strong ties to, and targeted industry partnerships with, the local St. Cloud hospitals.

St. Paul CTC - St. Paul will use \$513,000 to remodel its current, outdated biology laboratory in support of nursing and allied health programs, as well as to satisfy new general education course requirements in the sciences. St. Paul was approved in 2002 to offer a full transfer curriculum, and expects to see more generalist enrollment in basic core courses such as the sciences. The lab will be brought up to current life safety, air quality, and building code requirements, and to current pedagogical and instructional technology standards.

Vermilion CC (NEHED) - Vermilion will use \$440,000 to renovate two environmental science/geology labs that were originally constructed from a vacated maintenance garage space in the natural science building. The lab will support Vermilion's land surveying, wildlife management, natural resources technology, conservation law enforcement, GIS mapping, and wildlife forensics programs. It addresses air quality and moisture problems, upgrades electrical systems, and provides proper chemical storage. It will also create a learning environment with laboratories similar to work environments the students will encounter upon graduation.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	86	0	0	0	86
3. Design Fees	121	681	160	0	962
4. Project Management	61	390	0	0	451
5. Construction Costs	1,498	6,492	1,840	0	9,830
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	220	962	0	0	1,182
9. Inflation	0	375	0	0	375
TOTAL	1,986	8,900	2,000	0	12,886

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,900	8,900	2,000	0	12,800
State Funds Subtotal	1,900	8,900	2,000	0	12,800
Agency Operating Budget Funds	86	0	0	0	86
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	1,986	8,900	2,000	0	12,886

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation – Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	5,927	66.6%
User Financing	2,973	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
Yes	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Systemwide Workforce Training Classrooms

2004 STATE APPROPRIATION REQUEST: \$5,600,000

AGENCY PROJECT PRIORITY: 11 of 32 ()

PROJECT LOCATION: Statewide

Project At A Glance

Remodel 70,446 square feet of existing obsolete space to meet workforce training needs

Fourteen projects and 13 campuses statewide

Project Description

Design, construct, furnish and equip the conversion of 70,446 GSF of obsolete classroom or lab space at thirteen campuses to meet emerging workforce training needs. Individual campuses may raise funds privately to increase the size of some projects. The projects are as follows:

- Pine Technical College, 9,290 GSF, Automotive Technology Lab
- Ridgewater College, 6,307 GSF, Photo Technology Lab
- Anoka-Hennepin TC, 7,000 GSF, Plumbing Technology Lab
- Century College, 5,350 GSF, Nursing Lab
- North Hennepin CC, 2,027 GSF, Nursing Lab
- Northland CTC, TBD, Rampway for Airplane
- Rochester CTC, 4,500 GSF, Veterinary Technician
- South Central TC Faribault, 2,768 GSF, Nursing & General Education Classroom
- MSU Moorhead, 9,215 GSF, Convert Murray Commons to Nursing
- MnWest CTC Granite Falls, 2,000 GSF, Co-locate Robotics and Fluid Power
- NWTC Bemidji, 1,550 GSF, Construction Electricity Lab & IT Offices
- NWTC East Grand Forks, 7,704 GSF, Biomedical Equip Lab & ADA Entrance
- NWTC Moorhead, 3,585 GSF, General Education Classroom

MnSCU Strategic Plan, "Designing the Future"

This project is in direct support of MnSCU's strategic goals of:

Learning Options and Services – Better align academic offerings and the physical space to improve service to students.

Community Development and Economic Vitality - 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.

Integrated System - The workforce training renovation will further good stewardship of capital assets. The purpose is to convert unused or underused space into active use for student learning at these 13 campuses.

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 13 schools is projected as follows:

	FY2000	FY2002	FY2004
FYE	26,555	29,257	32,320 (Projected)

Project Rationale and Predesign:

MnSCU campuses have unused classroom or lab space when a program is closed. Often this space is specialized and does not lend itself to rescheduling for a different purpose without extensive remodeling. This initiative will remodel such space for other uses in high growth academic programs with strong links to workforce needs for Minnesota employers.

Pine TC – Pine TC will remodel the 1978 automotive technology lab to align with current industry standards for NATEF/ASE certification. The auto tech program, which includes a significant number of women students, enjoys close to 100% placement but is still unable to answer all inquiries from local dealerships for trained mechanics. The dealerships provide 21 scholarships per year.

Ridgewater CTC – Ridgewater will move the photo technology lab into a vacated high-bay lab, bringing the laboratory up to current industry standards. Machine tooling was closed at Willmar, freeing up their high-bay lab next to computer art and publishing for photo technology, allowing sharing of expensive equipment among the programs. There are only 4 such programs in the state, and Ridgewater has a waiting list for enrollees. In-kind

Systemwide Workforce Training Classrooms

equipment donations from local and national photo businesses has totaled \$14,000, and Ridgewater will match this funding with \$39,000 in campus funds.

Anoka-Hennepin TC – AHTC will remodel outdated, obsolete, high-bay space into a plumbing technology lab to meet a northwest metro workforce need. The remodeling would provide both instructional and mock-up lab space. Plumbing technology is a new program at AHTC, starting with 32 students in Fall 2002 in temporary space on the campus.

Century College – Century will remodel a former Air and Water lab into a Nursing lab to meet healthcare workforce needs. The college currently has a one-year waiting list for nursing students at the same time there is a shortage of nurses in the north metro area. Century and Inver Hills run a joint nursing program with shared faculty. Century will match this funding with \$125,000 in campus funds.

North Hennepin CC – North Hennepin will to remodel existing under-utilized space into a Nursing skills lab to meet healthcare workforce needs in the northwest metro region. The college is presently teaching nursing skills in a jerry-rigged temporary space that is not providing the kind of up-to-date training that patients or nursing students deserve. The lab will simulate the type of hospital environment nurses will encounter on the job.

Northland CTC – Northland will build a rampway at their airport hangar to allow students to move a 727 airplane that was donated to be used in training future airplane mechanics on equipment that they will find in the industry.

Rochester CTC – Rochester will remodel their old ISD 535 space (closed culinary arts program) at Heintz Center into two new labs: (1) a new veterinary technician lab and (2) a new veterinary assistant lab. The nearest veterinary technician program is 180 miles away from Rochester. The labs will be similar to a standard biology lab, and no animals will be housed in this space. Rochester will match this funding with \$11,000 in campus funds.

South Central TC at Faribault – Faribault will convert an existing specialized applied lab into two general purpose "smart" classrooms. Since the merger added general education requirements to technical degree programs, South Central has had a need for general purpose classrooms.

When the mechanical drafting program was closed due to declining enrollment, it opened up a possibility to create two general classrooms from the old space. In addition to general education, these classrooms will also be used for Faribault's new nursing program.

Minnesota West CTC at Granite Falls – Granite Falls will co-locate robotics and fluid power to gain space for a general science laboratory in support of a growing nursing program. Enrollment in fluid power has been declining and a downsizing and co-location with robotics will allow sharing of staff and equipment, reducing costs, and making both majors more successful and viable. There are only two other fluid power degree programs in the state, the nearest one at Alexandria.

MSU Moorhead – MSU Moorhead to remodel existing under-utilized space in Murray Commons into a Nursing skills lab to meet healthcare workforce needs in the Fargo-Moorhead region. MSUM nursing has collaborations with 76 healthcare providers and agencies in a 150-mile radius. This former dining hall will be remodeled into appropriate space for the MSU Moorhead nursing and pre-nursing programs, delivery of the Fergus Falls community college nursing program, and delivery of the Tri-College (MSUM, North Dakota State University, and Concordia College) graduate nursing program. The space may eventually include a community clinic to provide more required clinical practicum experience for nursing students. MSU Moorhead will match state funding with a private contribution to complete a project not to exceed \$1.1 million.

NWTC Bemidji – Bemidji will remodel an existing vacant shop space for appropriate use of the new section for the existing construction electricity program. There is a high demand for this construction industry program thru prospective student requests over the last three years. This remodeling also includes relocation of the current IT office that is located in this vacant shop area.

NWTC East Grand Forks – EGF will remodel the existing underutilized lab space for: (1) Industrial Electronics lab, (2) Biomedical Equipment Technician lab, and (3) south building entry. Lab to be used for teaching programmable logic controls in the industrial electrician program, along with the new Biomedical Electronic Technical (Healthcare) Program. This program teaches electronic repair and maintenance of healthcare equipment. Altru Health system will be assisting with donations of medical equipment. A

Systemwide Workforce Training Classrooms

portion of this project will be to revise the exterior entry adjacent to this lab space that will assist in providing ADA access for the public and improve access to all campus programs.

NWTC Moorhead – Moorhead will remodel the existing construction electricity lab into a two large multi-media classrooms in support of general education, computer science, fire technology, and customized training.

For individual projects of this type, a predesign is not required. However, to verify overall costs and scope, a conceptual predesign was completed in February 2003.

Impact on Agency Operating Budgets (Facilities Notes)

Since all 14 projects are renovation of current square footage only, there will be no increase in operating expenditures as a result of funding this remodeling.

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.

Previous Appropriations for this Project

None

Other Considerations

If funding is delayed, the institutions would have 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 of Facilities
Minnesota State Colleges and Universities
700 World Trade Center, 30 East 7th Street
St. Paul, MN 55101
Phone: 651-282-5523
FAX: 651-296-8488
E-mail: allan.johnson@so.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	30	0	0	0	30
3. Design Fees	0	438	0	0	438
4. Project Management	0	269	0	0	269
5. Construction Costs	0	3,945	1,000	1,000	5,945
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	631	0	0	631
9. Inflation	0	317	0	0	317
TOTAL	30	5,600	1,000	1,000	7,630

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,600	1,000	1,000	7,600
State Funds Subtotal	0	5,600	1,000	1,000	7,600
Agency Operating Budget Funds	30	0	0	0	30
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	30	5,600	1,000	1,000	7,630

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,730	66.6%
User Financing	1870	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
Yes	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Systemwide Technology-Updated Classrooms

2004 STATE APPROPRIATION REQUEST: \$3,700,000

AGENCY PROJECT PRIORITY: 12 of 32 ()

PROJECT LOCATION: Statewide

	classrooms		
TOTAL		94,329	

All 12 projects are renovations under \$400,000 in cost, with a construction schedule of less than 12 months. All 12 projects will reduce deferred maintenance, address interior finishes, and electrical distribution in the college's or university's classrooms, and bring the rooms up to current educational delivery and computer technology standards. Proposals were asked to include plans for future replacement of technology equipment on a revolving basis, and plans to staff for technology support and training.

Project At A Glance

Technology enhancement of 94,329 square feet of classrooms on 12 campuses to bring connectivity to resources of the world to state college and university students in their classrooms

Project Description

Renovate and equip with learning technology 89 classrooms at 12 campuses at 11 institutions (94,329 GSF). This project will preserve the state's investment in classroom assets by reducing deferred maintenance and obsolete equipment, and technology in classroom spaces, and increase utilization by making the rooms more desirable for instructors and students.

MnSCU Strategic Plan, "Designing the Future"

Access and Opportunity - Improving the technology capabilities of classrooms will enable MnSCU to meet the demand for education anywhere, anytime, and provide the highest level of access via distance education to all of MnSCU's academic programs. It will also fully support alternative formats for non-traditional learners.

High-Quality Learning Options and Services - Reshaping the classroom to integrate technology more seamlessly will enable high quality, interactive student learning and will connect MnSCU's students to the full range of educational opportunities available worldwide. It will enable access into the classroom of the resources of the world and enable access via distance education out of the classroom to students outside commuting distance.

Fully Integrated System - This is a collaborative Office of the Chancellor initiative between Facilities, Instructional Technology, and the campuses to assist in meeting the educational delivery needs of students and instructors, while simultaneously reducing the backlog of interior deferred maintenance issues, particularly electrical.

Enrollment and Space Utilization:

These are renovation projects only, so space utilization will not change, except that making the room more functional for scheduling by instructors may smooth out room scheduling and utilization. At present, rooms with technology enhancement are often over-used and rooms without are under-used. In some cases, new "smart" classrooms are being created out of space left vacant by a program closure, or re-alignment.

Four year enrollment data for the 12 schools is projected as follows:

Campus	Project	Sq Feet	Level
MSC-Southeast TC	Multi-media auditorium	3,600	4
MnWest Granite Fls	Allied Health	1,758	2
Normandale CC	Accelerated Business	3,530	2
North Hennepin CC	Liberal-Arts, Fine Arts	7,948	4
Northland CTC	Smart classrooms	1,100	1
Pine TC	Smart classrooms, computer labs & ITV	4,469	2, 3 & 4
Riverland Albert Lea	Smart classrooms	6,023	2 & 3
Riverland Austin	Smart classroom	985	2
South Central TC - Faribault	Smart classrooms	19,623	2 & 3
Southwest SU	Music, Liberal arts	14,814	2
St. Cloud SU	Smart classrooms	20,000	2
St. Paul TC	Liberal Arts	10,479	2

Systemwide Technology-Updated Classrooms

Year FYE	FY2000	FY2002	FY2004
	33,433	37,240	39,110

Project Rationale and Predesign:

Addresses Asset Preservation: The immediate room improvements will reduce deferred maintenance in air quality, electrical connections, obsolete furnishings, equipment, and technology in classroom spaces. It will also address the ADA issue of reverberation. This initiative will purchase technology and multi-media equipment, provide electrical outlets, retrofit the lights so students can see the screens while taking notes, and address the fire protection, air quality, and noise levels in the rooms.

Advances Technology: Reflects the established priority in advancing programmatic enhancements related to technology, and is a strategic link to workforce development. As a prelude to this capital request, MnSCU held a series of meetings between facilities, academic affairs, and instructional technology staff at both the system and campus level to standardize four levels of smart classrooms:

- *Level One - Basic AV/TV Classroom*
- *Level Two - Smart PLUG-&-SHOW Presentation Classroom* Video/Data projector, recessed media panel and lectern. Presenter can display computer output on a large screen. Also contains all Level One basic AV.
- *Level Three - Interactive Computer Classroom* Computers at each student work station. Master computer teaching station. Ability to display student computers on large screen & send a selected image to all student computers. Also contains all Level Two equipment.
- *Level Four - Two-way Video Classroom* TV cameras, microphones, coded for video compression. Presenter can display computer output on a large screen. Also contains all Level Two equipment.

Provides immediate high impact user satisfaction to students in their classrooms, addressing the guiding principle of student success and the goal of high quality learning options. MnSCU's strategic plan, "Designing the Future" calls for increased use of electronic-learning tools to support classroom learning, both for online distance learning programs going out of the

classroom, and online resources coming into the classroom to support the instructor with materials such as

- tutorials,
- classroom notes,
- supplemental reading
- practice exercises, and
- alternative formats for a wide variety of student learning styles.

College Level Project Descriptions:

Attached to this document is an addendum providing a more detailed description of the proposed instructional technology project for each of the 23 institutions.

Impact on Agency Operating Budgets (Facilities Notes)

Since all 12 projects are renovation of current square footage only, there will be no discernible increase in operating expenditures. The only possible operating expense increase would be negligible increases in electrical energy needs with the increased technology equipment. This initiative is not of a sufficient size to allow campuses to correct their pre-existing severe electrical distribution deficiencies, and those requests will be submitted separately under HEAPR.

Previous Appropriations for this Project

For individual projects of this type, a predesign is not required. However, to verify overall costs and scope, a conceptual predesign was completed in February 2003.

Other Considerations**Project Contact Person**

Allan W. Johnson, Associate Vice Chancellor of Facilities
 Minnesota State Colleges and Universities
 700 World Trade Center; 30 East 7th Street
 St. Paul, MN 55101
 Phone: 651-282-5523
 FAX: 651-296-8488
 E-mail: allan.johnson@so.mnscu.edu

Systemwide Technology Updated Classrooms

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

College Level Project Description Addendum:

MSC-Southeast TC - Red Wing will create one Level Four multi-media lecture auditorium in support of nursing, general education and customized training. It will also hold conferences and workshops. The multi-media auditorium will be created from a former automotive technology lab that has been vacant since 1997. This funding will be matched by \$138,000 in campus funds.

Minnesota West at Granite Falls – Granite Falls will create one Level Two allied health classroom in support of its growing nursing and allied health careers, as well as process technology and general education.

Normandale CC - Normandale will create and furnish 3 Level Two "smart" classrooms in support of its speech, history, art, film studies, sociology, and science programs. The existing rooms are not well designed for teaching, and do not work for the college's ADA students. Normandale typically utilizes rear screen projection in "smart" classrooms to improve security of the equipment and make better use of existing back alleys. This funding will be matched by \$4,000 per room in campus funds.

North Hennepin CC - North Hennepin will convert its Fine Arts Theatre into a Level Four multi-media "smart" lecture hall so the room can be scheduled for large lecture courses in support of its liberal arts transfer curriculum, as well as its Fine Arts programs, thus fully maximizing utilization of the space. The existing electrical system in the theatre is past its peak capacity, and will be upgraded as part of this project.

Northland College - Northland will convert its Fine Arts Theatre into a Level One basic AV lecture hall so the room can be scheduled for large lecture courses in support of its liberal arts transfer curriculum, as well as its Fine Arts programs, thus fully maximizing utilization of the space. The lecture hall will support its corporate learning initiative in manufacturing technology. The

existing theatre space is not up to code, has an excessively noisy mechanical system, is not ADA-compliant, and has unsafe and inefficient egresses.

Pine TC - Pine will create 2 Level Two "smart" classrooms, 4 Level Three interactive computer labs, and one Level Four ITV classroom in support of all its academic programs (nursing, computer science, American Sign Language, office technology), but particularly its high-tech offerings.

Riverland CTC –

- Albert Lea will create 5 Level Two "smart" classrooms, and 3 Level Three interactive computer labs in support of its office careers, information technology and growing allied health programs, as well as its liberal arts transfer curriculum. Asset preservation will include electrical and lighting upgrades. College will match with \$92,000 in technology funds to equip the rooms.

- Austin will create 1 Level Two "smart" classroom in support of all its general education programs. Asset preservation will include air quality improvements, and asbestos abatement.

South Central TC - South Central will to upgrade the lighting for instructional technology at both campuses (North Mankato and Faribault). North Mankato will create 10 Level Two "smart" classrooms, and 2 Level Three interactive computer labs in support of all its academic programs, but particularly nursing and allied health. Faribault will create 12 Level Two "smart" classrooms in support of all its general education programs.

Southwest SU - SSU will create 13 Level Two "smart" classrooms dispersed among six buildings on campus in support of its music, physical education and liberal arts programs. Southwest sponsors MinnInstruct, a program to train instructors in how to develop media rich curriculum, but has only three "smart" classrooms on the entire campus. By locating smart classrooms across the campus, all academic programs will have greater access to technology-enhanced teaching and learning.

St. Cloud SU - SCSU will create 20 Level Two "smart" classrooms, and to upgrade the security of all its 125 technology-enhanced classrooms on campus to cover all its academic offerings. This funding will be matched by \$100,000 in campus funds, as well as in-kind labor from staff skilled craftsmen.

Systemwide Technology-Updated Classrooms

St. Paul TC - St. Paul will upgrade 10 Level Two "smart" classrooms in support of its nursing, construction trades, liberal arts, and general education programs, especially English and communications. The project will include constructing two walls and asset preservation (e.g electrical, ADA, asbestos abatement) as well as voice/data cabling. This funding will be matched by \$36,000 in campus funds.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	40	0	0	0	40
3. Design Fees	0	260	0	0	260
4. Project Management	0	204	0	0	204
5. Construction Costs	0	2,031	1,000	1,000	4,031
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	1,049	0	0	1,049
9. Inflation	0	156	0	0	156
TOTAL	40	3,700	1,000	1,000	5,740

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,700	1,000	1,000	5,700
State Funds Subtotal	0	3,700	1,000	1,000	5,700
Agency Operating Budget Funds	40	0	0	0	40
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	40	3,700	1,000	1,000	5,740

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,464	66.6%
User Financing	1236	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
Yes	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Systemwide Demolition Initiative

2004 STATE APPROPRIATION REQUEST: \$1,625,000

AGENCY PROJECT PRIORITY: 13 of 32 ()

PROJECT LOCATION: Statewide

Project At A Glance

Systemwide Initiative to Demolish Obsolete Campus Buildings
Campus-initiated demolition requests

Project Description

Demolish 97,469 GSF of eighteen academic or support buildings or structures at 11 campuses that are currently unsafe or unused. Only one structure currently houses support programs that are being relocated to better spaces with a different construction project. Demolition of these unsafe surplus buildings will remove \$7.6 million in deferred maintenance costs from the systemwide deferred maintenance backlog.

MnSCU Strategic Plan

Access and Quality Learning Services - These buildings must be minimally maintained and heated, costing their respective campuses financial resources that could be redeployed to improving teaching and learning.

Community Development and Economic Vitality - In some cases, these buildings have been a point of contention between the campus and the community about conforming land use and exterior condition. In several cases, the structure or part of the structure has been condemned for human habitation. Demolition will improve community relations.

Fully Integrated System - These 18 buildings represent a combined total of \$7.6 million in deferred maintenance backlog. Demolition will permanently remove those safety and building code problems from inventory.

Agency Master Plan & Regional Collaborations:

The Office of the Chancellor has the above-referenced strategic plan, "Designing the Future". This document states that MnSCU will "hold the principle of stewardship of state resources above all others in everything the system strives to accomplish." All the individual college or university Master

Plans address demolition of all these buildings. MnSCU and its individual institutions are mindful of the need to preserve historically and architecturally significant buildings, but none of the buildings in this demolition initiative meet that definition. None of the buildings are monumental in design or construction, and all have life safety and building code issues that exceed the value of the buildings.

Enrollment and Space Utilization:

By the end of the 2004 legislative session, there will be no academic or support activities occurring in any of these buildings, so enrollment and space utilization are both zero. Metro State is moving its bookstore to the new library as soon as library construction is complete.

Project Rationale and Predesign:

Minnesota West CTC at Pipestone, \$201,000 - Demolishing 12,280 GSF North Ag Building. In recent years, Pipestone has sold two buildings in an attempt to reduce excess square footage. This building is not presently used because it is unsafe for occupancy, and has twice as much deferred maintenance (\$356,700) as the cost to demolish. There have been two vandalism break-ins in the past two years. The demolished building will be replaced with asphalt paving which will be used for both the construction trades and truck driver training academic programs as outdoor lab space. Minnesota West will match the asphalt paving portion of the budget at 50%.

Northwest TC at Detroit Lakes, \$115,000 - Demolishing two outbuildings totaling 18,229 GSF that are presently in an advanced state of deterioration and used only for storage. They are a health and safety problem for college staff, and have been a point of contention with the residential community they bound, as well as an attractive nuisance for vandals. The two wood-frame outbuildings have a combined total of \$1.75 million in deferred maintenance.

Winona State University, \$476,000 - Demolishing Howell Hall (23,117 GSF). This 1956 building has \$2.7 million in deferred maintenance, or \$116.80 per square foot. The media services and disability services support programs currently housed in Howell Hall are moving to Phelps Hall Gymnasium and Maxwell Hall respectively. Conversion of the Howell Hall footprint to green space is a goal of WSU's 1998 campus master plan.

Systemwide Demolition Initiative

Metro State University, \$488,000 - Demolishing the upper two floors (8,040 GSF) of the Power Plant. The university has requested this demolition in its capital improvement program for ten years. The top floor is uninhabited because the multiple fire and life safety code violations make it unfit for habitation according to the fire marshal. The second floor is occupied by the bookstore which will move to the new library in 2004. The upper two floors of the Power Plant have \$2.7 million in deferred maintenance, far exceeding the value of the building.

South Central TC at Mankato, \$23,000 - Demolishing two (1,500 GSF) unheated, wooden storage sheds that are not presently used. The structures are an eyesore for the campus and the community. The condition has deteriorated to the point that the buildings must be repaired for \$25,000 or demolished.

Alexandria TC, \$23,000 - Demolish a 3,020 GSF temporary wood-frame building previously used as a Design Studio for their interior design program. This program is in the process of moving to vacated off-campus space and the temporary building will be vacant. Its placement on campus is such that it is unreachable by emergency vehicles, making it a fire safety hazard. The Alexandria fire department has requested demolition.

MSU Moorhead, \$46,000 - Demolishing two wood-frame houses (Johnson House and Psychology House - 3,295 GSF) that were used temporarily for academic programs that will be relocated if demolition funding is received.

North Hennepin CC, \$155,000 - Demolishing a 6,951 GSF courtyard plaza that has leaked water in the surrounding area causing problems with sinkholes around the campus utility tunnels. The sidewalks have heaved due to ground erosion and sinkholes which are causing potential safety and ADA access issues for the college, as well as jeopardizing the physical integrity of the college's utility tunnels.

Inver Hills CC, \$46,000 - Demolishing tennis courts that are serious safety hazards with large voids in the blacktop, which is causing erosion of the soil under the courts. The college has dropped tennis as a sport, and the City of Inver Grove Heights has declined an offer to transfer ownership.

Anoka-Ramsey CC at Cambridge, \$52,000 - Demolishing five outbuildings (4,027 GSF) on property located adjacent to the Cambridge campus on the

Rum River. The property was acquired by the college for an access road and expansion potential. The buildings are a barn, garage, house, one of two silos, and a milkhouse.

Predesign - Demolitions, parking lots, sidewalks and landscaping projects are exempt from state predesign requirements. MnSCU has contracted with an architect to provide verification of costs, and the individual campuses have contracted with environmental assessment consultants to determine costs for hazardous material removal and disposal. A full report is available on request.

Impact on Agency Operating Budgets (Facilities Notes)

Operating expenses on all demolished buildings will be \$0 in future biennia. There will be a combined building operations savings of \$108,892 per year. There are other hidden cost savings in staff time in not having a substandard building used for miscellaneous storage occupying the campus grounds.

Capacity of Current Utility Infrastructure:

In most cases, the campus utility infrastructure will be improved by the demolition, either because the building will no longer need to be heated and cooled, or because the structure to be demolished is actually causing damage to the utility infrastructure.

Previous Appropriations for this Project

None

Other Considerations**Debt Service:**

This request permanently removes these structures and reduces both operating expenses and the state's obligation for future repairs. The Office of the Chancellor is requesting to be relieved of debt service participation on this request only. Alternatively, funding from the general fund is requested.

Consequences of Delayed Funding:

Continued waste of operating dollars with minimal maintenance requirements for 15 surplus buildings and 2 structures. Funds currently used to heat and protect existing unsafe and unusable structures could be better utilized for instruction after demolition. \$7.6 million will be requested in HEAPR funds to repair these obsolete facilities.

Systemwide Demolition Initiative

Project Contact Person

Allan Johnson, Associate Vice Chancellor

700 Wells Fargo Place

St. Paul, MN 55101

Phone: (651) 282-5523)

FAX: (651) 296-8488

E-mail: johnsoal@so.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	54	0	0	54
4. Project Management	50	90	0	0	140
5. Construction Costs	0	1,427	1,000	1,000	3,427
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	8	0	0	8
9. Inflation	0	46	0	0	46
TOTAL	50	1,625	1,000	1,000	3,675

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
General Fund Projects	0	1,625	1,000	1,000	3,625
State Funds Subtotal	0	1,625	1,000	1,000	3,625
Agency Operating Budget Funds	50	0	0	0	50
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	50	1,625	1,000	1,000	3,675

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	<109>	<218>	<327>
TOTAL	0	-109	-218	-327
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
Yes	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Systemwide Program Consolidation Initiative

2004 STATE APPROPRIATION REQUEST: \$2,000,000

AGENCY PROJECT PRIORITY: 14 of 32 ()

PROJECT LOCATION:

Project At A Glance

Consolidation of programs at an underutilized campus and moving to another regional location.

Strengthens existing academic programs

Maintains strong programs

Closure of underutilized programs

Project Description

Design, renovate, furnish and equip spaces to allow for program consolidation from one campus to another. This initiative will allow discontinuation of an academic program at one campus while shifting or enhancing the program at another campus. Purpose of this consolidation is to increase efficiency of instruction within a region, while maintaining needed workforce training programs.

One of the best examples is at Anoka Technical College where two programs will be enhanced from other Metropolitan Alliance regional campuses. Anoka will be enhancing their existing programs while two other metro area schools will be closing their programs. The Welding day program from Hennepin Technical and the and Machine Tool Program from Century Community and Technical College will be enhanced by equipment and increased student enrollment at Anoka from these two area campuses.

All programs will be renovation projects, under \$500,000 in cost, with a construction schedule of less than 12 months. All projects will reduce deferred maintenance in the technical spaces and bring them up to current building codes, and current educational delivery and computer technology standards.

MnSCU Strategic Plan, "Designing the Future"

The Program Consolidation Initiative meets MnSCU's strategic goals of: Access and Opportunity - Improve access to needed workforce opportunities and careers by allowing campuses to combine programs – assuring that students in a region will be served.

High-Quality Learning Options and Services - Improve instructional technology in a variety of spaces.

Integrated System - This is an Office of the Chancellor initiative to assist campuses meet academic program needs by closing underutilized program(s) but allowing students who desire access to move to another campus within that region. This project also directly supports the long-time Board focus on regional collaboration, renewal and preservation, maximizing functionality, and utilizing future-oriented technology.

Enrollment and Space Utilization:

These are renovation projects only, so space utilization will improve by increasing the amount of students using the proposed program reallocation. Both the closing campus, as well as the receiving campus, will improve their overall space utilization. In some cases, space left vacant by closure of programs is being converted to meet other critical classroom or workforce need, thus improving the utilization.

Project Rationale and Predesign:

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 protections, fire-code-mandated second egress, emergency lighting and handicapped accessibility.

This project will improve the *overall condition and functionality* of both the spaces that will be renovated to increase serving students and will benefit campuses closing programs.

This project focuses on the priority on *targeted industry partnerships* that benefit from highly skilled programs.

College Level Project Descriptions:

Anoka Technical College - Two programs will be enhanced by this consolidation:

1) Century will be closing its Machine Tool program and Anoka will gain its equipment. With \$300,000 additional electricity, lighting, walls and accessibility will be done to improve space and align this new equipment.

2) Hennepin Technical will be modifying its welding program. Anoka will be adding in additional infrastructure in lighting, electrical and HVAC to allow for increasing of welding areas.

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

Impact on Agency Operating Budgets (Facilities Notes)

Since all projects are renovations of current square footage only, there will be no significant increases in operating expenditures. There will be no need for additional FTE personnel.

Previous Appropriations for this Project

Other Considerations

Alternatives Analysis:

There are two immediate alternatives to funding these transitions. One is to simply close under-performing programs without making arrangements to transfer enrolled students. The other is not to close under-performing programs if there is are local employers who depend on the skilled workforce that the college graduates.

Project Contact Person

Allan W. Johnson, Associate Vice Chancellor of Facilities

Minnesota State Colleges and Universities

700 Wells Fargo Place; 30 East 7th Street

St. Paul, MN 55101

Phone: 651-282-5523

FAX: 651-296-8488

E-mail: allan.johnson@so.mnscu.edu

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	132	0	0	132
4. Project Management	0	44	0	0	44
5. Construction Costs	0	1,668	0	0	1,668
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	52	0	0	52
9. Inflation	0	104	0	0	104
TOTAL	0	2,000	0	0	2,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
State Funds Subtotal	0	2,000	0	0	2,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,000	0	0	2,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,332	66.6%
User Financing	668	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Systemwide Land Acquisition

2004 STATE APPROPRIATION REQUEST: \$2,000,000

AGENCY PROJECT PRIORITY: 15 of 32 ()

PROJECT LOCATION:

Project At A Glance

Acquisition of land adjacent to existing campuses
Land acquisition conforming to individual campus Master Plans

Project Description

Purchase of land adjacent to our campuses. To be good stewards for the state, there are opportunities to purchase land for future expansion at land-locked campuses. Over \$8 million dollars in adjacent land on 12 campuses were identified as potentially important acquisitions.

MnSCU Strategic Plan, "Designing the Future"

Land acquisition meets MnSCU's strategic goals of:

Access and Opportunity - Improve access by assuring that students in a region will be served in acquisition of land that is required to service related institution programs, either through new building or land for training purposes.

Integrated System - This is an Office of the Chancellor initiative to assist campuses meet academic program needs by assuring safe access and integration of buildings to overall regional strategic planning.

Enrollment and Space Utilization:

Enrollment in MnSCU institutions for FY2004 was 135,000 FYE students.

Project Rationale and Predisign:

Acquisition of land is linked to the overall Strategic Plan and the individual campus Master Plans prior to negotiations or request for approval. A pooled appropriation is more effective for MnSCU:

- Real estate offerings do not always coincide with legislative sessions. As a result, some very unique and good opportunities have had to be bypassed

because of time sequencing of the property offering and the ability to obtain funding from the legislature for the purchase

- When separate appropriations are made, other colleges and university do not have the ability to take advantage of appropriate land purchases because they are not named in the appropriations
- Institutions cannot enter serious negotiations until the funds have been appropriated. Sellers have more negotiations leverage when they know the limits of the institutions spending authority for purchasing property.

Impact on Agency Operating Budgets (Facilities Notes)

Impact depends on the individual conditions. There can be a budget impact on property for maintenance of that property. Other costs could occur if demolition or other operations impacts are needed. However, if a campus is leasing space and an opportunity arises to purchase the space the actual operating costs may be decreased by acquisition. Each project is verified for compliance to the Master Plan, overall MnSCU Strategic goals, and operational balance prior to presentation to the Board of Trustees and Legislature.

Previous Appropriations for this Project

Over the past six years, the legislature has appropriated the following amounts for land acquisition:

FY1998, \$5 million (\$2.5 million for Winona State University, \$1 million for St. Cloud State University, the remaining \$1.5 million undesignated)

FY2003 1st Special Session, \$10 million (undesignated but primarily intended for Minneapolis CTC)

Other Considerations

Alternatives Analysis:

There are no alternatives as no institutions have financial resources to purchase properties out of dwindling general fund dollars and all agencies are prohibited from obligating the state to debt, foreclosing all other debt instruments.

Project Contact Person

Allan W. Johnson, Associate Vice Chancellor of Facilities
Minnesota State Colleges and Universities
700 Wells Fargo Place; 30 East 7th Street
St. Paul, MN 55101
Phone: 651-282-5523

FAX: 651-296-8488

E-mail: allan.johnson@so.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	15,000	2,000	2,000	2,000	21,000
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	15,000	2,000	2,000	2,000	21,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	15,000	2,000	2,000	2,000	21,000
State Funds Subtotal	15,000	2,000	2,000	2,000	21,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	15,000	2,000	2,000	2,000	21,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,332	66.6%
User Financing	668	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
Yes	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Dakota TC - Info Tech & Telecomm Renovation

2004 STATE APPROPRIATION REQUEST: \$6,800,000

AGENCY PROJECT PRIORITY: 16 of 32 ()

PROJECT LOCATION: Dakota County

Project At A Glance

Remodeling and asset preservation of 45,426 square feet of existing space
 Improve the library and integrate academic support functions
 Improve premier Telecommunications degree program
 Add a science lab to support nursing, allied health, and general science education

Project Description

Remodel, furnish and equip 45,426 GSF on the west side of the main campus facility to provide:

- an Information Technology and Telecommunications upgrade
- an integrated library and library information technology center
- a science lab and preparatory space, and
- asset preservation, especially electrical and fire-rated doors

Academic programs impacted will be DCTC's premiere Information Technology and Telecommunications Technician programs, as well as nursing and allied healthcare. All academic programs will benefit from a modernized library, new science lab, and asset preservation.

MnSCU Strategic Plan:

This project is in direct support of the MnSCU strategic goals of:

Increase Access and Opportunity – it will enhance student learning through expanded access to academic support services, expand opportunities for developmental learners and increase on-line offerings for working adults.

Expand High-Quality Learning Programs and Services - it will establish an Information Technology and Telecommunications Center of Excellence that will be recognized globally for its high technology, high quality, future-oriented ability to meet the needs of students, employers and the community.

Strengthen Community Development and Economic Vitality – strong industry partnerships have been developed to meet the workforce development needs of a high-wage, high-technology industry in the metro area. There is currently \$200 in external funding available as a private match for this construction project.

Dakota County Technical College Master Plan:

This project is supported by the campus master plan for Dakota County TC, which was presented to the MnSCU Board of Trustees in July 2000. The project is identified and supported by the master plan goals to:

- Humanize: Create a more pleasant and serviceable environment for students, staff and visitors. This project will ensure that DCTC students receive a high quality, state-of-the-art education in information technology and telecommunications.
- Organize: Create an academic system that makes the most of the physical facilities and the potential for shared use and interests.
- Modernize: Bring an aging facility, which has experienced only a minimal effort at modernization, into the 21st Century. Renovations to the physical environment will enhance teaching and learning.
- Visualize/Realize: Maximize partnerships in a targeted high-demand, high-wage industry by offering leading edge technology to graduates and incumbent workers.

Enrollment and Space Utilization:

The college has grown from a full-time enrollment of 1,472 FYE in 1990 to 2,106 FYE in 2003, a 43% increase. This is expected to continue as Dakota County is one of the fastest growing counties in the state.

FYE Enrollment	FY 1998	2000	2002	2004
	1,872	1,856	2,033	2,140

The 2001 Space Utilization Study showed DCTC with a current 8% surplus, turning into a 10% deficit by 2005. No new square footage will be added; simply re-organization of existing square footage to take advantage of high-growth, high-demand academic offerings.

Project Rationale:

Information Technology and Telecommunications:

First, this project will develop an Information Technology and Telecommunications Center of Excellence on the DCTC campus. This is

Dakota IC - Info Tech & Telecomm Renovation

important to the college because of the strong industry partnerships that have been developed to meet workforce development needs of a high-demand, high-wage, high-technology metro area industry. DCTC trains workers who lay fiber optic and broadband cables for large telecomm companies like Comcast, Frontier, ADC and Nortel.

Library and Information Technology Center:

Secondly, this project will improve and expand the library so that it can offer the type of academic support that a college specializing in high-technology fields requires. By integrating the Academic Support Center (tutoring, special needs assistance, TRIO, Student Support Services) into the library, students will be better able to achieve their educational and personal goals in an environment that accommodates individual learning needs. The expanded and improved library will, in addition to serving students' library information needs, serve as a backbone for integrating the distribution of video, voice and data capabilities throughout the classrooms in the building, in support of faculty and student use of multi-media and web-enhanced instruction.

Science Laboratory:

Third, adding science lab facilities will fulfill the requirements for science instruction for students in nursing and allied health fields. The college does not have a science lab at this time. Healthcare workforce needs are projected to grow at a rate of 1,200 workers each year in the Minneapolis/St Paul metropolitan area.

Project costs have increased from 2002 due to the addition of the science laboratory, increased equipment costs, increased scope of asset preservation work, removal of a staircase, and a need to reinforce the floor for the library expansion. A more detailed analysis of costs for technology-enhanced and AV-equipped classrooms also indicated increases.

Life Safety and Mechanical Improvements:

Fourth, the project will also correct other related building deficiencies, reducing the deferred maintenance backlog by \$2.46 million by:

- Replacing corridor doors with one-hour fire-rated doors
- Upgrading electrical distribution system
- Updating 45,426 square feet of space not remodeled since original construction in 1973 (including modern building code compliance).

Impact on Agency Operating Budgets (Facilities Notes)

Assessment of operating budgets is difficult because it is part of a larger building. However, improved electrical and mechanical services are estimated at an \$11,343 annual savings in electrical power and natural gas. The remodeling will require an additional 0.5 FTE general maintenance staff, at \$18,000 yearly.

Previous Appropriations for this Project

Pre-design was completed in December 2001, approved by MnSCU and reviewed by Admin. The legislature funded design for \$500,000 in 2003.

Other Considerations**Site Selection:**

This is a remodeling project, and there are no site selection options.

Consequences of Delayed Funding:

The college will not be able to:

- (1) integrate the Academic Support Center within the Library where students would be able to access tutoring, library assistance and lab assistance,
- (2) meet the minimum library standards thus jeopardizing our NCA Accreditation,
- (3) provide adequate science labs to meet the needs of students in the health care industry, and
- (4) achieve the major goal of establishing an Information Technology and Telecommunications Center of Excellence.

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.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	92	0	0	0	92
3. Design Fees	410	130	0	0	540
4. Project Management	90	242	0	0	332
5. Construction Costs	0	5,459	0	0	5,459
6. One Percent for Art	0	46	0	0	46
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	758	0	0	758
9. Inflation	0	365	0	0	365
TOTAL	592	7,000	0	0	7,592

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	6,800	0	0	7,300
State Funds Subtotal	500	6,800	0	0	7,300
Agency Operating Budget Funds	92	0	0	0	92
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	200	0	0	200
Other	0	0	0	0	0
TOTAL	592	7,000	0	0	7,592

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	32	36	68
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	32	36	68
Revenue Offsets	0	<19>	<23>	<42>
TOTAL	0	13	13	26
Change in F.T.E. Personnel	0.0	0.4	0.1	0.5

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,529	66.6%
User Financing	2271	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$7,000,000

AGENCY PROJECT PRIORITY: 17 of 32 ()

PROJECT LOCATION: Fergus Falls

Project At A Glance

Construct 28,750 square foot addition for fine arts, technology and student services
Remodel 5,705 square feet for classrooms and ITV classrooms

Project Description

Construct expanded instructional space for the fine arts and technology, i.e:

- 28,750 GSF fine arts, technology, student services consolidation
- 5,705 GSF classrooms, ITV remodeling and renovations
- Site modifications to relocate athletic fields and expand parking

The college has had a plan to connect all campus buildings in place since the 1988 master plan. This new construction will connect existing buildings to increase (1) instructional space to support growth in fine arts programs, (2) smart classrooms, (3) open computer lab spaces which are in high demand by students at the college, and (4) flexible, informal space for large gatherings, performances and presentations at the new main entrance.

The remodeling will consolidate departments and create classrooms sized and configured for their current purpose. The plan (1) relocates ITV classrooms near the existing computer labs and audiovisual storage facilities, (2) updates a lecture hall in the library to comply with ADA and improve instructional technology for multi-media presentations, and (3) includes asset preservation in the areas of tuckpointing, water intrusion, window replacement, and HVAC upgrades.

The site modifications include: (1) relocation of athletic fields, (2) expansion of parking near the Waage Fine Arts building and south of the gymnasium to include bus access, and (3) improve drainage between the science building and the college center.

MnSCU Strategic Plan: The new instructional space directly supports MnSCU's strategic goals to:

Increase access and opportunity - consolidated student services and inviting learning spaces using blended technologies

Deliver high quality learning options and services - increased instructional technology and electronic learning spaces

Create an integrated system - good stewardship of existing resources, integration of strategic, academic, financial, facility and technology plans, enhanced distance learning options and adequate support and infrastructure space to serve FFCC

Fergus Falls Master Plan & Regional Collaborations:

The Master Facilities Plan was presented to the MnSCU Board of Trustees in March 2000. The projects support FFCC goals to:

- Enhance student experiences for transfer and employment
- Create programs supported by a quality educational and technological learning environment
- Increase accessibility of instruction through the use of blended technologies and flexible space design

Enrollment and Space Utilization:

During FY2002, FFCC generated 100 FYE from courses taught at Northwest Technical College (NTC). This market will not be available to us in FY2004, resulting in a slight decrease in FFCC's total FYE from FY2002 to FY2004. Without the NTC numbers, FFCC indicates a healthy 6% increase in enrollment.

Fergus Falls	FY 2000	FY2002	FY2004
FYE Enrollment	1,151	1,292	1,360

The 2001 MnSCU Space Utilization study identified an immediate deficiency of 10,455 square feet (14%), growing to a 12,869 square feet (17%) space deficiency by 2006. It particularly focused on deficiencies in support spaces and the physical plant (maintenance).

Project Rationale:

Fergus Falls CC - Instructional II, Fine Arts Addi

New construction: A plan to connect all campus buildings has been in place since the 1988 master plan. New construction (28,750 GSF) will connect existing buildings to:

- increase instructional space to support growth in fine arts programs;
- increase instructional space to provide additional smart classrooms;
- meet a demonstrated need for open computer lab space;
- include a new main entrance with flexible/informal space for large group gatherings, performances and presentations.

Remodeled space: Remodeling will consolidate departments and create instructional areas sized and configured to their current purpose (5705 SF).

The plan:

- relocates ITV classrooms near existing computer labs and audiovisual production and preview facilities.
- updates lecture hall in library building to comply with ADA and to improve technology for multi media classroom presentations
- includes masonry repair, tuckpointing, waterproofing stucco, window replacement, ADA restrooms, and HVAC upgrades not included in HEAPR requests relating to where buildings connect.

Site modifications: Site work addresses immediate needs for parking and signage. Modifications include:

- relocation of athletic fields
- expansion of parking near the Waage Fine Arts Building and south of gymnasium to include bus access
- improved exterior space between the science building and the college center

Impact on Agency Operating Budgets (Facilities Notes)

Building Operations Expenses:

Building operations costs for the new addition will be \$89,000 per year, and will require one additional FTE maintenance worker for a yearly cost of \$38,000, resulting in a total annual increase of \$127,000.

Capacity of Current Utility Infrastructure:

The existing boiler plant will provide heat to the planned addition. Infrastructure for sanitary sewer, storm sewer, and domestic water is in good condition, but Administration and Waage Fine Arts show \$37,700 in deferred plumbing issues. The electrical distribution system was upgraded in 1996.

Energy Efficiency/Sustainability:

Design for the addition envisions a project that exceeds the standard for sustainability and incorporates the principles of green architecture.

Previous Appropriations for this Project

Predesign work was completed January 2001, approved by MnSCU, and reviewed by Admin. The legislature funded \$500,000 for design of this project and \$260,000 for a maintenance garage addition in 2003.

Other Considerations

Site Selection Alternatives:

The majority of the new construction connects existing buildings in keeping with MnSCU Board of Trustee policy and the FFCC long-range master plan to attach contiguous buildings whenever feasible.

Consequences of Delayed Funding:

If design funds are not secured for construction, FFCC will:

1. Miss opportunities for increased technologies and alternative course delivery that strengthen off-campus partnerships
2. Lose a competitive advantage to provide students and employers with educational opportunities unique to our region
3. Continue to function with limited space and resources in high growth programs (e.g., music, computer technology, off-campus/non-traditional programs, et. al.)
4. Continue to lease off site space for computer training through Continuing Education and Customized Training at \$10,000 a year

Project Contact Person

Dr. Ken Peeders, President
Fergus Falls Community College
1414 College Way
Fergus Falls, MN 56537
Telephone: 218-739-7503
Fax: 218-739-7521
Email: kpeeders@ffcc.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	19	0	0	0	19
3. Design Fees	484	139	0	0	623
4. Project Management	17	371	0	0	388
5. Construction Costs	251	5,571	0	0	5,822
6. One Percent for Art	2	45	0	0	47
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	6	447	0	0	453
9. Inflation	0	427	0	0	427
TOTAL	779	7,000	0	0	7,779

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	760	7,000	0	0	7,760
State Funds Subtotal	760	7,000	0	0	7,760
Agency Operating Budget Funds	19	0	0	0	19
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	779	7,000	0	0	7,779

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	38	76	114
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	89	178	267
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	127	254	381
Revenue Offsets	0	0	0	0
TOTAL	0	127	254	381
Change in F.T.E. Personnel	0.0	1.0	0.0	1.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,662	66.6%
User Financing	2,338	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Northwest TC Moorhead - Health & Trades Addition

2004 STATE APPROPRIATION REQUEST: \$6,500,000

AGENCY PROJECT PRIORITY: 18 of 32 ()

PROJECT LOCATION: Moorhead

Project At A Glance

Construct 19,250 square foot allied health and construction trades addition
 Construct collegiate secondary front entry
 Remodel 11,365 square feet for student services and physical plant
 40 additional parking spaces
 One temporary building demolished (2,300 GSF)

Project Description

Construct, furnish and equip a 19,250 gross square foot allied health and construction trades addition and renovate 11,365 GSF for student services. This is Phase 2 of the project originally funded in FY2000 and constructed in 2002. Phase 2 will also expand and replace the campus boiler and upgrade campus storage, mechanical and electrical needs. This project will provide asset preservation, new construction, technology upgrades, and correction of life safety and building code violations. It will also demolish 2,300 GSF of temporary buildings, and construct 40 additional parking spaces.

Academic programs impacted are: allied health, general education, computer careers, construction related programs and Customized Training.

MnSCU Strategic Plan:

Access and Opportunity – Current classroom and lab shortages are limiting course offerings and hampering a professional teaching and learning environment.

Learning Options and Services - Provide facilities that will expand program offerings, curriculum and services to students and the region.

Community Development and Economics - The increased customized training space will improve the education and skills of the regional workforce.

Northwest Technical College Master Plan & Regional Collaborations:

Northwest Technical College prepared a Master Facilities Plan in 1998, and was in the process of updating their plan when the Chancellor initiated a major reorganization study. As a result of that year-long study, Northwest Technical College was disbanded, and the five colleges were re-organized with other institutions. The Moorhead campus, along with Detroit Lakes and Wadena, was re-organized with Fergus Falls Community College. The new college is in the process of submitting a name change to the Board of Trustees, and plans for updating a new joint master academic and facilities plan are in discussion. The primary strategic goal for Moorhead will remain training a skilled workforce for the Fargo-Moorhead region.

Enrollment and Space Utilization:

Campus enrollment has grown 38% over the past seven years.

Moorhead TC	FY2000	FY2002	FY2004
FYE	1,206	1,299	1,481

Northwest Technical College Moorhead campus is located in a community with a population of 33,000 and in a metropolitan region with a population of 157,000. The college has already surpassed growth projections for 2006 by reaching the present headcount enrollment of 1561 students. This growth is despite a 47% overall space deficit. The 2001 MnSCU Space Utilization Study indicates the Moorhead campus has one of the highest classroom and laboratory usages in the state.

Project Rationale:

Allied Health and Construction Trades Addition:

The growing allied health disciplines at Moorhead will be expanded by 12,000 GSF to add two new general purpose science labs, one computer lab, two large lecture classrooms, faculty offices, and storage. A new 7,380 GSF applied lab for the construction trades will be added on the east wing. Most of this addition will relocate the popular construction electricity program, and the refrigeration program which is now in temporary space. A small 750 GSF addition will connect the relocated chef training program with the snack bar.

Student Services Remodel:

The 12,125 GSF of space vacated by construction electricity will be remodeled to expand student services by adding: (1) a new student commons, (2) relocated bookstore, (3) relocated Tech Trolley snack bar, (4)

Northwest TC Moorhead - Health & Trades Addition

new conference room, (5) student senate offices, and (6) customized training classrooms. When the Tech Trolley snack bar is relocated, that space will be remodeled to expand the existing chef training program at Moorhead.

Physical Plant Addition and Asset Preservation Remodel:

A new boiler room and loading dock (2,280 GSF) will be added, and 730 GSF will be remodeled for custodial equipment and supplies. The existing 1965 main boiler is undersized to heat the entire building on the coldest days. As part of this project, electrical distribution service to the campus will be upgraded to support increased use of instructional technology in the classrooms, as well as for distance education.

Asset preservation work includes boiler replacement, fuel oil tank replacement, installation of an emergency generator and automatic fire sprinklers throughout the building (78,420 GSF). The remodeling includes approximately \$710,000 in asset preservation, and will remove about \$672,000 in deferred maintenance from Moorhead's inventory in life safety and code compliance, HVAC, electrical and ADA.

One temporary, wood frame building (2,300 GSF) will be demolished to make way for the addition.

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses**

The operating budget for utilities and maintenance will increase \$66,340 annually. One additional FTE general maintenance worker will be required for the addition, for an additional \$36,000 per year. This totals a \$102,340 total annual increase in operating costs.

Capacity of Current Utility Infrastructure:

This phase will also design, construct and equip a facility that would house a new campus boiler and upgrade the campus storage, mechanical and electrical needs.

Energy Efficiency/Sustainability:

Design will be directed to exceed the standards for sustainability and to incorporate the principles of green architecture. The Dept of Administration is presently conducting an energy audit of the campus that will serve as the basis for high performance building features in this project.

Previous Appropriations for this Project

Predesign will be completed in _____ 2003. The legislature appropriated \$1,258,000 in FY2000 for an allied health addition in Phase 1, and another \$400,000 in FY2003 to design this project.

Other Considerations

NTC has demonstrated the ability to procure donated equipment and supplies from industry partners. These activities are ongoing.

Consequences of Delayed Funding

NTC will not be in a position to serve region students in a manner directed by the goals of the MNSCU Board of Trustees, Chancellor, nor the college.

Project Contact Person

Ken Peeders, President
Fergus Falls Community College
1414 College Way
Fergus Falls, MN 56537
218-739-7503 (phone)
218-739-7521 (fax)
kpeeders@ffcc.edu

Thomas H. Koehnlein
Director of Facilities & Planning
Northwest Technical College
150 Second Street SW, Suite B
Perham, MN 56573
Phone: 218-347-6211
FAX: 218-347-6210
tom.koehnlein@ntcmn.edu

Clifford Smith, Regional Vice President
NTC Moorhead Campus
1900 28th Avenue South
Moorhead, MN 56560
218-299-6506 (phone)
218-299-6513 (fax)
Clifford.Smith@ntcmn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	28	0	0	0	28
3. Design Fees	462	35	0	0	497
4. Project Management	39	355	0	0	394
5. Construction Costs	1,041	5,153	0	0	6,194
6. One Percent for Art	10	47	0	0	57
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	106	390	0	0	496
9. Inflation	0	520	0	0	520
TOTAL	1,686	6,500	0	0	8,186

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,658	6,500	0	0	8,158
State Funds Subtotal	1,658	6,500	0	0	8,158
Agency Operating Budget Funds	28	0	0	0	28
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	1,686	6,500	0	0	8,186

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	27	72	99
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	50	133	183
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	77	205	282
Revenue Offsets	0	0	0	0
TOTAL	0	77	205	282
Change in F.T.E. Personnel	0.0	0.7	0.3	1.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,329	66.6%
User Financing	2171	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Bemidji SU Bridgeman Remodel NTC Health Remodel

2004 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 19 of 32 ()

PROJECT LOCATION:

Project At A Glance

Phase 2: Remodeling of 33,669 GSF of Bridgeman Hall at Bemidji State Support premier Industrial Emerging Technology degree programs Addition at Bemidji Technical College of 12,000 square feet Support growing Nursing and Healthcare workforce training, including 2+2 career laddering

Project Description

Remodel, furnish and equip Phase 2 of the Emerging Technology Addition project. The present project is a shared-use facility in Industrial Technology and Health-related Professions. The project includes:

- Bridgeman Hall Remodeling – 33,669 GSF
- Technical College Addition – 12,000 GSF

MnSCU Strategic Plan:

This project represents a unique collaborative approach to educational access and fused learning. It realizes the potential in legislative creation of MnSCU, by fusing 4-year and 2-year curricula to foster a new educational culture to meet learner needs. Technical applications learning experiences are fused with university knowledge-based higher order thinking.

Bemidji SU/Northwest TC Joint Master Plan:

The initial inter-institutional master plan was developed in 1994, revised in 2000, and updated in 2003 to create an academic vision of new approaches in delivery, quality and efficiency in preparing the workforce of the future. It encourages movement from technical to professional careers; from technical to university education; and from professional careers to technical education. The ability to readily move in and out of learning opportunities across institutions with flexibility of time and location while preserving respective missions is a primary objective.

Goal is to collaboratively design degree programs and services that embrace the sharing and leveraging of skills, knowledge, and resources of both institutions. The project is designed to support the shared BSU & NTC strategic objectives of:

- improving learner access to high quality, life-long learning experiences
- developing industry and regional partnerships and alliances
- encouraging varied educational experiences beyond the classroom
- incorporating new and emerging technologies into learning
- addressing critical employee shortages
- leading improvements in regional economic development

Enrollment and Space Utilization:

Both institutions continue to experience enrollment growth.

FYE Enrollments				
	2000	2002	2003	2004
BSU	4,148	4,256	4,349	4,467
NTC	508	487	557	573

The space utilization study at both institutions indicates a need for more flexible and adaptable classrooms and labs. Sharing of labs and classrooms will result in increased space utilization.

Project Rationale:

This Phase 2 project is the number one priority of both institutions, and furthers the joint plan to provide the highest degree of technology available to assure success in the world of emerging technology. Phase 1 will construct an addition to Bridgeman Hall, beginning Fall of 2003.

Bridgeman Hall will be remodeled into an advanced and emerging laboratory and classroom space to seamlessly meet the teaching and learning needs of both BSU and NTC students in the growing fields of emerging technologies. The remodeling will also provide laboratory space for collaboration with rural businesses on product design.

Bridgeman Hall was constructed in 1964 and has had no substantial remodeling since then. It is a sound two-story structure originally built for

Bemidji SU - Bridgeman Remodel, NTC Health Remodel

vocational education teacher licensure. This project will remodel and upgrade 9 applied laboratories and associated lab service spaces, 3 classrooms, 2 computer labs, and the physical plant. Bridgeman has \$3 million in deferred maintenance which will be eliminated with this construction. Asset preservation will be mostly in the mechanical and electrical systems (\$2 million), with additional work on tuckpointing, window and roof replacement, building code compliance, life safety, and ADA improvements.

Today Bridgeman Hall is home to the Industrial and Design Technology Department which has grown to include programs in: (1) construction management, (2) manufacturing technology, (3) technical illustration, (4) exhibit design, and (5) a premier Model Making program. In addition both B.S. and M.S. teacher licensure degrees are awarded. Bemidji's Model Making program marries industrial and graphic design skills with higher order skills in creativity and management, and has attracted national attention for its graduates. Design technology is one of BSU's five largest academic programs. BSU/NTC need expanded and improved facilities to handle current enrollments in these programs.

Technical College will be expanded to accommodate the allied health program of both institutions in this phase, including the Clinical Lab Technician and Clinical Massage Therapy programs. It will further be remodeled as nursing moves out to accommodate both current and anticipated new programming in Phase 3. The space vacated will be updated to accommodate growth in several health programs to address critical employee shortages. This space will be renovated into large health classrooms which do not exist of this campus. Phase 3 will remodel this allied health area.

Impact on Agency Operating Budgets (Facilities Notes)

Phase 2 will cause no impact on the operating budget of BSU since this is a remodel only. Bemidji TC's budget will increase \$37,200 for the additional square footage. There will be no additional FTE maintenance staff.

Capacity of Current Utility Infrastructure:

An engineering assessment of BSU's mechanical and electrical systems in 2002 identified planned replacement of \$1.8 million in mechanical and \$2 million in electrical systems in Bridgeman Hall. The campus updated its electrical distribution in FY2002, and is requesting 2004 HEAPR dollars for a

boiler retrofit. Upgrades to other Bridgeman Hall infrastructure are included in the costs of this project. A similar engineering assessment was conducted at the Bemidji Technical College in late 2003. NTC requires additional dollars for a boiler retrofit and campus infrastructure upgrades.

Energy Efficiency/Sustainability:

The design of these facilities will be directed to exceed the standards for sustainability and will incorporate the principals of green architecture.

Previous Appropriations for this Project

Pre-design started in 1994 with a \$300,000 appropriation, was completed in 2001 but is being revised. The legislature funded \$1,000,000 for design in 1998. The legislature appropriated \$5,000,000.00 in 2000 to construct a Phase 1 Bridgeman Hall Addition. Phase I will build shared laboratories for a Center for Advanced and Emerging Technology for both institutions. The 2003 legislature funded design of Phase 2 and part of Phase 3 for \$850,000.

Other Considerations

Consequences of Delayed Funding:

The student learners lose an educational opportunity for the future. Both the university and the college will be unable to address employer demands in areas of critical workforce shortages.

Project Contact Person

Dr. Jon E. Quistgaard	Thomas H. Koehnlein
President	Director of Facilities & Institutional Planning
Bemidji State University, Box 3	Northwest Technical College
1500 Birchmont Drive NE	1500 Birchmont Drive NE
Bemidji, MN 56601-2699	Bemidji, MN 56601-2699
Phone: 218-755-2011	Phone: 218-849-4788
Fax: 218-755-4048	Fax: 218-755-3153
iquistgaard@bemidjistate.edu	tom.koehnlein@ntcmn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	300	0	0	0	300
3. Design Fees	1,270	0	50	0	1,320
4. Project Management	602	411	247	0	1,260
5. Construction Costs	4,448	8,096	3,597	0	16,141
6. One Percent for Art	40	68	0	0	108
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	640	650	420	0	1,710
9. Inflation	0	775	686	0	1,461
TOTAL	7,300	10,000	5,000	0	22,300

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	7,300	10,000	5,000	0	22,300
State Funds Subtotal	7,300	10,000	5,000	0	22,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	7,300	10,000	5,000	0	22,300

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	75	150	225
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	38	75	113
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	113	225	338
Revenue Offsets	0	0	0	0
TOTAL	0	113	225	338
Change in F.T.E. Personnel	0.0	0.5	1.5	2.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,660	66.6%
User Financing	3340	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$3,500,000

AGENCY PROJECT PRIORITY: 20 of 32 ()

PROJECT LOCATION: Winona

Project At A Glance

Remodel 31,500 square feet of student services, nursing and Learning Resource Center space at Winona
 Redesign of 3,000 square foot main building entrance
 Accreditation review pointed out space deficiencies in existing library
 Responds to workforce need for more trained nurses

Project Description

Remodel, furnish and equip 31,500 GSF for a Phase 3 one-stop student services center, bookstore, technology-enhanced classrooms, library/LRC, and healthcare center at Winona. Construct a 3,000 square foot collegiate entry and reception center. The College completed the 1st phase at a cost of \$35 with operating funds, and Phase 2 with \$580,000 in 2003 bonding funds.

This 3rd phase would complete the improvements needed to provide a one-stop shop for MSC-ST students and clients of the Department of Economic Security Workforce Center currently co-located at MSC-SETC, as well as improve nursing education and library resources.

MnSCU Strategic Plan:

Phase 2 ties in with MnSCU Strategic Goals:

- Access and Opportunity - This project will allow flexibility of cross-training of staff, which in turn allows students to be served in a one-stop atmosphere. SETC's new nursing program has grown rapidly and needs co-located space with proper nursing laboratories to provide the training regional medical providers expect from MnSCU nursing graduates.
- High Quality Learning Options and Services - Will complete a One-Stop service area for all student services needs, as well as better integration with Workforce Center. This project maximizes flexibility to allow services to students to improve and grow as needs change over time. NCA has cited

MSC-STC twice for an undersized library/LRC center. With the move to provide seamless education for technical students by requiring general education courses, an expanded library is a prerequisite.

- Community Development and Economic Vitality - Nursing and allied health professionals are in severely short supply.
- Fully Integrate the System - Adaptive re-use of surplus space

One-stop student services shops has been an important facility principle for MnSCU since 1997. This integration allows services to students to be more user-friendly, to take better advantage of technology, and to improve as needs change over the years.

Southeast Technical College Master Plan:

This project is supported by MSC-Southeast's Master Plan presented to the Board of Trustees September 2001. This project supports 4 strategic goals:

- Curriculum & Programs: Provide programs and curriculum that ensure the success of all learners.
- Staff Development & Climate: Maintain a professional environment, and enhance the technical and teaching skills of faculty and staff.
- College Services: Provide services to support students and employees.
- Facilities and Technology: Utilize technology to enhance teaching and learning, administrative systems, and student support.

Enrollment and Space Utilization:

The college has grown from a full-time enrollment of 1063 FYE in 1998 to 1400 today. MSC-ST is experiencing a 4% average annual growth in enrollment.

MSC - SETC	FY2000	FY2002	FY2004
FYE	1,146	1,369	1,400

This project involves renovating 31,500 GSF of existing space to increase efficiency and functionality. Immediate needs, as identified by the Space Utilization Study, include: (a) healthcare careers program expansion, (b) private conference room for student counseling, additional work area for support staff projects, (c) additional work area for support staff, (d) additional offices for counselors to work with students in private, (e) a library and learning resource center that meet the North Central Association guidelines, (f) an expanded bookstore, and (g) updated student center, classrooms and labs. The Space Utilization Study projects an 18% surplus by 2006, but this

project will improve that utilization by a better use of existing spaces.

Project Rationale:

One stop shop for students: Student advising, assessment, counseling, financial aid, recruitment, retention, registration, job placement, college marketing and outreach programs will all be integrated and more centrally and visually located to fully serve students better. The bookstore will be more centrally located to be more convenient to students and increase sales.

Nursing Department: Another component of this project will remodel 5000 GSF into a Nursing simulation training lab to support the college's expanding LPN, 2-year RN, and Massage Therapy programs.

Learning Resource Center: The college needs a redesigned library with the latest learning and instructional support technologies not available in the currently crowded facility. The last Higher Learning Commission of North Central Association's report to Southeast Technical College identified library services and facilities below collegiate standards. They specifically identified as problem areas:

- (1) undersized reference section,
- (2) shortage of student study areas with laptop capabilities,
- (3) lack of multi-media production facilities,
- (4) difficulty accessing online research resources, and
- (5) lack of sufficient electronic connection to Winona State University library services, and
- (6) lack of high tech library instruction classrooms.

Life/safety: Items such as fire sprinkler installation and asbestos abatement would be completed in this area of the Winona building with construction. Approximately \$450,000 in deferred maintenance will be removed from the Winona facility condition assessment list.

Impact on Agency Operating Budgets (Facilities Notes)

This is a remodeling that does not contain any additional square footage. Indirect cost savings are less overtime and less student registration preparation time due to efficiencies realized in a better functional layout.

Capacity of Current Utility Infrastructure:

MnSCU is currently assessing capacity of Southeast's utility infrastructure. The college is requesting a chiller replacement in the 2004 HEAPR budget, and a boiler replacement in the near future.

Previous Appropriations for this Project

Predesign of Phase 2 at Winona and Phase 1 at Red Wing was completed in August 2001 and reviewed by MnSCU and Admin. The college funded some preliminary construction with operating dollars. Design and some limited remodeling was funded at \$580,000 in FY2003.

Other Considerations

Consequences of Delayed Funding:

Life/safety issues with the building may not be corrected. Students will not be served as efficiently as they could be. Continued inefficient use of space will impact quality of service to students, and clients of the Workforce Center. The library will not meet North Central Association minimal standards for a collegiate learning resource center.

Project Contact Person

Mike Kroening, Vice President of Finance & Administration
 Minnesota State College-Southeast Technical
 1250 Homer Road, P.O. Box 409
 Winona, MN 55987
 Phone: (507) 453-2711
 FAX: (507) 453-2715
 Email: mkroening@southeasttech.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	13	0	0	0	13
3. Design Fees	193	53	0	0	246
4. Project Management	14	195	0	0	209
5. Construction Costs	318	2,720	0	0	3,038
6. One Percent for Art	0	25	0	0	25
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	90	309	0	0	399
9. Inflation	0	198	0	0	198
TOTAL	628	3,500	0	0	4,128

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	580	3,500	0	0	4,080
State Funds Subtotal	580	3,500	0	0	4,080
Agency Operating Budget Funds	48	0	0	0	48
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	628	3,500	0	0	4,128

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation – Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,331	66.6%
User Financing	1169	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

St. Paul College - Construction Trades Renovation

2004 STATE APPROPRIATION REQUEST: \$10,120,000

AGENCY PROJECT PRIORITY: 21 of 32 ()

PROJECT LOCATION: St. Paul: A Community & Technical College

Project At A Glance

Remodel 94,900 square feet of construction trades labs
 New 8,180 square foot entryway addition
 300 per year increase in construction trades FYE (7 year avg)
 \$300,000 per year in donations from construction industry

Project Description

Design, remodel, furnish and equip 94,900 GSF of construction trades and technology labs; and design and construct an 8,180 GSF new entryway. The remodeling focuses on tech labs and classrooms on the ground floor of the original building that was constructed in the 1960's. New construction would consist of an additional entrance to the college and a link between all floors of the original building and the five story tower constructed in 1989. This would house faculty offices, conference rooms, and student study areas.

MnSCU Strategic Plan:

Project supports Agency Strategic Plan in the following ways:

Increase Access and Opportunity - College has provided educational access to over 12,000 construction trades students over the last 10 years, 17% of whom were female or minority students. The college has had a yearly increase of 300 FYE in trades programs from 1995 to 2002.

Expand High Quality Learning Programs and Services - Trade programs make up roughly 24% of the majors at SPC. Graduates have enjoyed a consistent job placement rate of 92% for the last twenty years.

Strengthen Community Development and Economic Vitality - St. Paul College has a rich legacy of meeting the needs of the building trades since 1919. The college received \$300,000 in each of the last 5 years in equipment or cash donations from building trades and contractors.

Fully Integrate the System - This project will preserve the state's investment in its physical asset. Technology-enhanced laboratories are required for modern teaching and learning.

St. Paul College Master Plan:

The project aligns with the College's master plans, presented to the Board in January 2001. The master plan identifies as a first priority upgrading the ground floor trades area so programs can be clustered making better use of space and allowing for better sharing of resources. This project aligns with the master plans by:

- Creating a safer learning environment;
- Utilizing future-oriented technology to enhance teaching and learning;
- Focusing on preservation and renewal of facilities to offer high quality, attractive facilities where students can succeed;
- Maximizing functionality of the facility to accommodate current and future academic needs;
- Providing a more efficient and "user-friendly" environment that connects programs, encourages collegiality, and is more welcoming.

Enrollment and Space Utilization: The College serves approximately 11,000 full and part-time students (headcount), both on and off campus.

FYE Enrollment	FY 1998	2000	2002	2004
	2,555	2,558	2,984	3,025

The MnSCU *Space Needs Model Comparison* reports an 8% space deficit overall, with serious shortages in classrooms (26%) and laboratories (82%). This project corrects those shortages by:

Capturing unutilized or underutilized space and remodeling, renewing and/or reconfiguring the space into useable areas.

- Eliminating the practice of classrooms dedicated to a particular program.
- Designing flexible spaces that can easily be reconfigured to meet future academic changes.

Project Rationale:

Ground Floor:

The existing trade and technical spaces on the Ground Floor have several severe life safety hazards that must be rectified. These hazards include: extremely poor indoor air quality due to welding and grinding operations;

St. Paul College - Construction Trades Renovation

non-compliant or difficult to locate exits; and unsafe working conditions (especially with electrical distribution) for staff trying to maintain the building. Renovation of the ground floor will improve campus circulation and help to core like programs together. In addition this project will connect the ground floor with the rest of the college community promoting collegiality for students and staff. The same is true of the new entrance and the link between the upper floors of the facility.

The spaces on the Ground floor are not commensurate with the industry in size, configuration or quality of space. Remodeling of current labs and classrooms will allow other technical programs to group together in efficient, trade-related clusters, mirroring trends in the industries.

This project will create efficient, flexible, high quality learning environments that lead the industry so tomorrow's student can bring the latest skills to the workforce. The building trades council views the existing facility as antiquated and not having appropriately sized or configured spaces to meet the needs of their industries. The remodeling is focused on open, flexible lab space that can readily be reconfigured to meet changes in the construction industry and/or enrollment.

Entryway and Tower Links:

Reconfiguration of circulation and provision of new entries will help to resolve the disorientation experienced by those using the ground floor. New building addition linking the two towers will provide more efficient floor plates and will allow like programs to be grouped in more efficient clusters. The new links will provide more efficient floor plates and circulation systems for the second and fourth floors while providing badly needed office space (primarily open offices) for full and part-time faculty.

Asset Preservation:

All deferred maintenance identified in the facility condition assessment will be eliminated in all areas renovated under this project. This will reduce \$1.4 million dollars of deferred maintenance. This will include replacing all air handling units, steam traps, obsolete electrical distribution systems, lighting, doors, and fire and security systems.

Impact on Agency Operating Budgets (Facilities Notes)

Additional energy, maintenance and repair costs of \$29,500 per year will be required in new square footage. The new facility will require 0.3 additional FTE staff, for another \$10,800 per year. This totals \$40,300 annually.

Previous Appropriations for this Project

None. Pre-design was completed in February 2003, approved by MnSCU and reviewed by Admin.

Other Considerations

Site Selection Alternatives: This is a renovation project, so there were no site alternatives. The campus has a shortage of appropriate building sites on or adjacent to the campus due to existing setback, zoning, historic and property owner requirements.

Consequences of Delayed Funding: The most serious consequence of delay is continued use of unsafe working and learning environments, especially on the ground floor. A delay will force the college to continue its "band-aid" approach to mitigating these serious life-safety issues with limited operational funds. These piecemeal approaches are not solving the core safety problems. This approach is also very inefficient, both academically and fiscally. Delay will result in continuing unsafe conditions.

After safety, the impact on enrollment especially in the trade and technical programs is a concern. The college has a high placement rate in high paying local jobs that help drive the economy of St. Paul and the State. Placement rates may be threatened by industry's impression that the facilities are outdated. Industries are concerned that lack of appropriately configured and equipped labs and classrooms are negatively impacting the college's ability to train students with the work skills industry needs for the future.

Project Contact Person

Tom Doody, Physical Plant Director,
Saint Paul College
235 Marshall Avenue,
St. Paul, MN, 55102.

Cell phone: (612) 839-0027

Fax (651) 646-1451.

E-mail address: thomas.doody@sptc.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	47	0	0	0	47
3. Design Fees	140	560	0	0	700
4. Project Management	1	545	0	0	546
5. Construction Costs	0	7,776	0	0	7,776
6. One Percent for Art	0	64	0	0	64
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	478	0	0	478
9. Inflation	0	697	0	0	697
TOTAL	188	10,120	0	0	10,308

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,120	0	0	10,120
State Funds Subtotal	0	10,120	0	0	10,120
Agency Operating Budget Funds	188	0	0	0	188
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	188	10,120	0	0	10,308

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	5	22	27
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	15	59	74
Building Repair and Replacement Expenses	0	23	41	64
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	43	122	165
Revenue Offsets	0	0	0	0
TOTAL	0	43	122	165
Change in F.T.E. Personnel	0.0	0.1	0.2	0.3

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,740	66.6%
User Financing	3380	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

MSU Mankato Trafton Hall Addition, Renovation

2004 STATE APPROPRIATION REQUEST: \$2,560,000

AGENCY PROJECT PRIORITY: 22 of 32 ()

PROJECT LOCATION: Mankato

Project At A Glance

Design construction of 70,000 square foot science lab addition
 Design remodeling of 80,140 square feet of existing science labs
 Trafton produces 40% of all credit hours on Mankato campus

Project Description

Design, through construction documents, a 70,000 GSF addition and an 80,000 GSF partial remodel and renewal of the Trafton Science Center.

Chemistry, Geology, and Biology that require high ventilation, will be moved to the new addition. Vacated portions on the north end of Trafton will be renovated for Engineering. Proposed construction would be phased:

- 1st Biennium, Phase 1A Construct 70,000 gsf addition
- Phase 1B Remodel 36,140 gsf in north section
- 2nd Biennium, Phase 2A Remodel 44,000 gsf in south & center
- Phase 2B Renewal, Exterior shell

The proposed funding request is as follows:

- Design through bid documents FY 2004 \$ 2.5 million
- Phase 1 New Addition/North Remodel FY 2006 \$ 30 million
- Phase 2 Center/South Renovation FY 2008 \$ 21 million

MnSCU Strategic Plan:

This project addresses four MnSCU strategic goals:

Increase Access and Opportunity - MSU'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 - MSU 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.

Create an Integrated System - Exhibits good stewardship of state investment by preserving a sound, existing physical asset.

MSU Mankato 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, and 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.

FYE 2000	FYE 2002	FYE 2004	FYE 2005	FYE 2006
11,600	12,589	13,350	13,477	13,612

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 new general education requirements, every student must take one math and one lab science course. Overcrowding is common.

MSU Mankato - Trafton Hall Addition, Renovation

Project Rationale and Predesign

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. Renovation will replace HVAC, replace the plaza waterproofing and roof, and eliminate \$9 million of deferred maintenance. Approximately 80,000 square feet or 35% of the total existing space in Trafton is being renovated.

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 ramps, stairs, and elevators. This is similar to the 1994 East Addition treatment.

The center section will be the core for instructional classrooms and 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.

By moving chemistry, the north section can be converted to "dry" labs, or those not requiring heavy ventilation. The first floor will remain unchanged with Physics and Astronomy. The second and third floors will house Engineering, a math lab, and a co-located Anthropology and Social Work.

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses:**

The new square footage will increase operating costs by \$106,000, but efficiencies in the existing building will save \$42,000 (based on engineering study by Stewart & Associates), a net increase of \$65,000 per year. Three additional FTE maintenance workers will cost \$108,000 annually.

Capacity of Current Utility Infrastructure:

The central utility plant provides all utility services to the campus. A new boiler was installed in 2003 that is adequate for the addition. Electrical distribution is also adequate. Cooling is marginal, requiring a new chilled water thermal storage system to expand campus cooling capacity.

Energy Efficiency/Sustainability

The addition will provide state of the art ventilation along with heat recovery equipment to save energy cost. Renovation will replace inefficient, worn out HVAC equipment with energy-efficient equipment.

Previous Appropriations for this Project

None. Predesign was completed in February 2003.

Other Considerations

This project would reduce \$9 million in deferred conditions at Trafton. Items to be corrected include: ADA, fire sprinklers, HVAC systems, asbestos abatement, and mold problems from leaking water. HEAPR funds will be requested in the future for the remaining deferred maintenance.

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	145	0	0	0	145
3. Design Fees	0	2,258	783	690	3,731
4. Project Management	0	302	914	845	2,061
5. Construction Costs	0	0	23,177	15,341	38,518
6. One Percent for Art	0	0	204	0	204
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	1,886	839	2,725
9. Inflation	0	0	3,586	3,490	7,076
TOTAL	145	2,560	30,550	21,205	54,460

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,560	30,550	21,205	54,315
State Funds Subtotal	0	2,560	30,550	21,205	54,315
Agency Operating Budget Funds	145	0	0	0	145
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	145	2,560	30,550	21,205	54,460

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	54	54
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	32	32
Building Repair and Replacement Expenses	0	0	105	105
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	191	191
Revenue Offsets	0	0	0	0
TOTAL	0	0	191	191
Change in F.T.E. Personnel	0.0	0.0	0.8	0.8

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,705	66.6%
User Financing	855	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

St. Cloud SU - Brown Science & Math Hall Renov

2004 STATE APPROPRIATION REQUEST: \$900,000

AGENCY PROJECT PRIORITY: 23 of 32 ()

PROJECT LOCATION: St. Cloud

Project At A Glance

Remodel 75,450 square feet of Brown Science Hall
 Remodel 15,220 square feet of Math and Science Center
 Meet state needs for a workforce of advanced degree nurses

Project Description

Design, through construction documents, renovation of 75,450 GSF of Brown Hall (built in 1958) and 15,220 GSF of Math & Science Hall (built in 1962) for science instruction and research in the basic sciences and expansion of Health Sciences. The project will (1) address critical fire, life safety, and air quality issues, (2) provide space for SCSU's growing nursing programs, and (3) provide future-oriented lab and classroom space that supports SCSU's investment in developing technology- and media-rich curricula. It includes construction of a skyway link between Brown Hall and Centennial Hall.

MnSCU Strategic Plan

Institutional Excellence and Quality: St. Cloud State University has a strong reputation in providing excellent instruction in the basic sciences. The condition and equipment in our present facilities, constructed in 1958 and 1972, are beginning to impact the quality of these programs.

Community Collaboration: The development of the Health Services initiative will meet a critical community need for health care professionals, and a state-wide need for nursing instructors at two-year colleges.

St. Cloud State University Master Plan & Regional Collaborations:

Renewal of Brown Hall and the Mathematics and Science Center are consistent with, and in fact, key elements of the Campus Master Plan.

- Excellent, Well-Utilized Facilities – the quality of facilities will influence the quality of programs, and success in recruiting students and faculty.
- Maintain, Improve Facilities Condition – the university is committed to

continuous improvement of the campus' physical building assets

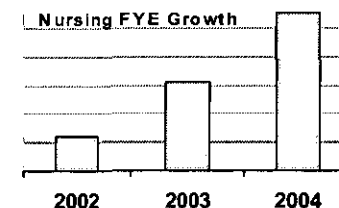
- Meet Core Departmental Needs – core needs for instructional space, appropriate technology, and excellent physical spaces must be met.
- Allow for Emerging Needs, e.g. Health Sciences Initiative – in order to be a dynamic institution, the university must meet emerging workforce needs. At present those needs are most acute in the areas of (1) clinical and health related disciplines, (2) technology for instruction and operation, and (4) non-traditional academic program offerings.

Enrollment and Space Utilization:

Enrollment plans are based on continued leadership in science education with an expanded role in health sciences.

St. Cloud SU	FY2000	FY2002	FY2004
FYE	12,671	13,859	14,325

Credit hour production in the core sciences has increased 20% since 1999. Nursing has grown from 22 students in 2002 to 57 in 2003, with 250 applicants for 2004, and pre-nursing majors increased from 100 in 1999 to 304 in 2003. Pre-nursing/ nursing is the 3rd most popular SCSU major.



The University has a 34% deficit of overall space based on the MnSCU Space Utilization Study. This project adds only incidental square feet to the campus. That same study recognized a deficit of 47% or 48,747 SF in teaching labs, and a deficit of 54% or 37,331 SF in open labs. A 2002 assessment of science labs in Brown Hall showed them to be fair to poor based on condition of the 1950s era casework and wooden fume hoods that reached the end of their useful life many years ago, as well as an antiquated return air system that re-circulates air from the labs through the hallways.

Project Rationale:

Remodeling of Brown and Math & Sciences buildings, located adjacent to each other, will impact the following departments: (1) Nursing Sciences (consolidate to Brown), (2) Communication Disorders (move to Brown), (3) Biological Sciences (Brown), (4) Chemistry (Brown), (5) Physics (Math & Science), (6) Earth Sciences (Math & Science), (7) Continuing Studies (Brown), and (8) Science Education (Math & Science).

St. Cloud SU - Brown Science & Math Hall Renov

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 the St. Cloud Hospital. One goal of the initiative is a "learning lab" that all partners can share, but that requires space. While there is a general shortage of nurses in the state, the most acute shortage is for nurses with advanced degrees.

SCSU plans to add an M.S. in nursing in collaboration with the U of M. This would benefit all the two-year college nursing programs in the state as many of them have capped enrollment due to a shortage of master's degree nurses to serve as instructors. Helping St. Cloud award M.S.N. degrees will have a positive ripple effect for training nurses at all levels throughout the entire state. However, nursing right now is in leased space at two different off-campus locations and has 8 faculty members located in 4 different buildings on campus; there is no room for a master's degree program. Nursing faculty have 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, and the university is seeking national accreditation. Inadequate, scattered space is an accreditation issue. This remodeling will consolidate and enlarge nursing in Brown Hall.

Communication Disorders: Classrooms, labs, faculty offices, and clinic will move from Education to Brown Hall. At present, the department has 2 small labs, one for instrumentation and one for audiology. There will still be 2 labs in Brown Hall, but they will be much larger, so that all the instruments will have stations, and so that all students have a lab station. In 2005, national accreditation standards will change, 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 turns away 20-25 post-graduate students per year because of space. The graduate program could double in a remodeled Brown Hall.

Basic Sciences (Biology and Chemistry): Continued provision of quality instruction in the basic sciences requires renewal of Brown Hall. The undergraduate program is being squeezed for space because the number of pre-nursing students (who require 50% more science classes than other students) has tripled in the past 2 years. This has created a space problem

particularly for Biology labs. The renovation will move Biology and Chemistry labs to the 2nd and 3rd floors and update them. Forty years ago when Brown Hall was built, science was taught by the instructor standing in front of the room demonstrating an experiment. Now students do their own experiments, which require more lab station space, and better ventilation than the 1948 wooden fume hoods provide. The SCSU science faculty has notable success in attracting NSF and NIH research grants, and all faculty research includes learning opportunities for student interns. Research grants have brought in scientific equipment the university could not afford on its own.

Asset Preservation: The project includes asset preservation to correct life safety issues, particularly an adequate ventilation system that would bring air quality up to current building code standards, and replacement of the 40-year old wooden fume hoods. The countertops and utility sinks are 1958 vintage. Chemical storage does not meet current building codes. The plumbing and electrical systems will be updated. About \$1,000,000 in Brown Hall and \$660,000 in Mathematics and Science deferred maintenance issues will be corrected. The total cost of asset preservation work is \$3.4 million

Impact on Agency Operating Budgets (Facilities Notes)

Since this is renovation of existing space, operating budgets will not increase. There will be a marginal increase for heating the skyway. Leases off site will be terminated on completion saving \$18,000 per year

Previous Appropriations for this Project

None. Pre-design is complete, and was reviewed by MnSCU January 2002.

Other Considerations**Consequences of Delayed Funding:**

If the project is not funded, existing science program quality could be compromised and the Health Sciences initiative will be hampered.

Project Contact Person

Steven L. Ludwig, Vice President for Administration
St. Cloud State University
720 Fourth Avenue South
St. Cloud, MN 56301-4498
Phone : (320) 255-2286
FAX: (320) 255-4707
E-Mail: SLLudwig@stcloudstate.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	39	0	0	0	39
3. Design Fees	0	785	195	0	980
4. Project Management	0	115	463	0	578
5. Construction Costs	0	0	9,046	0	9,046
6. One Percent for Art	0	0	82	0	82
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	1,920	0	1,920
9. Inflation	0	0	1,744	0	1,744
TOTAL	39	900	13,450	0	14,389

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	900	13,450	0	14,350
State Funds Subtotal	0	900	13,450	0	14,350
Agency Operating Budget Funds	39	0	0	0	39
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	39	900	13,450	0	14,389

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	11	11
Building Repair and Replacement Expenses	0	0	55	55
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	66	66
Revenue Offsets	0	0	<18>	<18>
TOTAL	0	0	48	48
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	599	66.6%
User Financing	301	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Rochester CTC - Health Science Renovation

2004 STATE APPROPRIATION REQUEST: \$11,745,000

AGENCY PROJECT PRIORITY: 24 of 32 ()

PROJECT LOCATION: Rochester

Project At A Glance

Convert 30,551 square foot gym and 17,637 square feet on main campus into Health Sciences Center
 Co-locate all Rochester nursing degree programs
 Remodel 9,952 square feet of Heintz Center to add clinical training sites for dental and primary medical care clinics, and add 500 square foot vestibule

Project Description

Construct, furnish & equip the renovation of 60,772 GSF of (1) a vacant Rockenbach gymnasium, (2) selected areas of Heintz center, and (3) portions of UCR main campus buildings into a Health Sciences Center. Renovation of Rockenbach will co-locate all UCR nursing programs, and much needed nursing faculty offices. Remodeling Heintz Center will expand the existing dental clinic with a 500 GSF vestibule addition and create a community primary care clinic to meet the clinical training needs of UCR nursing students.

Academic programs impacted are: nursing, medical assistant, dental hygiene, dental assistant, and human services technician.

The project also includes (1) infrastructure and site improvements for a new entrance to the Health Science building, and (2) reconfiguration of the entrance roadway to address safety concerns. Currently all traffic goes through a parking lot; the road will be moved out of the parking lot. Landscaping will make a more welcoming and collegiate environment.

MnSCU Strategic Plan:

Access and Opportunity: This project will improve health science education in a community with international prominence in health care. It will also

provide an interdisciplinary approach to education allowing students of diverse majors to collaborate for clinical training.

Community Development and Economics: This will facilitate the training of health science professionals at all levels from nursing assistant to graduate programs in nursing. There will be a continued need for a trained health care workforce in Rochester in the coming decades.

Learning Options and Services: Health science programs comprise over twenty UCR academic programs. The Health Science Center will provide a unique educational opportunity for UCR students to learn community based health care and develop cultural sensitivity. They will learn in a facility that will be technologically up to date and lends itself to an interdisciplinary approach to health science education, thereby increasing effectiveness and efficiency in student learning outcomes.

Integrated system: UCR has created an unprecedented level of academic partnership between its three institutions, collaborating to provide over 150 degree programs ranging from certificates to graduate degrees.

University Center – Winona SU/Rochester CTC/U of M Collaboration:

Specific to Nursing and Health Sciences, there is a close collaborative relationship between WSU and RCTC. The two institutions have an articulated 2+2 program in nursing where students complete their initial two years at RCTC and are placed into the third year of the BSN at WSU-Rochester. In addition, University of Minnesota has just started a four year BSN program in Rochester. Co-locating nursing programs will follow the mission of UCR by creating opportunities for student interaction, and facilitate educational and career laddering in nursing. Current spaces are inadequate in size and insufficient in configuration for health science students, faculty and staff. Health science spaces are presently scattered throughout the campus and make student learning and interaction impossible.

Enrollment and Space Utilization:

Rochester CTC	FY2000	FY2002	FY2004
FYE	3,166	3,744	4,289

MnSCU 2001 space utilization study showed a 19% deficit of teaching laboratories at Rochester, projected to increase to 37% in FY2006. There is also a projected 15% deficit of classroom space by FY2006. Rochester exceeded their 2006 enrollment projections (3,980 FYE) by 2003.

Rochester CTC - Health Science Renovation

The Health Science Center addresses the space deficit by pulling together various health science space needs - both for technologically up-to-date classrooms and much needed nursing laboratory space, as well as enlarging the dental clinic and providing a primary medical care clinical training site for health science students.

Project Rationale and Predesign:

The Health Science project started as a 99,000 SF new structure costing over \$30 million in 1999. After a review of programmatic needs and the current financial climate with stakeholders and community partners, size and cost of the project were significantly reduced to a 68,722 SF remodeling

The scope of the project has also completely changed from new construction to renovation of existing structure, thus significantly reducing the operating budget as well. This is cost effective for UCR for both construction and maintenance. In a city renowned for the Mayo Clinics and its healthcare and in today's environment of critical nursing shortages, this project meets a critical state workforce need for trained nurses and healthcare workers.

Rockenbach to Health Sciences Center:

The now-vacant Rockenbach gymnasium will be converted into a two-story educational facility. The first floor will house nursing labs and classrooms for both Rochester CTC and Winona SU. The second floor will house Medical Assistant and Human Services Technician programs, as well as nursing faculty offices. Faculty in the human services technician program can cross-teach nursing assistant and medication administration courses, and co-location will help foster integration of those curriculums. New windows and skylights, as well as a connection to the main campus atrium, will bring in natural light. The lower level will accommodate physical plant space for upgraded mechanical, electrical and expanded communication network systems necessary for the health sciences. It will remove the entire \$1.7 million deferred maintenance backlog from Rockenbach. The project also includes remodeling three existing outdated chemistry labs.

Heintz Center Clinics:

Heintz Center will be remodeled to expand the dental clinic, and create a primary care clinic to expand options for clinical experience to nursing and allied health students. The building entries will also be upgraded to provide easy community access to the clinics, with a drop-off and vestibule area.

Impact on Agency Operating Budgets (Facilities Notes)

This is a renovation only. Increased operational costs will be \$1.00/SF for Rockenbach and the new entrance vestibule at Heintz Center, or \$61,272 per year. Current janitorial staff will maintain the center.

Capacity of Current Utility Infrastructure:

This project includes some replacement of antiquated mechanical infrastructure. The existing boiler is adequate, but new pumps are necessary. Sewer and water utilities that will reduce damage from existing water flow will be added.

Energy Efficiency/Sustainability:

Reusing the existing building takes advantage of an important sustainable asset and converts an obsolete space into a functionally viable entity.

Previous Appropriations for this Project

None. Predesign was completed and forwarded to MnSCU and the Dept. of Administration in October 2002.

Other Considerations

The Salvation Army has operated a community dental clinic in facilities donated by Mayo Clinic for five years. RCTC will partner with the Salvation Army to manage the RCTC clinics.

Consequences of Delayed Funding:

Mayo clinic, our major allied health employer, is expanding. They just built a new twenty story building that needs staffing. In a time of nursing and allied health worker shortages, delay will impact the local economy adversely.

Project Contact Person

Nirmala Kotagal, Ph.D., Dean of Health Sciences,
Rochester Community & Technical College
850 30th Avenue SE,
Rochester, MN 55904-4999
Phone: (507) 280-2816
FAX: (507) 280-3166
E-mail: nirmala.kotagal@roch.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	25	0	0	0	25
3. Design Fees	127	711	0	0	838
4. Project Management	3	650	0	0	653
5. Construction Costs	0	8,770	0	0	8,770
6. One Percent for Art	0	75	0	0	75
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	906	0	0	906
9. Inflation	0	633	0	0	633
TOTAL	155	11,745	0	0	11,900

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,745	0	0	11,745
State Funds Subtotal	0	11,745	0	0	11,745
Agency Operating Budget Funds	155	0	0	0	155
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	155	11,745	0	0	11,900

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	122	122
Building Repair and Replacement Expenses	0	0	110	110
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	232	232
Revenue Offsets	0	0	0	0
TOTAL	0	0	232	232
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	7,822	66.6%
User Financing	3923	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Mpls CTC - Health & Science Lab Renovations

2004 STATE APPROPRIATION REQUEST: \$5,790,000

AGENCY PROJECT PRIORITY: 25 of 32 ()

PROJECT LOCATION: Minneapolis

Project At A Glance

Remodel 8,390 square feet of basic science laboratories
 Remodel 28,829 square feet to create a health sciences center for nursing
 Targeted Industry Partnership with Twin Cities healthcare corporations
 45% increase in science enrollments in two years

Project Description

Design, through construction documents, a renovation of approximately 40,731 GSF in Buildings T and C to facilitate:

1. creation of a state-of-the-art health training center, including nursing labs, smart classrooms and program offices
2. bringing chemistry, biology and physics labs up to current building code and current education delivery and computer technology standards.

The Health Center will facilitate training for nursing and allied health majors from LPN certificate through master's degrees. The project will reduce deferred maintenance, address life safety issues and provide for related mechanical upgrades, and casework improvements.

Academic programs impacted are: biology, chemistry, physics, LPN, BSN and MSN in nursing, as well as general science transfer curriculum.

MnSCU Strategic Plan:

This project takes action to address MnSCU's strategic goals for:

- 1) Access and Opportunity - modernization of nursing and science laboratories to provide access to science and health careers for the diverse population at MCTC and Metro. MCTC enrolls 400 full-time students in the sciences, an increase of over 45% occurred between FY2000 and FY2002. Science and math are often "gate-keeper" courses diverting minority students from careers in medicine and technology, but MCTC leads the system in

matriculating minority students through the sciences. In FY2000, 33% of students in second year (more advanced) math, chemistry and physics courses at MCTC were students of color.

2) Community Collaboration and Economic Vitality - MCTC has targeted industry partnerships with Allina, Hennepin County Medical Center, and Minneapolis Children's Hospital to meet nursing and allied health workforce needs. The three partnership hospitals report 450 current vacancies for associate degree RN positions. These employers have pledged \$750,000 in biennial operating support for allied health.

3) Integrated System - This unique collaboration allows improved joint management of physical assets, while removing code compliance and life safety issues from the college's deferred maintenance list.

Minneapolis CTC & Metro SU Master Plan & Regional Collaborations:

The Master Academic and Facility plans for Minneapolis Community & Technical College and Metropolitan State were approved by the MnSCU Trustees in December 2002 and this project is directly linked to that plan. Integrating services and programs to meet the workforce needs of the inner city is a cornerstone of MCTC's Master Academic and Facilities plan.

Enrollment and Space Utilization:

College enrollment has increased annually since Fall 1998 and is expected to continue to grow. Currently, there are over 10,000 students served at MCTC (unduplicated head count).

FYE Enrollment	2000	2002	2004
Minneapolis C&TC	4,160	5,027	5,359
Metro State	3,443	4,125	4,771

The 2001 MnSCU Space Utilization Study identified a deficit of 11% for teaching labs. This remodeling project will add laboratory and office space but not add any square footage. It will make more efficient use of space.

Project Rationale:

The remodeling will provide remodeled smart classrooms and laboratory space for selected high-growth, technology-intensive health care, teacher preparation, and other scientific and technology career programs.

This project will reduce or eliminate the following *deferred maintenance*:

- Mechanical reliability – HVAC, air quality, and electrical systems

Mpls CTC Health & Science Lab Renovations

- Interior space restoration – Interior finishes, fixtures, voice and data wiring, fume hoods, chemical resistant surfaces, plumbing and lighting
- Life safety and accessibility – fire protection, egress, emergency lighting and handicapped accessibility issues in buildings C and T.

This project will renovate two biology labs, a general chemistry lab, and the physics lab in the final phase of science lab renovations at MCTC. The legislature appropriated funds in FY2002 to remodel the organic chemistry lab, and a new microbiology lab was created from remodeled space in FY1996. This project will also remodel specialized laboratories, classrooms, and offices for nursing and allied health.

Renovation focuses on the board's *priority on science and technology*, with its strategic link to workforce development. The pace of change in the sciences has outdistanced the ability to keep up with renovations to teaching and learning spaces, particularly making the labs technologically "smart".

Smart classrooms will contain technologies that include 'flat-screen' video walls that can both display and record electronic video, audio, and data all at the same time. Both wireless and wired connections will enable maximum flexibility for future electronic needs. Virtual networks will permit any and all kinds of electronic media to be available in all learning areas. Lighting will be computer controlled to facilitate viewing and note-taking at the same time.

This project focuses on the *priority on the targeted industry partnership in nursing and allied health*. Minneapolis has seen extensive growth in the number of nursing and allied health job vacancies. Nursing and allied health students are required to take between two and five science laboratory courses in pursuit of their degrees. Providing state of the art training facilities with comprehensive programs will help provide the skilled professionals needed to fill the void in nursing and allied health employment in the city.

MCTC and Metropolitan State's nursing programs will jointly create a comprehensive health care curriculum offering 2+2+2 career laddering on the MCTC campus. The schools can then move students from short-term training for certified nursing assistants to licensed practical nurse, to associate, bachelors and master's degrees in nursing in a way that will work more seamlessly for students. The joint programs will also provide continuing education to health care professionals.

The remodeling includes approximately \$2.5 million in asset preservation, and will remove about \$1 million in deferred maintenance from MCTC's inventory in life safety and code compliance, HVAC, plumbing and ADA.

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses:**

Because this is renovation of current square footage only, there will be no significant increase in operating expenditures. The only increased expense will be a marginal increase of approximately \$2,000 in electrical power due to air quality improvements. There will be no need for additional FTE personnel.

Previous Appropriations for this Project

None. Pre-design was completed in June 2003, approved by MnSCU and reviewed by Administration.

Other Considerations**Consequences of Delayed Funding:**

Campus will continue to be short of laboratory and training spaces that use up-to-date technology to teach basic requirements to students pursuing nursing, healthcare and dental professions as well as many other career programs that require a foundation with sciences.

Project Contact Person

Daniel Kirk, Associate Vice President, Metropolitan State University
Chief Facilities Officer, Minneapolis Community & Technical
700 E. Seventh Street
St. Paul, MN 55106-5000
Phone: (651)772-3710 Fax: (651)793-1718
E-mail: dan.kirk@metrostate.edu

Tammy McGee, Vice President of Finance and Operations
Minneapolis Community and Technical College
1501 Hennepin Avenue
Minneapolis, MN 55403-1779
Phone: (612)359-1408 Fax: (612)358-1421
E-mail: mcgeet@mctc.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	30	0	0	0	30
3. Design Fees	0	302	0	0	302
4. Project Management	0	248	0	0	248
5. Construction Costs	0	4,109	0	0	4,109
6. One Percent for Art	0	36	0	0	36
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	671	0	0	671
9. Inflation	0	424	0	0	424
TOTAL	30	5,790	0	0	5,820

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,790	0	0	5,790
State Funds Subtotal	0	5,790	0	0	5,790
Agency Operating Budget Funds	30	0	0	0	30
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	30	5,790	0	0	5,820

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	2	4	6
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	2	4	6
Revenue Offsets	0	0	0	0
TOTAL	0	2	4	6
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,856	66.6%
User Financing	1934	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 26 of 32 ()

PROJECT LOCATION: White Bear Lake

Project At A Glance

Design construction of a new 74,127 square foot building for science labs and classrooms and a new library and learning resource center

Project Description

Construct a new 74,127 GSF Science Instruction and Learning Resource Center to replace 30-year-old laboratories, consolidate two libraries into one and add classrooms. The East Campus addition will have two levels west of the existing Transition Wing. The main parts to this project are:

- 43,747 GSF New Science Instruction
- 30,380 GSF New Learning Resource Center

After the addition is completed, Century will request funds in 2008 to remodel 39,140 GSF of space vacated by the Library and Science departments.

MnSCU Strategic Plan:

The project supports the MnSCU Strategic Plan as follows:

Access and Opportunity - Century College is the largest two-year college in the state. Unprecedented enrollment growth has increased space deficiencies. Students find that there is no access to many courses because more class sections cannot be added due to space constraints.

Learning Options and Services - The new LRC will create a more collegiate atmosphere that supports lifelong learning and state-of-the-art facilities for research and study. The new science classrooms and teaching labs will provide technologically advanced teaching environments that replace obsolete spaces. From Fall 1999 to Fall 2002 registration in science courses is up over 30%. Student science enrollment is now "capped" by the facilities.

Community Development and Economics - Century College produces many of the state's paramedics, nurses and other allied health professionals. The college has a partnership with school district #916 to provide learning

resources and education space for 1500 students. This partnership reduces duplication of library resources for the school district.

Century College Master Plan & Regional Collaborations:

Century College presented a master plan to the Trustees in September 2001, and this project meets the following strategic goals:

Curricular Renewal and Teaching Excellence: Strive for excellence in providing current, relevant, and meaningful curriculum using a variety of delivery systems. Additional classrooms and teaching laboratories that are technologically enhanced will provide students access to current curriculum, relevant to today's workplace. Century has added nine new programs in the past three years: information telecommunications technology, kitchen and bath design, horticulture, sports facilities management, and education.

Technology Integration: Integrate technology into curriculum and administrative operations. The college currently supports over 1400 computers for student and staff use. This project includes seven new classrooms and twelve new teaching laboratories, to be fully integrated with wireless computer technology.

Workforce Development: The new science facilities will provide core curriculum for nursing and allied health careers. The college's new Health Careers Institute, a partnership with several Twin Cities hospitals, is underway and will need space to serve health careers students.

Enrollment and Space Utilization:

Enrollment at Century College has grown 43% in the past four years. The campus is centered in the heart of the northeast Twin Cities. As the metro population expands, the northeast has seen unprecedented growth. During Fall 2002, 25% of the students attending Century College took science classes - 10% of the total credits. Biology enrollment has grown 30% and Chemistry 38% in the past three years.

FYE Enrollment	FY 2000	2002	2003	2004
	4,478	5,213	5,796	5,918

The space shortage at Century College is extreme. The 2001 Paulien study predicted that the college will be 87% deficient in classroom space and 149% deficient in teaching laboratory space in FY2006.

Project Rationale:

Century CTC - New Science & Library Building

The new science and library addition will be a two-story building. The existing science facilities are limiting the number of science classes offered and expansion is essential as student population increases. There is no room for expansion in the present location. A recent study indicated that new construction of science labs would be more cost effective than remodeling of the existing obsolete spaces. The existing labs would be too small to accommodate updated equipment and technology if renovated. Locating the new labs on the second floor will accommodate the mechanical and electrical systems more efficiently. Providing the new laboratories and classrooms in the new addition will free up space on the west campus for future student center activities spaces.

The new Learning Resource Center will centralize and consolidate two existing libraries into one facility. The accrediting body (NCA) has raised concerns about the inadequacies of the current library facilities in terms of the lack of capacity for the large student body. The east campus library currently serves only the technical programs and the high school district 916 programs. The west campus library is currently housed on three floors, is not ADA compliant and does not have enough expansion space to accommodate the consolidation of the east campus library and the expansion needed for the growing student population. By providing the Learning Resource Center in the new addition, it is possible to consolidate both libraries efficiently on one floor, thus freeing up the vacated space for future development of the Academic Support Center and other student support functions. The new Learning Resource Center will provide 1,600 sf for group study rooms and improved seating capacity for 220 students.

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses**

Operating costs for utilities and custodial staff will increase \$480,000 annually.

Capacity of Current Utility Infrastructure:

The college is currently centralizing the chiller plant for both east and west campus use with HEAPR funding received in FY2002. This plant consolidation assumes a new addition on the west end of the east campus. There is a FY2004 HEAPR request for boiler replacement.

Energy Efficiency/Sustainability:

The new construction and renovation will emphasize energy efficiency and minimized operations costs. Sustainable design strategies are proposed for the project, related to site, water, energy usage, interior environmental quality, material selections, and waste strategies.

Previous Appropriations for this Project**Other Considerations****Consequences of Delayed Funding:**

- 1) Access and opportunity will be denied to prospective students.
- 2) The number of science classes will be limited, which requires the college to continue turning students away
- 3) There will be a curtailment of growth of existing programs, because appropriate space is not available to provide student access to academic programs
- 4) The education students receive at Century will be negatively affected through continued use of outmoded facilities.
- 5) The obsolete existing science laboratories will continue in operation in their unsafe condition and exceeding the recommended level of students per laboratory.
- 6) There will be an inability to support the demand for instructional programs in the allied health careers, leaving workforce needs unmet.
- 7) The college will continue inefficient operation of two separate and inadequate libraries that are not ADA compliant.

Project Contact Person

Scott Erickson, Vice President of Finance
 Century College
 3300 Century Avenue North
 White Bear Lake, MN 55110
 Phone: (651) 779-3279
 Fax: (651) 779-3417
 E-mail: S.Erickson@century.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	40	0	0	0	40
3. Design Fees	0	850	630	190	1,670
4. Project Management	0	150	796	220	1,166
5. Construction Costs	0	0	13,567	3,759	17,326
6. One Percent for Art	0	0	100	0	100
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	1,426	301	1,727
9. Inflation	0	0	2,081	930	3,011
TOTAL	40	1,000	18,600	5,400	25,040

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	18,600	5,400	25,000
State Funds Subtotal	0	1,000	18,600	5,400	25,000
Agency Operating Budget Funds	40	0	0	0	40
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	40	1,000	18,600	5,400	25,040

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	228	228
Other Program Related Expenses	0	0	120	120
Building Operating Expenses	0	0	460	460
Building Repair and Replacement Expenses	0	0	152	152
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	960	960
Revenue Offsets	0	0	0	0
TOTAL	0	0	960	960
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	666	66.6%
User Financing	334	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Riverland CIC (both) - Science Labs Renov

2004 STATE APPROPRIATION REQUEST: \$5,100,000

AGENCY PROJECT PRIORITY: 27 of 32 ()

PROJECT LOCATION: Albert Lea and Austin

Project At A Glance

Remodel 16,848 square feet of science labs at Austin
 Remodel 4,502 square feet of general classrooms at Austin
 Remodel 4,119 square feet of science labs at Albert Lea
 Supports growing nursing and allied healthcare career training

Project Description

Two-part project to remodel science labs at both Austin and Albert Lea.

Austin - Design, remodel, furnish and equip 10,700 GSF of existing space currently leased out to our local public TV station and 6,148 spaced currently partially used in the Austin West building into 2 biology labs, 1 chemistry lab, 2 prep rooms for biology and chemistry, and a mechanical room. In addition, the current chemistry and biology lab of 4,502 GSF will be remodeled into classrooms to accommodate 45 plus students. The physics lab would be remodeled and expanded in its current location to 1,692 GSF. Programs impacted by this would include: biology, chemistry, physics, nursing, radiography and transfer classes.

Albert Lea - Design, remodel, furnish and equip 4,119 GSF of lab space that was closed as part of our Food and Environment programs for biology and chemistry labs with associated preparation and storage rooms. The Food lab was minimally equipped to start offering biology and chemistry at Albert Lea in support of nursing and allied health programs, as well as general education courses, it was never redesigned to safely meet the needs of a modern biology and chemistry lab. Programs impacted by this would include: biology, chemistry, nursing and transfer classes.

MnSCU Strategic Plan

Increase Access and Opportunity - Current labs are over 30 years old and completely inadequate for educating students for careers in the sciences.

Strengthen Community Development & Economic Vitality - Every day 180

people leave Austin on busses to work at Mayor Clinic in Rochester. Access to science courses at Riverland is needed to supply new healthcare workers to Rochester and to keep the incumbent workers up to date in their skills. The Workforce Center estimates a 43% increase in health care professional needs over the next 10 years in the southeast region.

Deliver High Quality Learning Options & Services - Riverland is exploring new curricula and new teaching methods that will not work in 30-year-old outdated labs. New learning opportunities include investigation/inquiry learning, access to internet resources, real-time collection of field data, alternative learning formats, practice exercises, and microscale chemistry.

Riverland Community College Master Plan:

The Master Academic and Facilities Plan was presented to the Board of Trustees in Jan 2000. This project supports Riverland's strategic goals:

Education Excellence - Provide high quality, innovative occupational and comprehensive liberal arts education, student services, and technology.

Student Focus - Riverland will enhance students' ability to access, integrate and apply learning to achieve personal and professional goals.

Workforce and Economic Development - Meet training/education needs of regional business and industry. Riverland has received grants for furniture, program enhancement, and scholarships for students in the health care fields because there is a community demand for this workforce.

Resource Development - Local hospitals and clinics provide, not only practicum clinical experience for students, but also dollars in FY2002 to furnish a nursing lab and instructional classroom. Local hospitals match their employee's contributions to the college.

Faculty/Staff Support - Riverland provides faculty and staff with the resources, development opportunities, leadership, and flexibility to meet student needs while maintaining a high standard of accountability.

Enrollment and Space Utilization

Riverland Community College has seen a major increase in enrollment since 2001, from 1,958 to 2,640 FYE by 2005. This represents a 30% increase.

Riverland FYE	FY2000	FY2002	FY2004
	2,026	2,279	2,542

Biology, chemistry, physics, nursing, and radiography enrollment has increased 20% since 2000. Placement data shows 100% of nursing and radiography students are finding employment in their field.

Riverland CIC (both) - Science Labs Renov

Even though the 2001 Space Utilization Study showed a surplus of space at both Austin and Albert Lea, the space has not been configured for the need of the college. The new science labs will remodel existing space to meet the needs of an expanding industry, incorporate new needed technology, and provide the recommended square footage per student in the science labs.

Project Rationale:

Austin - The science labs in Austin were built in 1966 and no remodeling has been done since that time. According to the MnSCU Science Initiative that was done in 2002, the physics, chemistry and biology labs are in poor condition. After more than 30 years, both chemistry and biology labs at Riverland Community College are "tired". Ventilation in all labs, but particularly chemistry, is inadequate and a health concern for the faculty and students. Additional, and despite appropriate efforts to operate clean and safe labs, caustic and dangerous chemicals have found their way into porous surfaces on countertops, cabinets and floors.

The physics labs are in fair to poor condition with the antiquated water-cooled vacuum and compressed air systems contributing to the poor rating. These labs do not have accessible tables and the flooring is asbestos tile.

The chemistry and biology labs are in poor condition due to poor condition of countertops in biology and inadequate ventilation in all of the labs. Most of the corridor doors have lever hardware, but there are several doors that lead to support spaces that do not. These need to be changed to meet ADA requirements. The counters and fume hoods in these labs are not accessible. All the fume hoods have asbestos liners.

Albert Lea - The science labs in Albert Lea were built in 1969 and the shell was remodeled in early 1990's for minimal Code and Accessibility upgrades. Overall the condition is fair with a few areas, ceilings at fume hoods, receiving a poor rating. The ventilation problem is primarily due to no make-up air due to a 32 year old design. Both the chemistry and biology lab is cramped and neither space has accessible counters and the main entry into the chemistry lab does not meet the accessibility requirement. Neither space will hold 24 students. A new chemical storage room will contain all the chemicals with acids and flammables vented to the exterior.

This project will eliminate \$550,000 deferred maintenance as well as take care of safety issues and the college's current ventilation problems.

Impact on Agency Operating Budgets (Facilities Notes)

Operating budgets for utilities will increase about \$10,000 per year with the new fume hoods. Debt service will also have to be budgeted, however Riverland currently has only a minor debt load.

Capacity of Current Utility Infrastructure:

The college just completed a major ventilation replacement and upgrade project at Austin, and is requesting a similar project at Albert Lea in FY2004 HEAPR. The boiler is in excellent condition at both locations.

Previous Appropriations for this Project

None. Predesign will be completed by July, 2003.

Other Considerations**Site Selection Alternatives**

Riverland looked at other sites, however common airflow tunnels forces fumes from the science labs into rooms, making this a poor location. Relocation will keep the current labs in operation, causing no loss of instructional time to students during construction.

A consolidated college, Riverland still struggles with ongoing separation between vocational/technical programs and transfer programs because they physically separated. The relocation will move transfer students to the old technical building and blend different disciplines.

Consequences of Delayed Funding

If funding is delayed, science labs will deteriorate even more with health, safety and ADA issues. These labs are sorely needed to serve students, regional businesses, and the communities.

Project Contact Person

Karen Snorek, Vice-President of Finance/Facilities & Technology
Riverland Community College
1900 8th Avenue NW
Austin, MN 55912
Phone: (507) 451-0509; Cell phone: (507) 438-4322
Fax: (507) 433-0349
E-mail ksnorek@river.cc.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	25	0	0	0	25
3. Design Fees	0	360	0	0	360
4. Project Management	0	268	0	0	268
5. Construction Costs	0	3,561	0	0	3,561
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	560	0	0	560
9. Inflation	0	351	0	0	351
TOTAL	25	5,100	0	0	5,125

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,100	0	0	5,100
State Funds Subtotal	0	5,100	0	0	5,100
Agency Operating Budget Funds	25	0	0	0	25
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	25	5,100	0	0	5,125

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	8	20	28
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	8	20	28
Revenue Offsets	0	0	0	0
TOTAL	0	8	20	28
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,397	66.6%
User Financing	1703	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

ARCC Cambridge - Academic Bldg Addition, Demo

2004 STATE APPROPRIATION REQUEST: \$9,650,000

AGENCY PROJECT PRIORITY: 28 of 32 ()

PROJECT LOCATION: Cambridge

Project At A Glance

Replace existing metal buildings with 34,200 square foot addition to main campus building across the street
Remodel 3,432 square feet for a science lab and academic support center

Project Description

Design, construct, furnish and equip a 34,200 GSF addition to the main campus building, and remodel 3,432 GSF in new main. This replaces one-for-one the existing temporary metal buildings built in the early 1980s with a permanent building meeting MnSCU's design and construction standards. The existing temporary buildings, which comprise 40% of the space at Cambridge, will be decommissioned.

The replacement at the Cambridge Campus is needed to:

- Remove obsolete temporary space that no longer meets needs
- Replace this space with more functional, technologically-advanced space that meets MnSCU's design and construction guidelines, and provides less space than existing to improve space utilization
- Provide appropriate space for growing academic programs, such as nursing, science, business, economics, computer networking, English, American sign language (ASL), health, and 2+2 SCSU teacher certificate program
- Support interactive learning; for example, nursing course lectures may be offered interactively to students on both campuses and thus "share" instructors between Cambridge and Coon Rapids
- Support a Workforce Center in cooperation with the Department of Trade and Economic Development (DEED)

MnSCU Strategic Goals:

The project supports the MnSCU Strategic Plan as follows:

Access and Opportunity - There is a lack of higher education opportunity in this region, with a higher than state average illiteracy rate of 22%, and a population of 85.5% first-generation college students. According to Economic Security, only 14.5% of area adults have a college degree.

High Quality Learning Options and Services - Supports expansion of nursing to serve an area with a large healthcare industry. The smart classrooms will allow Cambridge to collaborate more fully with Coon Rapids and other MnSCU campuses in shared curriculum delivery.

Community Development and Economic Vitality -

- WorkForce Center supports state economic development initiatives
- Job Skills Partnership Grant is funding "upskilling" the incumbent healthcare and nursing home workers in the region, and the Foundation has received \$27,000 in local private grants to fund nursing scholarships
- Cambridge collaborates with St. Cloud SU, Metropolitan SU, and other colleges in developing shared programs
- Cambridge provides academic programs at Sandstone Prison in collaboration with the federal government

Integrated System - Replacement of obsolete, temporary buildings, at similar new square footage, is demonstrating good stewardship.

ARCC Cambridge Master Facilities Plan & Regional Collaborations

The ARCC Cambridge Master Facilities Plan is in the process of being updated and will be complete in January 2004. This project supports key college strategic goals:

- 1) Provide quality educational experiences that help students achieve their educational and career goals to enter the workforce
- 2) Provide appropriate educational and institutional support services to the college community through a process of continual improvement
- 3) Develop curricula that prepares students for success, emphasizing and encouraging the creation and delivery of exemplary learning experiences

Enrollment and Space Utilization

Enrollment has grown 9.7% in the past 5 years with projections for continued growth. According to the 2000 census, East Central Minnesota is well above state average population growth with increases of 13% to 38% for the five counties in the catchment area.

Cambridge	FY2000	FY2002	FY2004
FYE	781	772	902

2001 MnSCU Space Utilization Study shows a current 29% space deficit,

ARCC Cambridge - Academic Bldg Addition, Demo

growing to 38% in FY2006. Space utilization will be improved by eliminating obsolete space and replacing it with the same square footage. Some general classrooms in Main will be converted for the nursing program and Academic Support Center. At present, Cambridge has less square feet per student (102 sq ft) than the MnSCU average (111 sq. ft. per FYE), and less square feet per student than all but two other metro region colleges.

Project Rationale:

In 1978, the Community College System established a college center in Cambridge to provide higher education opportunities to the under-served east central region of Minnesota. In 1981, the first campus facilities were constructed -- prefabricated metal buildings. In 1989, a permanent college campus was designated at this location and 80 acres of farmland was donated to the State. A campus master plan was developed in 1990 that proposed four phases of construction with a total of 200,000 GSF. Design began for the first phase of the permanent campus in 1991.

This construction project requests:

- Nine technology-enhanced classrooms
- 150-seat lecture hall with performance features for music and theater
- Space for the new nursing program, including hospital simulation lab space, testing areas, and administrative offices
- Fine arts classroom with clean storage and workshop space
- Computer network lab with storage and repair rooms
- Faculty offices
- Student activities offices and student life space
- Workforce Center

Also as part of this project, the following building spaces will be remodeled:

- Science lab to support the nursing program will be created from general classroom space

Academic Support Center will be created from classroom space

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses**

This is nearly a one-for-one replacement of existing facilities. There will be a minimal \$7,000 per year increase due to better ventilation systems.

Capacity of Current Utility Infrastructure

The city sewer and water systems were expanded in 1995. Boiler, chiller and electrical systems will all be adequate following expansion of the physical plant and ventilation upgrades included in this budget.

Energy Efficiency/Sustainability

The college is setting sustainability goals during design to establish sustainability priorities that address the State's guidelines. Energy efficiency guidelines will be met or exceeded.

Previous Appropriations for this Project

None. Predesign was completed in May 2003 and approved by MnSCU.

Other Considerations

The building will be contiguously connected to the existing Main building as the master plan contemplates. Decommissioning of the existing metal pole building will remove \$492,000 in deferred maintenance costs, as compared to the building's estimated value of \$400,000.

Consequences of Delayed Funding

- Continued investment in temporary buildings that do not meet current and future educational needs and are costly to maintain
- Curtailment of growth of existing programs due to space shortages, i.e. nursing and science
- Inability to support new programs in health care and teaching leaves workforce needs unmet
- Lack of space negatively impacts the intensively utilized Academic Support Center and will prohibit Workforce Center co-location

Project Contact Person

Michael Seymour, V.P. for Administration
Anoka-Ramsey Community College
11200 Mississippi Blvd. NW
Coon Rapids, MN 55433
Phone: 763-422-3430
Fax: 763-576-5944
E-mail: Michael.seymour@anokaramsey.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	45	0	0	0	45
3. Design Fees	463	215	0	0	678
4. Project Management	2	268	0	0	270
5. Construction Costs	0	7,884	0	0	7,884
6. One Percent for Art	0	67	0	0	67
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	670	0	0	670
9. Inflation	0	546	0	0	546
TOTAL	510	9,650	0	0	10,160

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	9,650	0	0	9,650
State Funds Subtotal	0	9,650	0	0	9,650
Agency Operating Budget Funds	510	0	0	0	510
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	510	9,650	0	0	10,160

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	7	14	21
Building Repair and Replacement Expenses	0	30	60	90
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	37	74	111
Revenue Offsets	0	<5>	<18>	<23>
TOTAL	0	32	56	88
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,427	66.6%
User Financing	3223	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Fond du Lac TCC - New Library & Cultural Center

2004 STATE APPROPRIATION REQUEST: \$635,000

AGENCY PROJECT PRIORITY: 29 of 32 ()

PROJECT LOCATION: Cloquet

Project At A Glance

Design a 12,500 square foot library addition
Design a 22,300 square foot Jack Briggs Cultural Center

Project Description

Design, through construction documents, (1) an addition to the existing Library of 12,500 GSF, and (2) Phase 1 of the Lester Jack Briggs Cultural Center of 22,300 GSF, to provide Multi-cultural spaces and Physical Education facilities.

New construction, to be requested in 2006 will include:

- Library stack space and seating space to meet ACRL standards
- Archives collection space
- Library Classroom which presently is not provided
- Multi-purpose space for Multi-cultural and Physical Education uses. There are no Physical Education spaces on campus.

MnSCU Strategic Plan:

Increase Access and Opportunity – Library - Expansion to enhance successful student learning, research skills, and academic advancement, greater community use of physical, electronic, and audio-visual collections, expansion of the college's mission to selected baccalaureate programs. Cultural Center - Enhancement of cultural programs and student, faculty and community personal wellness, expansion and enhancement of summer programs

Expand High-Quality Learning Programs and Services – Library - Archiving Ojibwe collections and Native American materials unique to the state of Minnesota, and Campus Records Retention space. Cultural Center - Facilities for graduation ceremonies on campus as well as intramural and other sports, and afford the ability to host national and international

conferences.

Strengthen Community Development and Economic Vitality - Cultural Center - Expansion of Career and Job fairs that impact greater numbers of local high school and college students, and expanded health fair working with area hospitals, clinics, nursing homes, and government agencies

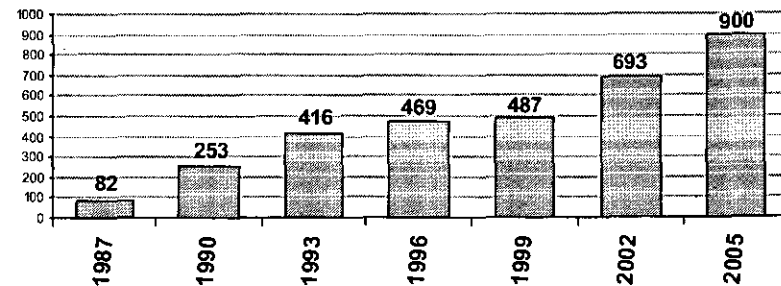
Fully Integrate the System – Library - Distance education programs and outreach, Access to electronic and stack collections, national Four Winds Leadership Academy, access to FDLTCC unique collections by students at other MnSCU institutions. Cultural Center - Enhance recruitment and retention of high-caliber faculty and students via facilities for professional and personal enrichment.

Fond du Lac TCC Master Plan:

FDLTCC's Campus Master Plan was prepared in 1990 updated in 1999 and again in 2002 to reflect the college's unique multi-cultural role. A primary goal is to create a facility that is sensitive and expressive of its cultural nature. The new Library Addition and the Lester Jack Briggs Cultural Center will reinforce master plans and the original spiritual design concept - the Library to the north and the Lester Jack Briggs Cultural Center to the south.

Enrollment and Space Utilization:

FDLTCC enrollment has grown 222% in 12 years, from an FYE of 253 in 1990 to 875 FYE in 2004.



Past projections of FDLTCC's growth have been underestimated. Since 1998 the colleges growth has outpaced all projections made.

Project Rationale and Predesign:

The original Library did not have a sufficiently strong floor structure to

Fond du Lac TCC - New Library & Cultural Center

support Library stacks. Increased enrollment, design flaws, and lack of stack space drive this addition. FDLTCC has never had a large Multi-purpose Room or Physical Education facilities. These needs should now be met.

Library:

- Provide stack space for 38,000 volumes
- Provide student seating for 60 students as required by ACRL guidelines
- Provide a library classroom for research and technology based instruction.
- Provide space for the FDLTCC archives collection as an integral requirement of a multi-cultural college.

Cultural Center:

- Provide Main Hall for physical education and multi-cultural events
- Men's Lockers/Showers
- Women's Lockers/Showers
- Staff and Faculty Offices and Workroom

Curriculum offerings in the American Indian Cultural Center Facility will include: Physical Education, Law Enforcement Skills, Personal Wellness Classes, Fitness programs for elders, and Woodland Wisdom classes designed to help combat diabetes and other health problems through physical activities. PreK-12 programs include Early Childhood, the Summer Transportation Institute, Upward Bound, Lego Camp, Cultural Immersion Camp, Expanding the Circle Camp, St. Louis River Watch Project, and science fairs. New cultural curriculum offerings that the cultural center will make possible: hosting Pow Wows on campus, Drum classes, American Indian dance, and American Indian hand games classes.

Pre-design will be completed in July 2003.

Impact on Agency Operating Budgets (Facilities Notes)

The annual increase in operating costs from the Library Addition and Jack Briggs Cultural Center is estimated at \$224,000 per year. The estimated costs include: utilities, refuse, custodial, security and building maintenance.

Capacity of Current Utility Infrastructure:

The Library Addition will have minimal impact on the existing mechanical and electrical infrastructure because of its centralized location.

The Cultural Center will require its own plumbing service. Power, heating and cooling will come from the existing facility. The building funded in FY2000 and now under construction includes expansion of the physical plant.

Energy Efficiency/Sustainability:

These new additions will be built with the new energy efficient sustainable guidelines. Energy efficient lighting, HVAC equipment, exterior walls and roof are of high priority and will be provided, in keeping with the green philosophy inherent in FDLCC's mission

Previous Appropriations for this Project

None

Other Considerations

The size of the Library Addition is based on an FYE of 1000. As the college grows beyond that and becomes a 4 year college, another Library Addition to the north is anticipated.

Consequences of Delayed Funding:

The Library Addition was requested in 2000 but not funded. The Library is operating under great stress at this time, and even now does not meet ACRL guidelines. This project is urgently needed. The need for the Lester Jack Briggs Cultural Center is equally urgent. There are no Physical Education facilities on campus. Space is now being rented for \$38,000 per year.

Project Contact Person

Donald Day, President
Fond du Lac Tribal and Community College
2101 14th Street
Cloquet, MN 55720
Phone: (218) 879-0800
Fax: (218) 879-0728
E-Mail: dday@ezigaa.fdl.cc.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	30	0	0	0	30
3. Design Fees	0	482	210	0	692
4. Project Management	0	133	319	0	452
5. Construction Costs	0	20	7,511	0	7,531
6. One Percent for Art	0	0	66	0	66
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	674	0	674
9. Inflation	0	0	1,045	0	1,045
TOTAL	30	635	9,825	0	10,490

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	635	9,825	0	10,460
State Funds Subtotal	0	635	9,825	0	10,460
Agency Operating Budget Funds	30	0	0	0	30
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	30	635	9,825	0	10,490

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	50	100	150
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	108	216	324
Building Repair and Replacement Expenses	0	0	105	105
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	158	421	579
Revenue Offsets	0	0	<62>	<62>
TOTAL	0	158	359	517
Change in F.T.E. Personnel	0.0	0.7	0.7	1.4

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	423	66.6%
User Financing	212	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

MSU Moorhead - MacLean/Bridges Renovation

2004 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 30 of 32 ()

PROJECT LOCATION: Moorhead

Project At A Glance

Design remodeling of 83,000 square feet of MacLean Hall
 K-12 teacher training to meet new Board of Teaching standards
 Department and faculty offices for seven departments

Project Description

Design, through construction documents, a comprehensive renovation of MacLean Hall, a key building in the MacLean/Bridges/Frick complex.

The MacLean Hall must be remodeled for program functional improvements, HVAC system replacements and upgrading, and correction of building code violations. A major component of the building's upgrade involves a skyway connecting the MacLean/Bridges/Frick Hall complex to the Center for Business, to appropriately address the safety of the hundreds of students, faculty, and staff that pass between the complex and the Center for Business every hour when classes are in session. Construction dollars will be requested in 2006.

MnSCU Strategic Plan

This project supports the following MnSCU strategic goals:

Increase Access and Opportunity - Provide pre-service teachers, both elementary and secondary, classroom experiential activities that meet the new Minnesota Board of Teaching (B.O.T.) standards.

Expand High-Quality Learning Programs and Services - Multimedia classroom capabilities for a variety of course delivery options including distance-learning, different teaching strategies to engage students in learning and real world applications. The building will foster more active learning.

Strengthen Community Development and Economic Vitality - Service learning connects the campus with the community, and the renovation will have spaces dedicated to links with the community such as office space for

the Center for Economic Education. The renovated space will have conference and seminar rooms for faculty, student and public lectures, presentations and meetings.

Fully Integrate the System- Adaptive re-use and asset preservation of a sound existing structure that demonstrates good stewardship of the state's investment in educational resources.

MSU Moorhead Master Plan & Regional Collaborations:

Minnesota State University Moorhead's campus master plan has included renovation of MacLean Hall as a high priority for the last decade. It is a project that includes significant asset preservation, but also program enhancements, and will enable some departments to improve their outreach and cooperative program initiatives.

MSUM has evaluated its existing physical plant and current space utilization. Our facilities plan requires that we renovate MacLean Hall within the next four years. This project is MSUM's second capital bonding priority.

Enrollment and Space Utilization:

MSUM Moorhead	FY1998	FY2000	FY2002	FY2004
	5,754	6,184	6,678	7,142

Space in MacLean Hall is fully allocated. All seven departments are experiencing growth in student majors and credit hour production. The 2001 MnSCU Space Utilization Study indicated a modest surplus in classrooms and a deficit in office space at MSUM.

Project Rationale and Predesign:

MacLean Hall, constructed in 1932, must be renovated to meet the needs of the campus's students, faculty, and staff. The building houses seven academic departments: Mathematics, Mass Communications, Economics, History, Political Science, Foreign Languages, and Humanities and Multicultural Studies. MacLean is home to 91 faculty offices, 26 classrooms, the Women's Center, custodial services, central stores, and the bookstore.

Over the years, the building has had several minor revisions designed to respond to the growing need for departmental and faculty offices. Currently the facility suffers from design flaws, building code violations, inadequate air

MSU Moorhead - MacLean/Bridges Renovation

quality, inability to accommodate current instructional needs, and is just plain worn out.

The most serious problem centers on the outdated HVAC system. Airflow in MacLean Hall is poor and literally non-existent when the outside temperature reaches the upper 70s and above. On warm days, instructors have their classroom doors open and portable fans running in the classrooms. This type of learning environment is simply unacceptable. The lack of airflow is particularly acute in the restrooms.

Additional issues that must be addressed include fire alarms, roofing, electrical systems, and code-compliance issues. MacLean Hall also needs tuckpointing and code mandated entryways. This project will reduce MSUM's deferred maintenance by \$4.6 million, mostly in HVAC, electrical upgrades and life safety corrections. The structure is 68 years old, and we have no evidence that tuckpointing has ever occurred.

Reconfigured office areas will meet current computer and other instructional technology needs of faculty and staff. The renovation will increase the productive and efficient use of space by including learning centers, computer laboratories and other spaces that can be shared by the many departments that will be housed in this building. The new facilities will appeal to current and potential faculty, giving them greater scope for research activities as well as expanding the variety of research that can be conducted.

The MacLean/Bridges/Frick complex also needs a skyway link over 11th Street, connecting the complex to the Center for Business. This is necessary to respond to the safety of the more than 500 students who move to and from the complex and the Center for Business every hour during the most heavily scheduled class meeting days (between 9 a.m. and 2 p.m.) The MacLean/Bridges/Frick complex is the center of the MSUM campus. Most of our students, faculty and staff will walk through the complex on a daily basis. More than 3,500 vehicles travel on 11th Street each day.

Impact on Agency Operating Budgets (Facilities Notes) Building Operations Expenses

The project may result in significant reductions in maintenance and climate control costs. However, the current ability to control temperature and humidity levels and air quality in the complex (especially MacLean Hall) are so limited, that we could be speculating by claiming there would be savings.

Capacity of Current Utility Infrastructure:

Interior utility replacement is required and included in costs of this project. The electrical utility supply to MacLean has already been upgraded and is adequate. A sprinkler system will be included in the facility upgrade, which will require that a six-inch line be installed from MacLean Hall to 9th Avenue, a distance of 380 feet. Remaining utility infrastructures are adequate.

Energy Efficiency/Sustainability:

Design criteria will exceed the minimum energy efficiency requirements for heating, ventilation and air conditioning. Design criteria for water utilization will also exceed the minimum conservation requirements for water usage.

Previous Appropriations for this Project

None. Predesign is well underway and will be completed by December 1, 2002.

Other Considerations

Consequences of Delayed Funding:

Students, faculty, and staff will simply have to continue to put up with an antiquated facility that cannot meet their educational needs. It is becoming most apparent that the cost estimates for renovating the facility are increasing at a rate that significantly exceeds inflation rates.

Project Contact Person

David Crockett, Vice President for Administrative Affairs
Minnesota State University Moorhead
Administrative Affairs Office, 208 Owens Hall, Box 66
Moorhead, MN 56563
Phone: (218) 236-2070
FAX: (218) 299-5887
email: crockett@mnstate.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	5	0	0	0	5
3. Design Fees	0	380	165	0	545
4. Project Management	0	55	315	0	370
5. Construction Costs	0	65	6,493	0	6,558
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	644	0	644
9. Inflation	0	0	884	0	884
TOTAL	5	500	8,501	0	9,006

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	8,500	0	9,000
State Funds Subtotal	0	500	8,500	0	9,000
Agency Operating Budget Funds	5	0	0	0	5
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	5	500	8,500	0	9,005

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	333	66.6%
User Financing	167	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Central Lakes CTC Heavy Equipment & Music Add

2004 STATE APPROPRIATION REQUEST: \$5,480,000

AGENCY PROJECT PRIORITY: 31 of 32 ()

PROJECT LOCATION: Staples and Brainerd

Project At A Glance

Construct 29,690 GSF of Heavy Equipment program shop space at Staples
 Remodel 7,000 GSF of vacated shop space at Staples
 Industry need for 300 trained heavy equipment operators per year
 Construct 4,370 GSF addition for music at Brainerd
 Remodel 845 GSF of space for music at Brainerd

Project Description

Design, construct, furnish and equip 29,690 GSF of Heavy Equipment shop space at the Staples West Campus, and remodel 7,000 GSF of vacated space at the Staples main campus.

Design, construct, furnish and equip 4,370 GSF of Music classroom/rehearsal/office space at the Brainerd Campus, and remodel 845 GSF of music space. This project focuses on re-alignment of academic programs for better use of space.

MnSCU Strategic Goals:

This project meets the strategic goals identified by MnSCU to:

Increase access and opportunity - Heavy Equipment keeps waiting lists for enrollment. It is a one-of-a-kind program in the upper midwest and held in high regard by employers. The music program has also seen increasing enrollments for several years.

Expand high-quality learning programs and services - Heavy Equipment industry is seeing change to more technology. The project will include more technology in the shop. The music facilities were not designed to accommodate current enrollments.

Strengthen community development and economic vitality - Heavy Equipment is a high-demand, high-wage occupation that faces worker shortages. CLC graduates 32 students per year, but 25 heavy equipment

operators retire each month (source: 49ers Operating Engineers Union). There is a general shortage of trained heavy equipment operators in the upper midwest. Industry support for CLC's program is evidenced by donations totaling \$109,000 over the past 3 years.

Central Lakes College's Strategic and Facilities Plans:

CLC Strategic Plan focuses on institutional effectiveness, support for innovation, benchmarking standards for quality, and effective communication. *Facilities Plan* focuses on learning environments that:

- promote likelihood of learning by being portable, modular, and mobile,
- are designed to be flexible and serve a variety of purposes to accommodate many types of classes, learning projects, learning styles, and individual needs,
- support individual and team work, with an infrastructure to support technology,
- are comfortable, safe, and secure, and
- accommodate and encourage informal learning.

Heavy equipment and Music are lead programs with healthy enrollments. In particular, Heavy Equipment graduates are in high demand. CLC has excellent partnerships with industry with potential to increase partnerships contingent on producing more graduates to meet demands.

Enrollment and Space Utilization:

CLC is anticipating a 1% enrollment growth each year between FY2003 and FY2007. Enrollment expectations were exceeded during the past few years. Heavy Equipment has a waiting list of 60-80 students annually.

CLC Enrollment	FY2000	FY2001	FY2002	FY2003
FYE	2,422	2,485	2,505	2,530

The Brainerd Campus has an overall space deficit of 16%, projected to increase to 22% in 2006. The Staples Campus had an overall space surplus, however major remodeling and realignment has been accomplished over the last 18 months that has improved efficiency and increased utilization.

Project Rationale and Predesign:

Heavy Equipment:

The Heavy Equipment Program is currently split between the Staples Main Campus and West Campus. The faculty and students make about 42 trips per week between these two sites, moving heavy equipment needing repair

Central Lakes CIC - Heavy Equipment & Music Add

to the maintenance shop, and transferring instructional supplies and parts. This travel time and expense is not efficient. This project would relocate the Heavy Equipment shops now on the Main Campus to the West Campus, so all Heavy Equipment instruction would occur at one location, eliminating duplication of maintenance equipment. This relocation was also suggested by the 1990 master plan.

The current Heavy Equipment shop is an outdated facility that has no floor drains, poor ventilation, lifting/safety issues due to no overhead cranes and a mezzanine storage area. This project would eliminate \$99,700 in deferred maintenance at the West Campus.

This \$4.3 million project will include:

- Add new shop space at the West Campus.
- Remodel the current shop space at the main campus for expansion or transfer of another academic program.

Music:

The Music Department is landlocked for space in its present location. Enrollment has grown from 295 unduplicated headcount in FY1999 to 426 in FY2002, but cannot expand further due to limited space. Class sizes are at maximum capacity due to lack of rehearsal rooms. Use of existing rehearsal space is a compromise between band and choir, and is not ideal for either. There are only two practice rooms to serve over 60 students in piano, instrumental, guitar, and voice. Twenty students require access to keyboards, but there is no space for keyboards. Some individual music classes are being taught in available regular classrooms, which is a disturbance to other classes. Storage space for band and choir music, instruments and equipment is non-existent.

This \$1.1 million music project will;

- Remodel the existing music classroom and office space into additional student practice modules
- Expand the music department into new space.

The new space is for rehearsal and storage space for both choral and band with appropriate sound control measures. The new music location is directly adjacent to other fine arts and is sound-buffered from the rest of the College by corridors.

Impact on Agency Operating Budgets (Facilities Notes)

Building Operations Expenses:

Aggregate cost of building operations (electrical, gas, waste removal, water and sewer, security, and building maintenance and repair) are \$170,300 per year, with a requirement for one additional maintenance worker at \$ 38,000 per year, for a total of \$208,300.

Capacity of Current Utility Infrastructure:

Staples West has its own heating plant that is inadequate for the addition, and an HVAC expansion is included in project costs. The Brainerd HVAC will not support the current campus, much less an addition. CLC is requesting funding through HEAPR for a new HVAC system. If HEAPR funding is not received, a new physical plant will be needed with this project.

Energy Efficiency/Sustainability:

Design will exceed existing energy codes by 30 percent, as required for new buildings. The Heavy Equipment shop will be heated through a ground water heat system. Both projects will include high efficiency lighting.

Previous Appropriations for this Project

None

Other Considerations

Consequences of Delayed Funding:

The Heavy Equipment program will continue inefficiencies with the split between 2 campuses. There will be a waiting list of students wishing to enroll in an industry with severe worker shortages.

The Music Department will be limited to current course offerings and enrollments. Faculty will struggle to effectively teach students in a facility not designed to accommodate current enrollments. Inadequate space for storage of equipment increases risk of loss of equipment and materials.

Project Contact Person

Kari Christiansen, Director of Business Services,
501 West College Drive,
Brainerd, MN 56401
Phone: (218) 855-8060
Fax: (218) 855-8057
E-Mail: kchristi@gwmail.clc.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	25	0	0	0	25
3. Design Fees	0	324	0	0	324
4. Project Management	0	278	0	0	278
5. Construction Costs	0	4,145	0	0	4,145
6. One Percent for Art	0	38	0	0	38
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	294	0	0	294
9. Inflation	0	401	0	0	401
TOTAL	25	5,480	0	0	5,505

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,480	0	0	5,480
State Funds Subtotal	0	5,480	0	0	5,480
Agency Operating Budget Funds	25	0	0	0	25
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	25	5,480	0	0	5,505

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	28	76	104
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	128	340	468
Building Repair and Replacement Expenses	0	13	0	13
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	169	416	585
Revenue Offsets	0	0	<51>	<51>
TOTAL	0	169	365	534
Change in F.T.E. Personnel	0.0	0.0	1.0	1.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,650	66.6%
User Financing	1830	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$1,985,000

AGENCY PROJECT PRIORITY: 32 of 32 ()

PROJECT LOCATION: Thief River Falls

Project At A Glance

Relocate Workforce Center with 4,850 square foot addition, and 646 square foot remodeling
 Criminal Justice program expansion with 2,866 square foot remodeling
 Nursing and allied health program expansion with 3,200 square foot remodeling

Project Description

Design, construct, furnish and equip a 4,850 GSF addition and 6,712 GSF remodeling. The three objectives of this proposed project are: 1) expand and relocate the Minnesota Workforce Center to a more suitable location on campus, 2) secure much needed new learning space for the Criminal Justice, Emergency Services, and police officer skills training programs, and 3) remodel space vacated by the Workforce Center to c-locate all nursing and allied health programs.

The three basic elements to this project are:

Workforce Center:

A new 4,850 square foot addition at the front of the college will provide visibility and equal access for Workforce Center customers and customer parking. DES has been negotiating with Northland for several years about better meeting their published location requirements. There will be another 646 square feet of remodeling, increasing their overall space by 2,296 GSF.

Nursing and Allied Health:

Vacated space (3,200 GSF) will be remodeled to provide classrooms, laboratories and faculty offices for the nursing and allied health career programs offered by Northland, and the distance courses offered on campus by Bemidji State University. The project will involve substantial ADA and asset preservation work.

Criminal Justice:

The Criminal Justice and Emergency Services programs will go into remodeled high-bay space previously occupied by the Farm Business and Small Business Management programs. This will be about 3,150 GSF of remodeling and asset preservation that will allow criminal justice and emergency services to increase enrollment by 50%.

MnSCU Strategic Plan:

The project will help the college contribute to the accomplishments of the following Strategic Directions and Goals:

- Goal 1: Expand post-secondary participation.
- Goal 3: Making learning environment inviting and safe.
- Goal 8: Provide up-to-date education and training for work and careers.
- Goal 12: Contribute to vital communities.
- Goal 13: Support state and local economic development initiatives.

Northland CC Master Plan & Regional Collaborations:

This project will help the college meet the following academic goals:

1. Provide an identifiable space for offering of POST skills in the Criminal Justice Program.
2. To relocate the Workforce Center to a more appropriate location and to use the current space for expanding allied health and nursing programs.

Enrollment and Space Utilization:

There are approximately 113 full time students directly impacted by this project in the two programs. Additionally, there are approximately 167 police officers impacted by the Northwest Regional Alliance that will use this space and work through the colleges Center for Outreach. The Workforce Center serves approximately 2000 clients each year.

Northland	FY2000	FY2002	FY2004
FYE	1,374	1,438	1,510

Space utilization studies indicate that the college has a significant deficit (-100% in 2001) (-121% projected in 2006) in teaching laboratories. The college also has a surplus in special use/general use/ support space (59%) and open laboratory spaces (56%). Discussions about this issue have not produced an economical or practical design to remodel special use/general use/ support space into laboratory space.

Project Rationale and Pre-design:

The area of the college to be added to and remodeled is part of the original construction of the Thief River Falls Area Vocational Technical College. This area has changed little since initial construction in the 1960's. Since then, the programs and programmatic needs of the college have changed. In some portions of this wing of the building the fire rated wall systems and the plenum air return systems need to be updated and the area needs to be made ADA compliant.

As a result of this proposed project, the college has an opportunity to solve significant problems with learning spaces for two programs. The former workforce center space will be remodeled to co-locate all nursing and allied health programs on campus, and to provide adequate classrooms, labs and faculty offices. Space will also be provided for a 4-year nursing distance education program Bemidji State University plans to offer to local students. The college is proud of the Criminal Justice program but learning spaces for police officer skills training are "make-shift" in areas designed for other purposes. There are currently 60 FYE students in criminal justice with waiting lists for an additional 35 who could be accommodated with the expanded space. The Criminal Justice Program will occupy the previous Farm Business Management Center spaces and will be remodeled to meet the program needs for P.O.S.T. (police officer) skills training and other laboratory work (self defense, weapons training, and crime scenes).

The Workforce center has been located for 8 years in an area that was not designed for this use, because it was adapted from classroom space, and does not have needed client access from the parking lot. The Workforce Center is an integral partner with Northland College as we work together to get learners into the workforce. The master facilities plan at Northland includes moving the Minnesota Workforce Center to a more desirable location on campus. DES is not satisfied with the location and arrangement of the spaces and needs an area of high visibility with an exterior entrance to serve its 200 clients. Currently the Center is located in the center of the east wing of the campus.

Asset preservation work will remove \$277,244 in deferred maintenance, mostly in the areas of safety and code compliance and energy-efficient lights.

Impact on Agency Operating Budgets (Facilities Notes)**Building Operations Expenses:**

Natural gas and electricity costs for the added construction will be approximately \$15,035 annually. An additional 0.2 custodial staff will be needed at \$7,200 per year. The Work Force Center pays market rent for the space it occupies, or \$35,000 in 2003.

Capacity of Current Utility Infrastructure:

Northland just installed a new looped heating system in 2003 with past capital funding. The current infrastructure is adequate to support the small addition.

Energy Efficiency/Sustainability:

There will be little impact on the overall energy efficiency of the building as a result of this project.

Previous Appropriations for this Project

None. Predesign is underway with a 50% product submitted in June 2003.

Other Considerations**Consequences of Delayed Funding:**

The consequences of delayed funding are:

1. Northland will not be able provide high quality learning spaces for students in the two programs described in this narrative.
2. Storage needs will not be met in the Auto Body Collision Technology, increasing clutter and the potential for accidents.
3. The Workforce Center will not be able to provide appropriate client access to support its clients and future Northland students.

Project Contact Person

Dr. Orley Gunderson, President
Northland Community and Technical College
1101 Highway One East
Thief River Falls, MN 56701
Phone 218-681-0845
FAX: 218-681-0724
Email ogunderson@nctc.mnscu.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	10	0	0	0	10
3. Design Fees	0	131	0	0	131
4. Project Management	0	117	0	0	117
5. Construction Costs	0	1,467	0	0	1,467
6. One Percent for Art	0	12	0	0	12
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	122	0	0	122
9. Inflation	0	137	0	0	137
TOTAL	10	1,986	0	0	1,996

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,322	66.6%
User Financing	663	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,985	0	0	1,985
State Funds Subtotal	0	1,985	0	0	1,985
Agency Operating Budget Funds	10	0	0	0	10
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	10	1,985	0	0	1,995

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	7	14	21
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	8	15	23
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	15	29	44
Revenue Offsets	0	<17>	<35>	<52>
TOTAL	0	-2	-6	-8
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

Project Title	Agency Priority	Agency Request			Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006		2008	2006
Systemwide - HEAPR	1	GO	\$137,000	\$0	\$0	\$0	\$0
Duluth - Recreational Sports Addition	2	GO/UF	12,000	0	0	0	0
Morris - District Facilities	3	GO/UF	6,000	0	0	0	0
Minneapolis - Carlson School Expansion & Classrooms	4	GO/UF	2,500	0	0	0	0
Duluth - Business School & Utility Infrastructure	5	GO/UF	2,200	0	0	0	0
Project Total			\$159,700	\$0	\$0	\$0	\$0
General Obligation Bonding (GO)			\$152,119	\$0	\$0	\$0	\$0
User Finance Bonding (UF)			\$7,581	\$0	\$0	\$0	\$0

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

At A Glance: Agency Long-Range Strategic Goals

The statutory mission of the University of Minnesota is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and be the primary state-supported academic agency for research and extension services" (M.S. 135A.052, subd. 1).

The University of Minnesota, founded in the belief that all people are enriched by understanding, is dedicated to the creation of knowledge and the advancement of learning and artistic activity; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission is three-fold:

Research and Discovery. Generate and preserve knowledge, understanding, and creativity by conducting high quality research, scholarship, and artistic activity that benefits students, scholars, and communities across the state, the nation, and the world.

Teaching and Learning. Share that knowledge, understanding, and creativity by providing a broad range of educational programs, in a strong and diverse community of learners and teachers, and prepare a graduate, professional and undergraduate student body for active roles in a multiracial and multicultural world.

Outreach and Public Service. Extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by assisting organizations and individuals to respond to their changing environments, and by making the knowledge and resources created and preserved here accessible to the citizens of the state, the nation, and the world.

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

For over 150 years the 'U' has met the changing needs of Minnesota's citizens, businesses, farmers, and public institutions. Minnesota's long-term interests are best served by an institution capable of offering quality instructional programs, supporting productive research in a wide variety of fields and reaching out to communities on issues of local importance. As a

large, comprehensive, research institution a wide variety of factors impact the University's demand for facilities and capital programs. The three issues most relevant to the 2004 capital request are outlined below:

- *Aging and Obsolete Facilities* – Approximately 65% of the University's major campus buildings are more than 30 years old (More than 25% are over 70 years old). Buildings become less functional and require more maintenance as they age.
- *Promising New Discoveries* – The University must continually renew its existing programs and make targeted investments in emerging fields to meet state needs and remain competitive. High quality programs, for example, allow the University to compete at the national level for federal science and health initiatives funds (e.g. National Institutes of Health).
- *Increased Student Expectations* – The facilities currently being used by undergraduate programs are in some of the University's oldest buildings and often lack the necessary technological and programmatic components required to effectively teach at the university level.

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

The University of Minnesota takes its facilities stewardship responsibilities seriously. There is a continual effort on each campus to keep buildings clean and in good repair. As buildings age and programs evolve, it becomes necessary to invest additional resources to keep a building functional and operating. Recognizing the importance of "taking care of what we have", the University recently embarked on a Facilities Condition Assessment that will survey, document and analyze all systems and conditions within University buildings. The assessment will include HVAC, elevators, electrical systems, code issues and other building conditions. It will expand on a similar effort done in recent years on building exteriors - roofs, walls and windows. The Facilities Condition Assessment will better define necessary work on campus and help the University plan and prioritize projects. The \$137 million request for HEAPR funds is a primary component of this increased focus on improving existing facilities.

The capacity and condition of campus infrastructure remains a critical concern. The infrastructure of a University campus is a critical component of the physical and operational systems necessary to support the much more visible teaching, research and outreach mission. Individual buildings depend upon campus infrastructure to deliver heating, cooling, communications, electricity and water. In portions of the campus the existing buildings have stretched the service capacity of the infrastructure to the maximum limits; while in other areas, buildings are being fed by aging, obsolete services from near the turn of the century. In these areas, any new construction, significant remodeling or expansion of existing services will require a corresponding increase in infrastructure capacity.

Agency Process Used to Arrive at These Capital Requests

The University of Minnesota's annual Capital Budget and Six-Year Capital Improvements Program is a method of providing for disciplined financial management. This decision making process: 1) supports the University's desire to focus on its mission; 2) follows the Regents' directive to make the most efficient use of limited resources; and 3) ensures compliance with the state's Capital Budget Reform legislation.

The Capital Budgeting Process consists of the following steps:

Need Identification/Preliminary Ranking - Academic units, Auxiliary Services, Facilities Management, Campus Planning, Environmental Health and Safety and other University groups identify capital needs. The Provost, Chancellors, and Vice Presidents rank these needs.

Project Definition and Prioritization - A predesign study, including a needs analysis, a preliminary facility program, cost estimates, and an implementation schedule, is prepared for each project and is evaluated against academic priorities, the campus master plan, and code requirements.

Annual Budget Approval/Program Acceptance - The senior administrative officers forward a recommendation to the Regents. The Regents approve the annual Capital Budget, including Capital Request items, and accept the 5-year Capital Improvement Program.

The University's capital budget calendar is synchronized with the biennial budgeting process in the state legislature.

The legislature requested (Minnesota Statutes section 135A.034) that the board of regents of the University of Minnesota consider the following criteria in establishing priorities for requests for bond funds for capital projects:

- maintenance and preservation of existing facilities;
- completion of projects that have received funding;
- updating facilities to meet contemporary needs;
- providing geographic distribution of capital projects;
- maximizing the use of non-state contributions.

Major Capital Projects Authorized in 2002 and 2003 2002 Appropriation

HEAPR:

Nicholson Hall Renovation: On Hold by Governor

Plant Growth Facilities – Phase II:

UMC Bede Hall Replacement:

UMD Laboratory Science Building:

Classroom Improvements:

2003 Appropriation

Jones Hall Renovation:

Translational Research Facility:

Teaching & Technology Center Design:

Veterinary Diagnostics Laboratory:

UMM Social Science Building Renovation:

Research & Outreach Centers:

Rochester Genomics Building Predesign:

2004 STATE APPROPRIATION REQUEST: \$137,000,000

AGENCY PROJECT PRIORITY: 1 of 5 ()

PROJECT LOCATION: Statewide

Project At A Glance

Project Description

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** – These funds will continue the system-wide program to correct fire and life safety code deficiencies identified by the Building Code Deficiency Survey, to increase accessibility to all University facilities for people with physical disabilities and to reduce health hazards by eliminating or correcting environmental problems within buildings.
- **Building Systems** – These funds will be used to address renewal issues in existing University facilities. Individual projects will target roofs, building envelopes, interiors, electrical, and mechanical systems.
- **Utility Infrastructure** – These funds will primarily be used to replace aging, obsolete stand-alone cooling equipment with more efficient, energy saving centralized systems. Other utility infrastructure renewal projects will address aging campus heating and electrical distribution systems.

A complete list of proposed projects is available upon request.

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 (Minnesota Statutes 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)

Previous Appropriations for this Project

n/a

Other Considerations

Project Contact Person

Richard Pfutzenreuter
CFO and Treasurer
336a Morrill Hall
100 Church Street SE
Minneapolis, MN 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@tc.umn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	137,000	100.0%
User Financing	0	0.0%

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	137,000	0	0	137,000
State Funds Subtotal	0	137,000	0	0	137,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	137,000	0	0	137,000

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

Duluth - Recreational Sports Addition

2004 STATE APPROPRIATION REQUEST: \$12,000,000

AGENCY PROJECT PRIORITY: 2 of 5 ()

PROJECT LOCATION: Duluth

Project At A Glance

Project Description

This request is for funds to construct, furnish, and equip the Recreational Sports Facility, an addition to the existing Sports and Health Center, at the Duluth campus. The facility will include open fitness space, multi-purpose recreational space, group fitness space, conditioning space, and office space for Recreational Sports Outdoor Program.

Project Rationale The University of Minnesota Duluth's Department of Recreational Sports Outdoor Program has consistently been ranked one of the top 40 collegiate recreation programs in the nation by the National Intramural Recreational Sports Association. In the fall of 2004, Intercollegiate Athletics is scheduled to move to the Northern Collegiate Conference (NCC). Both programs have long traditions of excellence that are difficult to maintain with existing facilities. Student enrollment has increased over 25 percent since 1996 while participation in open recreational programs has increased by 60 percent. When intercollegiate teams practice from 1pm – 6pm in the Romano Gym and Ward Wells Field-house, there is no open gym space available for recreational use. The expansion of athletic program since 1996 has included the addition of 2 women's sport programs and over 130 more student/athlete participants. This significant growth along with an increased emphasis on year-round training has put tremendous pressure on the current facility. Facilities for the Outdoor Program and varsity athletics conditioning are grossly undersized relative to student needs and demands.

The expanded facility will allow the Outdoor Program to offer more programs of a greater variety in order to meet increasing student demand. Student

recreation facilities are recognized by students and administrators as an important and significant aspect of student life and contribute to the quality of the student experience. This facility will not only attract and retain students, but also provide healthy outlets for student activity and opportunities for student development.

Student Demand – During the 2000-2001 school year, 75 intramural teams involving over 1,000 students were turned away from intramural participation. Lines waiting to use the weight-room became common. In December 2000, a petition drive was organized by the students in order to bring the problem to the attention of the student government and University administration. 1,100 signatures were collected in a one-week period. Current recreational facilities and programs are in operation seven days a week from 6 am until after midnight. As enrollment has increased, students in increasing numbers are being turned away from programs and access to facilities.

Promoting Wellness & Health – The June 12, 2003 U of M Regents report, UPlan Health Benefits: Calendar Years 2004 and 2005, identifies "promoting wellness and improvements in health status for the university community" as one of six guiding principles. The addition of this facility will significantly improve UMD's ability to provide opportunities to develop, encourage and maintain active lifestyles for students, faculty and staff.

Impact on Agency Operating Budgets (Facilities Notes)

The addition of approximately 46,000 GSF for the recreational sports program to the Duluth Campus will increase the University's operating costs by an estimated \$457,000 per year.

Previous Appropriations for this Project

None

Other Considerations

Project Contact Person

Richard Pfutzenreuter

CFO and Treasurer
336a Morrill Hall
100 Church Street SE
Minneapolis, MN 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@tc.umn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	12,000	0	0	12,000
State Funds Subtotal	0	12,000	0	0	12,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	12,000	0	0	12,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	7,992	66.6%
User Financing	4008	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

2004 STATE APPROPRIATION REQUEST: \$6,000,000

AGENCY PROJECT PRIORITY: 3 of 5 ()

PROJECT LOCATION: Morris

Project At A Glance

Project Description

This request is for funds to design, construct, furnish, and equip a biomass / energy cogeneration facility on the Morris Campus. The project will provide the campus with fuel flexibility and required system redundancy. The facility is a component of a partnership agreement with the Morris School District. The project will also contribute to the construction of a shared football stadium with the Morris School District.

Project Rationale The Morris campus has a unique opportunity to partner with the local community on two facilities.

Biomass / Energy Cogeneration Plant – The increasing volatility of natural gas prices has had a significant impact on utility costs at the Morris campus. The campus also requires a stable and reliable back-up heating source. The proposed addition to the existing heating plant will allow the campus to burn locally available fuel (waste wood and corn screenings) when natural gas prices become non-competitive. The plant will also provide heat and chilled water to the nearby Morris High School.

Shared Football Stadium – The Morris campus has an opportunity to partner with the Morris school district on a shared football facility. The community approved \$1 million, half the total project cost, in a recent referendum for the stadium. The University is seeking an additional \$1 million for its share of the project. The Morris campus routinely partners with the community on shared facilities, the two most recent being the PE Center and the shared track facility. The steam line to the Morris High School from the new biomass /

energy cogeneration plant will run through the stadium site, reducing the cost of installing the steam line.

Impact on Agency Operating Budgets (Facilities Notes)

Previous Appropriations for this Project

None

Other Considerations

Project Contact Person

Richard Pfutzenreuter
CFO and Treasurer
336a Morrill Hall
100 Church Street SE
Minneapolis, MN 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pputz001@tc.umn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,000	0	0	6,000
State Funds Subtotal	0	6,000	0	0	6,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,000	0	0	6,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,996	66.6%
User Financing	2004	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Minneapolis - Carlson School Expansion & Classrooms

2004 STATE APPROPRIATION REQUEST: \$2,500,000

AGENCY PROJECT PRIORITY: 4 of 5 ()

PROJECT LOCATION: Minneapolis

Project At A Glance

Project Description

This request is for funds to design a new instructional facility adjacent to the existing Carlson School of Management on the Minneapolis Campus. The facility will include undergraduate classrooms for the Carlson School and the College of Liberal Arts, undergraduate computer laboratories, and office for the Carlson School's undergraduate student support services programs.

Project Rationale The Carlson School of Management is expanding its undergraduate business program by 50% to meet the needs of Minnesota's business community. In order to support this growth and provide a fully integrated undergraduate business program, classroom space and the associated program support components must be increased and consolidated within a single facility.

Expanding the undergraduate business program, improving the full-time MBA program, and addressing the instructional requirements of the College of Liberal Arts requires adding approximately eleven large classrooms and approximately twenty 20-person breakout rooms. In addition to classrooms, this new facility will also house an expanded CSOM Undergraduate Business Program Office with office space for teaching assistants and adjunct faculty. A larger CSOM Undergraduate Business Career Center will accommodate more advisors and provide space for on-campus interviews by prospective employers. The CSOM Undergraduate Computer Lab will be expanded and relocated to the new facility. Space for CSOM Undergraduate Student Organization offices and informal undergraduate individual and group study space will also be built into the program for this project.

Impact on Agency Operating Budgets (Facilities Notes)

This request is for design funds only. There is no annual operating cost impact at this time.

Previous Appropriations for this Project

None

Other Considerations

Project Contact Person

Richard Pfitzenreuter
CFO and Treasurer
336a Morrill Hall
100 Church Street SE
Minneapolis, MN 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pputz001@tc.umn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,500	0	0	2,500
State Funds Subtotal	0	2,500	0	0	2,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,500	0	0	2,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,665	66.6%
User Financing	835	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Duluth - Business School & Utility Infrastructure

2004 STATE APPROPRIATION REQUEST: \$2,200,000

AGENCY PROJECT PRIORITY: 5 of 5 ()

PROJECT LOCATION: Duluth

Project At A Glance

Project Description

This request is for funds to design a new building for the Labovitz School of Business and Economics on the Duluth Campus. The facility will include classrooms, offices, teaching laboratories, student services, and administrative support spaces. The project design will also include upgrades to the campus's central utility distribution system needed to accommodate increased demand from new and renovated facilities.

Project Rationale The Labovitz School of Business and Economics is expanding its undergraduate business program by 10% to meet the needs of Minnesota's business community. The current facility is undersized, and not capable of accommodating additional program growth. The current building was planned for 1,200 undergraduate students. The School currently has 1,700 students and expects to grow to 1,800 by the time the proposed facility is scheduled to open. Classroom utilization rates in the existing building exceed 100%. The existing building was not designed to accommodate either the MBA program or distance education, two current campus programs.

The present School of Business and Economics building was completed nearly 20 years ago. The building was designed to facilitate a 1980s-style business and management curriculum. Changes in technology and pedagogy in the past 20 years have made the building functionally obsolete. All the classrooms in the building were designed as tiered fixed-seating case study rooms. These classrooms, in addition to being inflexible, are too small, resulting in more sections and higher instructional costs. Requests by faculty

and students for internet, network-access, and power connections in the classroom can not be accommodated.

Impact on Agency Operating Budgets (Facilities Notes)

This request is for design funds only. There is no annual operating cost impact at this time.

Previous Appropriations for this Project

None

Other Considerations

Project Contact Person

Richard Pfutzenreuter
CFO and Treasurer
336a Morrill Hall
100 Church Street SE
Minneapolis, MN 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
E-mail: pfutz001@tc.umn.edu

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,200	0	0	2,200
State Funds Subtotal	0	2,200	0	0	2,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,200	0	0	2,200

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,465	66.6%
User Financing	735	33.4%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Grants to Political Subdivisions

Project Funding Summary

(\$ in Thousands)

Project Title	Agency Priority	Agency Request				Governor's Recommendation 2004	Governor's Planning Estimates	
		Funding Source	2004	2006	2008		2006	2008
Senior Assisted Living Development - Eagan	1	GO	\$3,100	\$0	\$0	\$0	\$0	\$0
DECC Arena - Duluth	1	GO	3,331	24,173	0	0	0	0
Duluth Aerial Lift Bridge Rehabilitation	1	GO	1,950	0	0	0	0	0
Duluth Sanitary Sewer Overflow Storage	2	GO	4,950	0	0	0	0	0
Bayfront Visitors Center Pre/Design - Duluth	3	GO	180	11,000	0	0	0	0
Lake Superior Zoo Master Plan Development	4	GO	400	750	900	0	0	0
Lowry Avenue Corridor, Phases 1 & 2 - Minneapolis	1	GO	5,000	0	0	0	0	0
HCMC Crisis Intervention Center Expansion	2	GO	1,400	0	0	0	0	0
Lewis and Clark Rural Water System	1	GF	4,301	0	0	0	0	0
Heritage Hjemkomst Interpretive Center Repair	1	GO	1,000	0	0	0	0	0
Minnesota Planetarium & Space Discovery Center	1	GO	24,000	0	0	0	0	0
Red Lake School	1	GO	33,200	0	0	0	0	0
Rochester Regional Public Safety Training Center	1	GO	627	2,630	0	0	0	0
National Volleyball Center, Phase II - Rochester	2	GO	3,200	0	0	0	0	0
Roseau Infrastructure Repair & Improvements	1	GO	13,572	0	0	0	0	0
Local Parks and Trails - Statewide	1	GO	7,006	2,147	1,148	0	0	0
St. Cloud Regional Airport Property Acquisition	1	GO	2,800	0	0	0	0	0
West Metro Education Program Magnet School	1	GO	5,000	30,000	0	0	0	0
Winona Riverfront Revitalization Plan	1	GO	250	0	0	0	0	0

Project Total	\$115,267	\$70,700	\$2,048	\$0	\$0	\$0
General Obligation Bonding (GO)	\$110,966	\$70,700	\$2,048	\$0	\$0	\$0
General Fund Projects (GF)	\$4,301	\$0	\$0	\$0	\$0	\$0

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

Senior Assisted Living Development - Eagan

2004 STATE APPROPRIATION REQUEST: \$3,100,000

AGENCY PROJECT PRIORITY: 1 of 1 (Dakota County)

PROJECT LOCATION:

Project At A Glance

\$3.1 million is requested to construct a public-owned and operated senior assisted living development in the city of Eagan, to match an equal amount of non-state funding.

Project Description

The development proposed is being planned in the city of Eagan, on the CDA's current campus that includes the CDA's central offices and two affordable independent senior living developments. The total project cost at this time is estimated to be \$6.2 million. The CDA is requesting \$3.1 million, the maximum amount allowable under statute 16A.86.

The Dakota County CDA will rely on a variety of flexible and varied funding sources in order to construct the facility and develop a service package consistent with the private market. To date, land for the development has already been secured as the CDA acquired it along with the land that is now the existing independent senior living campus and central offices for the CDA. Proposed funding sources for the construction of the building will include state bonding dollars, federal HOME funds, and potentially Dakota County CDA levy proceeds. On the services side the CDA will combine local funding resources with federal resources such as those available from U.S. Department of Housing and Urban Development and state resources from the Department of Health and Human Services. To date, the CDA has directly invested approximately \$85,000 in to site improvements.

The request is for \$3.1 million in state funding to predesign, design, construct, furnish and equip a new affordable senior assisted living development to assist low and moderate income elderly residents who need supportive housing services in addition to affordable housing.

The current size and expected future growth of the senior population is of critical importance to the increasing demand for an affordable senior assisted

living development. Based on data from the 2000 census Dakota County has just over 18,000 residents age 70 and older. Predictions show that the number of seniors will grow modestly between now and 2010 then will burgeon between 2010 and 2030 as baby boomers reach age 65. It is predicted that by 2030 Dakota County's 70 and over population will be over 59,000. As the senior population continues to grow both locally and throughout the state, assisted living may offer a more desirable environment as well as potential cost savings to government.

Over the past decade, a private market in assisted living has emerged to address the intermediary stage between independent living and skilled nursing facilities. While assisted living has become an increasingly popular option with upper and middle-income seniors, the high costs associated with developing such projects put it out of reach for low to moderate income seniors.

The Dakota County CDA is proposing to build a 40-50 unit affordable assisted living development in Eagan. The overall square footage of the building will be between 36,000 and 45,000 square feet, with unit sizes approximately 900 square feet. Typical assisted living units include a small efficiency or one bedroom apartment, with common spaces such as dining areas, commercial kitchen, recreation and meeting spaces. Typical services provided at assisted living facilities generally include meals, hospitality services, housekeeping, transportation, medication management, security and assistance with activities of daily living such as bathing, dressing, and eating.

The combination of housing and personal care services associated with assisted living developments is unavoidably costly and operationally demanding. Not only is the CDA designing a new model for the construction of the actual development but also for the services portion of the facility. If funded the CDA expects that it will take approximately six to eight months for design and city approval process and approximately 12 months for the construction of the facility. The length of time will depend on the ease at which additional funding sources are available.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are requested with this project.

Previous Appropriations for this Project

Senior Assisted Living Development - Eagan

None.

Other Considerations

The Dakota County CDA will own the building and operate the property management side of the development. The CDA will contract with a private firm to provide 24-hour services typically associated with assisted living facilities to the residents.

Project Contact Person

Mark Ulfers, Executive Director
Dakota County Community Development Agency
1228 Town Centre Drive
Eagan, Minnesota 55123
Phone: 651-675-4400
Fax: 651-675-4444
E-Mail: mulfers@dakotacda.state.mn.us

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

Grants to Political Subdivisions

Project Detail

Senior Assisted Living Development - Eagan

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	85	21	0	0	106
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	160	0	0	160
4. Project Management	0	565	0	0	565
5. Construction Costs	0	5,368	0	0	5,368
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	100	0	0	100
9. Inflation	0	0	0	0	0
TOTAL	85	6,214	0	0	6,299

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,100	0	0	3,100
State Funds Subtotal	0	3,100	0	0	3,100
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	85	3,114	0	0	3,199
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	85	6,214	0	0	6,299

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

DECC Arena - Duluth

2004 STATE APPROPRIATION REQUEST: \$3,331,000

AGENCY PROJECT PRIORITY: 1 of 1 (Duluth Entertainment & Convention Center)

PROJECT LOCATION: 350 Harbor Drive, Duluth waterfront

Project At A Glance

The Duluth Entertainment and Convention Center Authority (DECC) is requesting \$3,331,000 in state funding for schematic design, design and construction documents for the planned new Duluth Arena.

Project Description

The authority board which consists of four governor and seven mayoral appointments oversees Duluth's auditorium, Duluth OMNIMAX® Theatre, city side and harbor side convention centers and the retired ore carrier the S.S. William A. Irvin.

The Authority also manages the existing Duluth arena which will be 40 years old in 2006, the year construction is scheduled to begin on a replacement facility.

The new arena which would seat 6,500 guests for hockey and approximately 9,000 for concerts would be located on the existing DECC footprint located on Duluth's waterfront.

The new arena would provide northern Minnesota with a state of the art entertainment facility, with increased seating capacity, accessibility and modern arena amenities.

The arena would host a variety of events ranging from concerts to tradeshows.

The primary focus would be to address the needs of both the women's and men's University of Minnesota Duluth hockey teams.

The primary reasons the DECC Board of Directors is planning for a new arena include:

- ⇒ Providing a competitive facility for UMD hockey by including a larger ice sheet (90 x 200), adding seating capacity and training facilities.
- ⇒ Increasing event seating capacity attracting larger events to northern Minnesota.
- ⇒ The addition of 20,000 square feet of exhibit floor space allowing the DECC to host larger conventions and tradeshows.

The existing arena would be used as a high school facility for Duluth's three boys and girls hockey teams and for smaller events. The additional ice sheet would also alleviate the severe shortage of available ice time in the area.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are requested for this project.

Previous Appropriations for this Project

None.

Other Considerations

The Duluth Entertainment and Convention Center Authority will own and operate the facility. State funding is requested for design costs – no local matching funds are pledged for design costs related to the 2004 request.

Additional funds will be requested in 2006. Non-state funds to be contributed toward construction costs beginning in FY 2006 include:

- ◆ Local state food and beverage/hotel-motel tax receipts (city)
- ◆ Naming rights (private)
- ◆ Skybox sales (private)
- ◆ Seat licenses (private)
- ◆ Signage (private)
- ◆ Distribution of amounts to be determined later

Project Contact Person

Daniel J. Russell, Executive Director
DECC
350 Harbor Drive
Duluth, MN 55802-2698

DECC Arena - Duluth

Phone: (218) 722-5573, ext.
Fax: (218) 722-4247
Email: drussell@decc.org

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

Grants to Political Subdivisions

Project Detail

DECC Arena - Duluth

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	70	0	0	0	70
3. Design Fees	0	3,331	0	0	3,331
4. Project Management	0	0	392	0	392
5. Construction Costs	0	0	39,187	0	39,187
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	8,768	0	8,768
9. Inflation	0	0	0	0	0
TOTAL	70	3,331	48,347	0	51,748

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,331	24,173	0	27,504
State Funds Subtotal	0	3,331	24,173	0	27,504
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	70	0	24,174	0	24,244
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	70	3,331	48,347	0	51,748

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,331	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Duluth Aerial Lift Bridge Rehabilitation

2004 STATE APPROPRIATION REQUEST: \$1,950,000

AGENCY PROJECT PRIORITY: 1 of 4 (Duluth)

PROJECT LOCATION: Canal Park, Duluth

Project At A Glance

This request is for \$1,950,000 in state funding to assist in completing the rehabilitation and restoration of the Aerial Lift Bridge located in the Canal Park area of the city of Duluth.

Project Description

The Aerial Lift Bridge is a unique Minnesota landmark, readily recognized by Minnesotans, and is one of the top tourist attractions in Minnesota. It is listed in the National Register of Historic Places, and was recently recognized by the American Society of Civil Engineers as a classic example of a lift bridge structure. Continue safe operation of the Aerial Lift Bridge is essential because it spans the primary access to the Port of Duluth, and serves as the only link connecting the Park Point community to the rest of the city.

The project involves the surface rehabilitation and restoration of the Duluth Aerial Lift Bridge in order to maintain and preserve its structural integrity. During the winter of 1999-2000, the Aerial Lift Bridge underwent the initial phase of a major rehabilitation project. This project phase included: counterweight wire rope and sheave replacement, electrical upgrades to motors and controls, structural improvements, and the resurfacing of the lower eight feet of the bridge towers and lift span. To complete the restoration project, resurfacing of the remainder of the Aerial Lift Bridge structure, along with replacement of deteriorated or failed structural steel rivets, must be completed. Due to high levels of lead in the existing coating system and the structure's proximity over Lake Superior waters, complete encapsulation of the areas to be resurfaced will be required during the coating removal and replacement process. Sandblasting will be performed to remove the deteriorated lead coating as well as all rust and contaminants from the existing structural steel members, and will be followed by the application of a three-layer coating system. Debris from the sandblasting operations will be collected and disposed of in accordance with procedures for handling and disposing of hazardous wastes. Because of seasonal

shipping requirements, it is expected that this work would be completed in the non-shipping season.

Due to deficiencies in the existing coating system, the bridge's structural steel is already experiencing loss in strength due to rusting and steel deterioration. Without removal and replacement of the existing coating system, the structural steel deterioration will continue at an accelerated, and far more costly rate. It should be noted that this cost would be expected to increase significantly if the final phase of the rehabilitation is delayed, as the further rusting and deterioration of the structural steel would result in far more costly rehabilitation efforts - including the probable need for replacement of structural steel members. This project will also complete the full rehabilitation and restoration of a structure that, as previously noted, is listed in The National Register of Historical Places.

Because of the international ship traffic, Canal Park – where the Aerial Lift Bridge is located – is one of the most frequented tourist attractions in the entire Midwest. With Canal Park's tourism draw, the city and the state are able to capture sales tax on out-of-state tourism dollars that are drawn to the area. Additionally, Canal Park and the Aerial Lift Bridge assist in keeping Minnesota resident tourism dollars in the state. While national and international shipping laws govern the use – and therefore operational requirements – of the Aerial Lift Bridge, the City of Duluth is responsible for the operation and full maintenance of the structure. In addition, the Aerial Lift Bridge and Ship Canal serve as a shipping portal for trade and commerce between Minnesota to the rest of the world. Because of this, the state of Minnesota enjoys significant tax revenues from commerce conducted within and through the Port of Duluth. Consequently, the Aerial Lift Bridge has statewide, national and international significance, and using state funds to assist with this rehabilitation and restoration project are justifiable.

The total cost to completely rehabilitate and restore the Aerial Lift Bridge is \$10.4 million. Of this amount, \$6.5 million was previously expended by the City of Duluth to complete the first phase of the rehabilitation. The cost to complete the second and final phase of the rehabilitation is \$3.9 million.

The City of Duluth will match the state funds requested (\$1,195,000) above on a dollar-for-dollar basis. In addition and as previously noted, the City of Duluth has previously provided funding for the first phase of the rehabilitation and restoration.

Duluth Aerial Lift Bridge Rehabilitation**Impact on Agency Operating Budgets (Facilities Notes)**

No state operating funds are requested with this project.

Previous Appropriations for this Project

None

Other Considerations

The Aerial Lift Bridge is owned and operated by the City of Duluth.

The final phase of the rehabilitation and restoration of the Aerial Lift Bridge is expected to begin in October 2004 and be completed by April 2005, as the majority of the work required would expectedly be completed during the non-shipping season.

Project Contact Person

Mark Winson
Administrative Assistant
City of Duluth
411 W 1st Street – Room 400
Duluth, MN 55802
Phone: (218) 723-3632
Email: mwinson@ci.duluth.mn.us

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

Grants to Political Subdivisions

Project Detail

Duluth Arrial Lift Bridge Rehabilitation

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	6,500	3,900	0	0	10,400
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	6,500	3,900	0	0	10,400

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,950	0	0	1,950
State Funds Subtotal	0	1,950	0	0	1,950
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	6,500	1,950	0	0	8,450
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	6,500	3,900	0	0	10,400

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,950	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Duluth Sanitary Sewer Overflow Storage

2004 STATE APPROPRIATION REQUEST: \$4,950,000

AGENCY PROJECT PRIORITY: 2 of 4 (Duluth)

PROJECT LOCATION: Various sites within the City of Duluth

Project At A Glance

This request is for \$4,950,000 in state funding to proceed with construction of Sanitary Sewer Overflow (SSO) storage facilities at selected locations in the City of Duluth.

Project Description

These facilities would serve as temporary storage sites for sanitary sewer system flows that increase significantly in volume during precipitation runoff or other similar events – thereby reducing the incidents of sanitary sewer system overflows that historically occur during these events, as well as related public safety and health concerns.

The city's sanitary sewer system consists of approximately 400 miles of mains, and serves approximately 27,000 connections. Over 55% of the city's sanitary sewer system was installed prior to 1950, with 35% of the system over 80 years old. In recent years, the city – in cooperation with the Western Lake Superior Sanitary District (WLSSD) and under guidance and direction of the Minnesota Pollution Control Agency (MPCA) – has committed significant resources toward assuring that the city's system meets current performance standards and requirements – especially relative to the amount of inflow and infiltration (or "I&I") of surface and/or groundwater entering the system. These efforts have included over \$8,000,000 in system rehabilitation and \$7,000,000 in grants for a footing/foundation drain disconnection program. In great part due to these expenditure levels, sanitary sewer rates within the city have risen more than 60% over the last eight years, resulting in sewer service charges of approximately \$38.00 per month for an average residential property – among the highest in the Upper Midwest.

In addition to the efforts undertaken to date, the city is constantly looking to new programs and technologies to further reduce system I&I – including possible modifications/improvements to the drain disconnection program and

implementation of a sewer lateral rehabilitation program. However, and despite these efforts, the inflow and infiltration of surface and/or groundwater – especially during precipitation/runoff events – continues to add significant volumes of relatively clear water to the city's sanitary sewer system. Given the finite capacity of the system, these increased I&I volumes result in sanitary sewer overflows (or SSO's) at selected locations during these peak flow periods. As a result, there is now a need for the city to incorporate SSO storage facilities into the system at select locations.

Furthermore, in August 2002, the MPCA issued a new National Pollutant Discharge Elimination System (NPDES)/State Disposal System (SDS) permit jointly to the WLSSD and the City of Duluth for their sanitary sewer systems. As part of this permit, WLSSD and the city are required to "develop and implement a bypass/overflow elimination and control program to comply with (the) permit's terms and conditions". SSO storage facilities have been identified by both WLSSD and the city as a key and critical component of this program.

This project has local, regional and statewide significance in that: a) it will directly reduce the incidents of sanitary sewer overflows within the city of Duluth, b) it will assist in ongoing efforts to improve the overall water quality in the region's natural watersheds – most notably the St. Louis River and Lake Superior; and c) it will allow for the continued operation and expansion of public infrastructure system necessary to meet the economic vitality and growth of this area of the state of Minnesota – an area with historical statewide, national and global economic significance.

Impact on Agency Operating Budgets (Facilities Notes)

No new or additional state operating dollars would be requested for this project.

Previous Appropriations for this Project

None.

Other Considerations

The SSO storage facilities would be owned and operated by the City of Duluth.

The SSO storage facilities project design and development (to be funded by the City of Duluth) will begin in the second half of 2003. Construction of SSO

Duluth Sanitary Sewer Overflow Storage

storage facilities is expected to begin in August 2004, and to be completed by October 2005.

The SSO storage facilities will be designed through a cooperative effort with the Western Lake Superior Sanitary District (WLSSD), with the overall cost of the storage facilities – including design and construction – to be borne by the City of Duluth through agreement with WLSSD. The 2004 capital budget request is for SSO storage facility construction costs. The total anticipated expense associated with this project is \$12,400,000. Of this amount, \$2,500,000 would be for project design & development and land acquisition, and would be funded by the City of Duluth. The remaining \$9,900,000 would be for direct facility construction, with 50% or \$4,950,000 requested of the state of Minnesota, and 50% provided by the City of Duluth.

The total estimated construction cost for the city's current comprehensive SSO storage facility project is approximately \$30-35 million, with this 2004 Capital Budget Request representing the first phase of this comprehensive project. The results and outcomes of this first phase will be used to determine if future phases would proceed as currently proposed. If the project does proceed in future phases, the city would anticipate submitting similar Capital Budget Requests in 2006 and 2008.

Project Contact Person

Dick Larson
Director, Public Works & Utilities
City of Duluth
411 W 1st Street – Room 200
Duluth, MN 55802
Phone: 218-723-3614
Fax: 218-723-3374
Email: dl Larson@ci.duluth.mn.us

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

Grants to Political Subdivisions

Project Detail

Duluth Sanitary Sewer Overflow Storage

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	300	0	0	0	300
2. Predesign Fees	300	0	0	0	300
3. Design Fees	1,900	0	0	0	1,900
4. Project Management	0	0	0	0	0
5. Construction Costs	0	9,900	0	0	9,900
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	2,500	9,900	0	0	12,400

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,950	0	0	4,950
State Funds Subtotal	0	4,950	0	0	4,950
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	2,500	4,950	0	0	7,450
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	2,500	9,900	0	0	12,400

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	4,950	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Bayfront Visitors Center Pre/Design Duluth

2004 STATE APPROPRIATION REQUEST: \$180,000

AGENCY PROJECT PRIORITY: 3 of 4 (Duluth)

PROJECT LOCATION: Duluth waterfront, adjacent to the DECC

Project At A Glance

This request is for \$180,000 in state funding to proceed with predesign and design work for a Bayfront Visitors Center to be located between Interstate 35 and St. Louis Bay at Exit 255 in downtown Duluth.

Project Description

This project has local, regional and statewide significance in that it will serve to direct travelers to the heart of Duluth's commercial/tourism district. By providing the visitors center amenities at this location, the downtown Duluth district and its various tourist facilities will capture an increasing number of visitors, generating additional revenue for local businesses and additional tax revenue for both the City of Duluth and the state of Minnesota.

The Bayfront Visitors Center will be developed through a partnership of the State of Minnesota and the City of Duluth. The 2004 capital budget request is limited to predesign and design costs only. The total anticipated expense associated with this portion of the project is \$360,000. Of this amount, 50% or \$180,000 is requested of the state of Minnesota. 50% would be provided by the City of Duluth.

It is anticipated that the total project cost will amount to \$22,000,000. Again, the state of Minnesota would be asked to contribute 50% of the costs to construct, furnish and equip the Bayfront Visitors Center.

Funds to construct, furnish and equip the Bayfront Visitors Center would be requested no sooner than the 2006 Legislative Session. As noted above, the request would be for the state to contribute 50% of construction costs. Preliminary estimates of the cost to construct, furnish and equip the facility are \$22,000,000 (including furniture, fixtures and equipment). These numbers will be refined in the coming weeks and months and the specific request level will be provided in the final Capital Budget Request which will be presented to the Department of Finance this fall.

The City of Duluth will match the state funds requested above on a dollar-for-dollar basis.

City officials will be exploring the possibility of having the state sell the current Thompson Hill Visitors Center and having the proceeds of that sale directed toward the development of the Bayfront Visitors Center. Prospects for this transaction will be pursued in the coming weeks and months and will be addressed in the final request. If such a transaction is possible, it would serve to reduce both the state and city's share of project costs.

Impact on Agency Operating Budgets (Facilities Notes)

The only source of state operating dollars would be a continuation of state funds currently associated with operating the Thompson Hill Visitors Center.

Previous Appropriations for this Project

None.

Other Considerations

The predesign and design phase of the project would begin in August 2004 and would be completed by May 2005. A capital budget request for construction, equipment, and furnishings for the new facility would be prepared and presented to the Department of Finance in the summer and fall of 2005 for legislative consideration during the 2006 Legislative Session. The construction phase of the project would begin in August 2006 to be completed by May 2007.

The facility would be owned by the City of Duluth and operated by a partnership of the City of Duluth, Duluth Convention, and Visitors Bureau, and the Minnesota Office of Tourism. (The participation of the Office of Tourism is based on continuing an active role by that agency in light of its current involvement in operating the Thompson Hill Visitors Center – which would be replaced by the Bayfront facility.)

Project Contact Person

Michael Conlan
Director, Planning & Development
City of Duluth, 402 City Hall
Duluth, MN 55802
Phone: (218) 723-3556

Bayfront Visitors Center Pre/Design - Duluth

Fax: (218) 723-3540
Email: mconlan@ci.duluth.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	60	0	0	60
3. Design Fees	0	300	0	0	300
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	22,000	0	22,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	360	22,000	0	22,360

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	180	11,000	0	11,180
State Funds Subtotal	0	180	11,000	0	11,180
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	180	11,000	0	11,180
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	360	22,000	0	22,360

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	180	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Lake Superior Zoo Master Plan Development

2004 STATE APPROPRIATION REQUEST: \$400,000

AGENCY PROJECT PRIORITY: 4 of 4 (Duluth)

PROJECT LOCATION: 7210 Fremont Street, Duluth

Project At A Glance

This request is for \$400,000 in state funding to design and develop restrooms, two new animal exhibits and an interpretive trail as Phase 1 of the revised Master Plan for the Lake Superior Zoo in Duluth.

Project Description

This project will include the planning and development of a naturalistic meerkat exhibit by the existing lion exhibit, and a naturalistic red panda exhibit in a wooded area between our present Australian Outback exhibit and the waterfall area of Kingsbury Creek. A much needed restroom facility will be installed in this area, providing the only restroom on this side of the zoo. The outside of this rustic building will also be used for graphics explaining various interpretive facts about animals. An overlook will be included in this area, giving visitors an excellent view of the 70-foot high, cascading waterfalls on the Kingsbury Creek. A rustic trail will cross a 1930s WPA stone bridge and lead into a natural pine forest. This path will form a loop that will allow visitors a return route from the current dead end path to the Australian Outback. Graphics will interpret the plants, animals, geography and history along the trail. Utilities will be laid to provide service to the new exhibits and will be stubbed in to allow for future development of Phase 2 and 3 of this plan.

Phase 2 will include exhibits for yak, Preswalskis horse, caribou, bald eagles and smaller animals. Phase 3 will complete the project and will include wolves, musk ox, wolverines, bison, black bear and smaller animals from the Minnesota north.

The Lake Superior Zoo is one of three zoos in Minnesota that is fully accredited by the American Association of Zoos and Aquariums and is the only one located outside of the Twin Cities. More than 125,000 people visit the zoo annually from not only northern Minnesota, but from throughout the state. A large percentage of the zoo's visitors come from the Twin Cities

area. We also host visitors from every state of the United States as well as from many foreign countries. Our Zoo Education programs reach more than 15,000 people each year, the majority of them children. The Lake Superior Zoo is also involved in several national and international conservation projects, including more than a dozen endangered species.

The Lake Superior Zoo has demonstrated itself to be of local, regional, statewide and national significance.

The Lake Superior Zoo Master Plan Development will be developed through a partnership of the state of Minnesota, the City of Duluth and the Lake Superior Zoological Society. The 2004 capital budget request is for pre-design, design and construction costs. The total anticipated expense associated with this portion of the project is \$800,000. Of this amount, 50% of \$400,000 is requested of the state of Minnesota. Fifty percent would be provided by the City the Duluth and the Lake Superior Zoological Society.

Impact on Agency Operating Budgets (Facilities Notes)

No additional state operating dollars will be needed for this project

Previous Appropriations for this Project

Additional state funds to be requested for subsequent project costs/phases:

Funds for the design and development of the Zoo Master Plan would be requested for the 2006 and 2008 legislative sessions. Preliminary estimates for these requests are roughly \$750,000 in 2006 and \$900,000 in 2008. This represents 50% of the total costs for the projects.

The facility would be owned by the City of Duluth and operated by a partnership of the City of Duluth and the Lake Superior Zoological Society.

Other Considerations

None.

Project Contact Person

Mike Janis, Zoo Director
7210 Fremont St.
Duluth, MN, 55807
218-723-3748 or fax 218-723-3750
Email mjanis@ci.duluth.mn.us

Gerry Johnson, City Architect
206 City Hall, 411 W. 1st St
Duluth, MN, 55802
218-723-3649 or fax 218-723-3787
Email architect@ci.duluth.mn.us

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	3	0	0	3
3. Design Fees	0	10	0	0	10
4. Project Management	0	0	0	0	0
5. Construction Costs	0	787	1,500	1,800	4,087
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	800	1,500	1,800	4,100

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	400	750	900	2,050
State Funds Subtotal	0	400	750	900	2,050
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	200	750	900	1,850
Private Funds	0	200	0	0	200
Other	0	0	0	0	0
TOTAL	0	800	1,500	1,800	4,100

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	400	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Lowry Avenue Corridor, Phases 1 & 2 - Minneapolis

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 1 of 2 (Hennepin County)

PROJECT LOCATION: (between I-94 North and Theodore Wirth Parkway),
Lowry Avenue Corridor - Minneapolis

Project At A Glance

Hennepin County is requesting \$5,000,000 in State Capital Bonding to assist in the reconstruction of Lowry Avenue (CSAH 153) as a central element of the Lowry Corridor Project.

Project Description

The Lowry Avenue Corridor Project is an initiative of Hennepin County, the ten Lowry Avenue neighborhoods and the city of Minneapolis to improve the livability of this community corridor and to serve as a catalyst for regional revitalization.

Lowry Avenue is a five-mile thoroughfare that transects north Minneapolis connecting the northwestern suburb of Robbinsdale with northeastern suburb of St. Anthony Village. Lowry Avenue bridges the Mississippi River and Interstate Highway 94, but does not have access to the freeway. Areas of the corridor are plagued by some of the region's highest crime rates and obsolete and abandoned commercial and residential buildings.

With a grant from the Federal Highway Administration, the Lowry Corridor Project planning process began in November 2000. The Minneapolis City Council approved the Lowry Avenue Corridor Plan in July 2002.

The Lowry Avenue Corridor Plan

The Lowry Avenue Corridor Plan identifies transit centered redevelopment nodes and calls for the redesign of Lowry Avenue with wider sidewalks, on-street bicycle lanes, landscaped boulevards, and intersection improvements. These community identified roadway enhancements require additional right-of-way on south side of Lowry Avenue between Lyndale Avenue and Girard Avenues North and at the Penn Avenue intersection.

Four key Lowry Avenue intersections, Penn Avenue, Emerson-Fremont, Lyndale Avenue and Central Avenue, will serve as transit/commercial nodes. Infrastructure improvements within the transit/commercial nodes will assist in creating a sense of place within the community and support private investments needed to develop surrounding higher-quality neighborhoods.

Project Partners

Hennepin County has and continues to work closely with the following Lowry Avenue Corridor Project Partners as the project progresses to implementation:

City of Minneapolis
Minneapolis Community Development Agency
Minneapolis Park Board
Minneapolis School Board
Metropolitan Council/Metro Transit
Minneapolis Public Housing Authority
Cleveland Neighborhood Association
Folwell Neighborhood Association
Jordan Area Community Council
Hawthorne Area Community Council
Concerned Citizens of Marshall Terrace
McKinley Community
Bottineau Neighborhood Association
Audubon Neighborhood Association
Windom Park Citizens in Action
Holland Neighborhood Improvement Association

Impact on Agency Operating Budgets (Facilities Notes)

Non-state funds to County Contribution: \$15,000,000.

Also provided: Special Assessments to benefiting properties, \$1,000,000
City of Minneapolis capital request, \$1,000,000

Previous Appropriations for this Project

Project will be owned by Hennepin County and maintained by Hennepin County and the City of Minneapolis.

Other Considerations

Lowry Avenue Corridor, Phases 1 & 2 - Minneapolis

Project Schedule:

Phase One

Design	2004
Land acquisition	2004-05
Construction	2005-07

Phase Two

Design	2006
Land acquisition	2005-06
Construction	2007-09

Project Contact Person

Steve Cramer, Director
Hennepin County
Department of Housing, Community Works and Transit
417 N 5th Street, Suite 320
Minneapolis, MN 55401-1362
Phone: (612) 348-4216
Fax: (612) 348-9710
Email: Stephen.cramer@co.hennepin.mn.us

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

Grants to Political Subdivisions

Project Detail

Lowry Avenue Corridor, Phases 1 & 2 - Minneapolis

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	4,300	0	0	4,300
2. Predesign Fees	0	500	0	0	500
3. Design Fees	0	2,200	0	0	2,200
4. Project Management	0	0	0	0	0
5. Construction Costs	0	11,000	0	0	11,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	4,000	0	0	4,000
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	22,000	0	0	22,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds:					
G.O Bonds/State Bldgs	0	5,000	0	0	5,000
State Funds Subtotal	0	5,000	0	0	5,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	16,000	0	0	16,000
Private Funds	0	0	0	0	0
Other	0	1,000	0	0	1,000
TOTAL	0	22,000	0	0	22,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

HCMC Crisis Intervention Center Expansion

2004 STATE APPROPRIATION REQUEST: \$1,400,000

AGENCY PROJECT PRIORITY: 2 of 2 (Hennepin County)

PROJECT LOCATION: 701 Park Avenue South, Minneapolis

Project At A Glance

This request is for \$1.4 million in state funding to pre-design, design, construct and furnish a renovated and expanded Crisis Intervention Center (CIC) at Hennepin County Medical Center (HCMC).

Project Description

The proposed project is to ensure that the Crisis Intervention Center can continue to adequately and appropriately address the increasing demand for emergent/urgent behavioral/mental health treatment and services.

HCMC's Crisis Intervention Center, by any measurement, qualifies as a community and regional mental health resource and is available to Minnesota's residents 24 hours a day, seven days a week. The center is the region's primary site for acute psychiatric intervention, not only voluntary treatment, but court-committed patients, and for patients arriving by emergency ambulance service, or through law enforcement agencies. The scope of the service includes face-to-face intervention, assessment, counseling, and medication management, as well as responding to more than 70,000 calls annually for crisis intervention or suicide prevention.

Demand for access to mental health services throughout Minnesota has escalated to a crisis point. Many factors contribute to the increasing demand for acute and emergency psychiatric services, including: the general increase in the numbers of individuals and families with behavioral or mental health needs; the stresses of our society, including crime, poverty and homeland security issues; substance abuse; and the downsizing of our state hospital system and/or resources. With reimbursement rate increases not keeping pace with health/mental health cost inflation, other points on the mental health continuum of care are not being developed at a rate that parallels demand, thus resulting in more patients seeking assistance at the CIC as a last resort. Many insured individuals also find securing reimbursement from their third party payers for mental health services

problematic, and therefore delay their access to the system until their condition is approaching catastrophic proportion. Demand/volume at the CIC has increased by 15% per year, and it is anticipated that this rate of increase will continue for the foreseeable future. These factors all contribute heavily to the imperative that the HCMC Crisis Intervention Center expand and renovate as soon as possible.

The proposed CIC expansion project includes an increase in the number of assessment/treatment spaces from 9 to 16 rooms. In addition to these spaces, there is a need for medication management rooms and support spaces, including waiting room, clerical, conference room, circulation and other support space. The project cost estimate totals \$2.8 million – of which Hennepin County seeks \$1.4 million from 2004 state of Minnesota bond proceeds.

HCMC's CIC has become the region's foremost site for acute psychiatric intervention, and this project is necessary to meet HCMC's safety-net responsibility to ensure, to the best of our ability and resources, that all who present with a mental health dilemma receive necessary/appropriate care.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are being requested to this project.

Previous Appropriations for this Project

None.

Other Considerations

Project will be owned by Hennepin County and operated by Hennepin County Medical Center.

Project Contact Person

Project Contact Person:

Mike Harristhal

Associate Administrator

Hennepin County Medical Center

701 Park Avenue

Minneapolis, MN 55415

Phone (612) 347-3317

Fax: (612) 904-4214

Email: mike.harristhal@co.hennepin.mn.us

HCMC Crisis Intervention Center Expansion

Joanne Hall, Administrator
Clinic Business Unit, Behavioral
Hennepin Co. Medical Center
701 Park Ave. S.
Minneapolis, MN 55415
Phone: (612)347-3364
Fax: (612) 904-4214
Email: Joanne.hall@co.hennepin.mn.us

Dan Wichman, Director
Facilities Management
Hennepin Co. Medical Center
701 Park Ave. S.
Minneapolis, MN 55415
Phone: (612) 347-3813
Fax: (612) 904-4244
Email: dan.wichman@co.hennepin.mn.us

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

Grants to Political Subdivisions

Project Detail

HCMC Crisis Intervention Center Expansion

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	133	0	0	133
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,105	0	0	1,105
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	1,400	0	0	1,400
8. Occupancy	0	162	0	0	162
9. Inflation	0	0	0	0	0
TOTAL	0	2,800	0	0	2,800

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,400	0	0	1,400
State Funds Subtotal	0	1,400	0	0	1,400
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,400	0	0	1,400
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	2,800	0	0	2,800

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,400	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Lewis and Clark Rural Water System

2004 STATE APPROPRIATION REQUEST: \$4,301,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Luverne)

PROJECT LOCATION: Cities of Luverne and Worthington, Counties of Lincoln, Pipestone and Rock

Project At A Glance

This is a single request for a **General Fund appropriation** to cover the anticipated expenses to acquire land, pre-design, design, construct, furnish and equip a rural water system to serve Southwestern Minnesota and to pay additional project development costs that are approved for federal cost share payment by the United States Bureau of Reclamation.

Project Description

This request is for \$4,301,000 in state General Fund dollars to acquire land, pre-design, design, construct and equip a rural water system in Southwestern Minnesota. The goal of the Lewis and Clark Rural Water System is to develop an alternative and supplemental water supply for the benefit of communities in this three-state region. Communities and rural water systems became project members because of their shared need for an additional source of water of suitable quality for use as a public water supply.

The need for an additional source of water is due to numerous factors including the region's geology, hydrological characteristics, deteriorating water quality, more stringent regulations and increased demands on local water resources. The four Southwest Minnesota water systems which are participating in the Lewis and Clark Rural Water System face problems with both water quantity and quality. Communities in the project area routinely find it necessary to impose water use restrictions due to limited availability of water. The project area relies on shallow surface aquifers that are easily influenced by drought and are vulnerable to contamination from surface activities.

The Lewis and Clark system will draw water from a well system near the Missouri River to provide the region with a more safe and reliable water supply. This system will deliver water to the Missouri River Basin area of Minnesota. The Lewis and Clark system will provide treated water for four

systems in Southwest Minnesota – the City of Luverne, the City of Worthington, Rock County Rural Water System and Lincoln-Pipestone Rural Water System. The four Minnesota entities that are participating in the Lewis and Clark project have spent significant resources exploring alternative water supplies. Their exploration efforts have been documented and shared with the Minnesota Department of Natural Resources. While there must be continuing exploration for local water resources, no reliable alternative has been found other than the Lewis and Clark Rural Water System to provide a safe and reliable supply of water for these communities. All four of the systems have also been held to a high standard with respect to their efforts to conserve water.

Lewis and Clark will address concerns regarding the low quality, contamination vulnerability and insufficient supply of existing drinking water sources throughout the water service area. The raw water will be diverted, treated and distributed through a network of pipelines, pump stations and storage reservoirs to service connections with each of the 16 municipalities and seven rural water systems which are currently members of Lewis and Clark as well as any additional municipalities and rural water systems which Lewis and Clark permits to use water supply through the water supply system.

Again, the four Minnesota systems participating in the Lewis and Clark Rural Water System project have instituted practices and educated their water consumers regarding the importance of conserving the resource. The Lewis and Clark Joint Powers Board has worked with DNR officials with respect to the conservation efforts as well. The total cost of the project is an estimated \$359,661,200. A significant majority of the funds needed to construct the Lewis and Clark System – 80% – is to be committed by the federal government. The capital budget for the project is prorated among the participating systems on the basis of the delivery capacity reserved by each of the local systems.

The participating Minnesota water systems have reserved approximately 13% of system delivery capacity. The cost for members who increased their reserved delivery capacity after 1999 is calculated assuming no federal or state grant participation in the costs associated with marginal increases in reserved capacity. In 2000, Congress authorized the project and provided the first federal appropriation. There now exists a Cooperative Agreement between the Department of the Interior, Bureau of Reclamation and the

Lewis and Clark Rural Water System

Lewis and Clark Rural Water System, Inc. for planning and construction of the Lewis and Clark Rural Water System

The Lewis and Clark Joint Powers Board consists of the municipal public utilities serving the Cities of Luverne and Worthington and rural water systems serving Lincoln-Pipestone and Rock Counties. The rural water systems are established pursuant to M.S. 116A.

The Lewis and Clark Rural Water System includes community and rural water systems in Southwestern Minnesota as well as Southeast South Dakota and Northwest Iowa. The goal of Lewis and Clark is to develop an alternative and supplemental water supply for the benefit of communities in this three state region. Communities and rural water systems became project members because of their shared need for an additional source of water of suitable quality for use as a public water supply. The following summarizes the anticipated total project costs per state for land acquisition, pre-design, design, construction, and to equip the Lewis and Clark Rural Water System:

Member Systems	Luverne, Rock County, Lincoln-Pipestone, Worthington
Percent of Reserved System Capacity and Cost Associated With Minnesota's Systems' Share of the Project	12.0582%
Estimated Total State Cost Share	\$4,301,000

The estimated Minnesota project share for project costs is \$44,835,175 (\$7,447,456 – local; \$4,154,191 – state; \$33,233,528 – federal). This amount includes the construction performed in Minnesota. The remaining amount, approximately \$6,623,275, is for Minnesota's share of project costs related to source development, treatment and transmission of water to Minnesota.

An 80-10-10 federal, state and local matching fund formula is included in the Cooperative Agreement between the Department of the Interior, Bureau of Reclamation and Lewis and Clark Rural Water System, Inc. for the planning and construction of the Lewis and Clark Rural Water System. The federal funding commitment (80%) to this project totals \$270,145,461. The local

funding commitment of the four Minnesota systems totals approximately \$7,447,456. The local funding commitment is approximately \$3,293,265 more than the state commitment. Local systems which increased their reserved system capacity after 1999 must bear this additional cost themselves. No federal or state matching funds are being requested. In Minnesota, the City of Luverne increased its reserved capacity from .500 million gallons per day to .750 million gallons per day and the Lincoln-Pipestone Rural Water System increased its reserved capacity from .300 million gallons per day to 1.000 million gallons per day

The United States shall pay its share of the eligible costs of the water supply system in accordance with the provisions of the Cooperative Agreement between the Department of the Interior, Bureau of Reclamation and Lewis and Clark Rural Water System, Inc. for planning and construction of the Lewis and Clark Rural Water System. The base line for the total federal cost share amount (year 1993 dollars) as established in the Act was \$213,887,700. The Bureau of Reclamation shall also provide such sums as are necessary to pay the federal share of increases in eligible costs reflected in appropriate engineering cost indices after 9/1/93 in accordance with Articles III.A.28 and III.A.29 of the Cooperative Agreement.

Impact on Agency Operating Budgets (Facilities Notes)

No additional state operating dollars will be needed for operation of the Lewis and Clark Rural Water System. Each member entity will pay for operation, maintenance and repair with local funding.

Previous Appropriations for this Project

The Lewis and Clark Rural Water System is scheduled to be completed between the years 2013 and 2017. This completion date depends upon the annual inflation rate and the federal funds per year schedule. The 2000 Legislature indicated its support for this project by appropriating \$610,000 general obligation bond proceeds as part of the 2000 bonding bill. Constitutional constraints prevent the use of bond proceeds to finance the project due to the organizational structure and multi-state character of the project. In light of this, legislation was introduced seeking to convert the allocation of bond proceeds to a General Fund appropriation. This request was referred to the Capital Investment Committee in both the House and Senate in 2002 and 2003.

Lewis and Clark Rural Water System

The 2001 Omnibus Environment and Natural Resources Finance Bill included an appropriation of \$54,000 for the Lewis and Clark Rural Water System. Each dollar of this appropriation, when matched with \$8.00 of federal money and \$1.00 of local money was used to begin construction of the Lewis and Clark Rural Water System. The \$54,000 appropriation provided the 10% state matching share for the first two years of project development. The 2002 Capital Investment Bill included a general fund appropriation of \$180,000 for the Lewis and Clark Rural Water System.

This appropriation was one of many line-item vetoes by Governor Jesse Ventura. The 2003 Omnibus Environment, Natural Resources, Agriculture, Economic Development and Housing Appropriations Bill includes a \$108,000 general fund appropriation for the Lewis and Clark Joint Powers Board. The Rider language makes this money available when matched by \$8.00 of federal money and \$1.00 of local money for each \$1.00 of state money, but it also expands the use of funds to cover costs that are approved for federal cost share payment by the United States Bureau of Reclamation (2003 Regular Session, Chapter 128, Senate File 905, Article 1, Section 5, subdivision 3.)

Additionally, the Minnesota Legislature passed legislation clarifying the corporate status for federal tax law purposes for the Lewis and Clark Rural Water System (2003 Regular Session, Chapter 127, Senate File 1505, Article 12, Section 27.)

This \$4,301,000 capital request represents the total state cost share for the project.

Please note too, that all state funds will be matched on a dollar-for-dollar basis by local resources and \$8.00 to every \$1.00 of state funds from the Federal Bureau of Reclamation.

Lewis and Clark Rural Water System, Inc., a non-profit corporation, will be the owner and operator of the rural water system. All costs of operating and maintaining the system will be the responsibility of the local water systems.

A ceremonial groundbreaking will be held Saturday, August 23, 2003 at the Clay County Park near Vermillion, South Dakota. Project completion is anticipated between 2013 and 2017 depending on the federal fee schedule and the amount of federal funds dedicated to this project (between \$25 and

\$30 million per year over the next 10 years). Additionally, the completion rate is also dependent upon the annual inflation rate and cost estimates over the course of project construction.

The Federal Omnibus Bill recently passed by Congress and signed by President Bush includes \$7 million for Lewis and Clark construction in 2003. The Bureau of Reclamation and OMB have indicated unprecedented targeted under funding which will lower that amount to \$2 million. The three states and local project sponsors will provide approximately \$4.3 million in 2003.

Lewis and Clark has requested \$30 million in federal funding for continuing construction activities in 2004. The three states continue to show strong support through their funding contributions. The South Dakota Legislature has approved \$2.5 million funding for 2004 through the Governor's Omnibus Water Bill – Governor Round signed the bill on March 4. Iowa's funding package includes \$1.5 million and will be introduced later this year.

Project Contact Person

Red Arndt
Public Utilities Coordinator
City of Luverne
203 East Main
Luverne, MN 56156
Phone: (507) 449-2388

Don Habicht
General Manager
Worthington Public Utilities
City Hall, 823 Third Avenue
Worthington, MN 56187
Phone: (507) 372-8680

Don Evers
CEO
Lincoln-Pipestone Rural Water
East Highway 14, Box 188
Lake Benton, MN 56149
Phone: (507) 368-4248

Dan Cook
Rock County Rural Water System
Rural Route 2, Box 193
Luverne, MN 56156
Phone: (507) 283-8886

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

Grants to Political Subdivisions

Project Detail

Lewis and Clark Rural Water System

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	8,714	0	0	8,714
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	34,344	0	0	34,344
4. Project Management	0	2,526	0	0	2,526
5. Construction Costs	0	314,078	0	0	314,078
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	359,662	0	0	359,662

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	610	0	0	0	610
General Fund Projects	162	4,301	0	0	4,463
State Funds Subtotal	772	4,301	0	0	5,073
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	270,145	0	0	270,145
Local Government Funds	0	7,447	0	0	7,447
Private Funds	0	0	0	0	0
Other	0	33,234	0	0	33,234
TOTAL	772	315,127	0	0	315,899

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Heritage Hjemkomst Interpretive Center Repair

2004 STATE APPROPRIATION REQUEST: \$1,000,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Moorhead)

PROJECT LOCATION: Moorhead

Project At A Glance

This request is for \$1million in state funding to undertake essential asset preservation activities at Moorhead's Hjemkomst Center which include the design and construction of the following: 1) Replacement of the facilities' fabric roof; 2) Replacement of structural support system for the hull of the Viking Ship Hjemkomst; and 3) Installation of security measures at the replica Stave Kirke.

Project Description

The Hjemkomst Center, including the adjacent Stave Church is a regional interpretive center. It is a significant visitor destination in northern part of the state that regularly draws visitors from Minnesota, North Dakota, South Dakota and Manitoba. It has a local importance as well, being an integral part of the community economic development efforts.

In addition to housing the replica Viking Ship and Stave Church, the facility is home to the Heritage Hjemkomst Interpretive Society, Clay County Historical Society, Fargo-Moorhead Area Chamber of Commerce and the City of Moorhead Senior Center.

\$1 million In Non-State Funds Will Be Contributed By City of Moorhead and/or private sources.

The project consists of three elements:

- ⇒ Roof Replacement at Hjemkomst Center: Construction start May 2005; Construction complete September 2005.
- ⇒ Hjemkomst Viking Ship: Construction start July 2004; Construction complete December 2004.
- ⇒ Stave Kirke: Construction start July 2004; Construction complete October 2004

Impact on Agency Operating Budgets (Facilities Notes)

There will be no new or additional state operating dollars requested for this project.

Previous Appropriations for this Project

None

Other Considerations

The Hjemkomst Center is owned and operated by the City of Moorhead.

Project Contact Person

Scott Hutchins
Community Services Director
500 Center Avenue Box 779
Moorhead MN 56560
Phone: (218)299-5376
Fax: (218)299-5399
Email: Scott.Hutchins@ci.moorhead.mn.us

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

Grants to Political Subdivisions

Project Detail

Heritage Hjemkomst Interpretive Center Repair

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	40	0	0	40
3. Design Fees	0	160	0	0	160
4. Project Management	0	0	0	0	0
5. Construction Costs	0	1,800	0	0	1,800
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	2,000	0	0	2,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	0	0	1,000
State Funds Subtotal	0	1,000	0	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	500	0	0	500
Private Funds	0	500	0	0	500
Other	0	0	0	0	0
TOTAL	0	2,000	0	0	2,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Minnesota Planetarium & Space Discovery Center

2004 STATE APPROPRIATION REQUEST: \$24,000,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Minneapolis)

PROJECT LOCATION:

Project At A Glance

The Minneapolis Library Board and City of Minneapolis jointly request \$24,000,000 in state funding (this number may be revised downward) from the 2004 State Bonding Bill to design, construct, furnish and equip a new Minnesota Planetarium & Space Discovery Center to serve as a local, regional and Statewide educational destination where students and the general public can learn about Earth and its relationship to the Universe.

Project Description

Key features will include:

- ◆ A 70 foot diameter, 250 seat planetarium theater for 3D, full-dome immersion "star shows";
- ◆ The North Star Observatory, which will allow students and the general public to explore the universe through interactive workstations connected to remote telescopes and orbiting satellites;
- ◆ The Space Exposition Hall for traveling exhibits on the most recent developments in space exploration and astronomical discovery; and
- ◆ Virtual Immersive Environments that will allow students and the general public to experience simulated space environments, such as the surface of Mars.

The Minnesota Planetarium & Space Discovery Center will be developed as part of the new Minneapolis Central Library Project that includes the new Central Library, ancillary retail, and parking. In November 2000, the voters of Minneapolis approved a referendum for \$110 million for the Central Library Project. The state has previously appropriated \$1.0 million for predesign and design activities for the Planetarium. The City and Library Board are requesting the state to fund an additional \$24 million for the Minnesota Planetarium & Space Discovery Center and will seek \$15.5 million in private-sector contributions (\$12.4 million in support of the new Central Library and \$3.1 million for the Planetarium) and sponsorship of exhibits and equipment

to fund the balance of the project costs. The Library Board will provide the land and the city and board have agreed to provide \$1.8 million in funding to provide the additional structural capacity to allow the planetarium to be located on top of the new Central Library. The city has also issued \$11.2 million in bonds to construct two levels of underground parking.

As a local, regional and statewide facility the Minnesota Planetarium & Space Discovery Center will:

⇒ Serve as a state-of-the-art educational resource for Minnesota students. The primary mission of the Minnesota Planetarium & Space Discovery Center will be to immerse children in an atmosphere that inspires awe and curiosity about science. Children will emerge from the Planetarium with a desire to learn more about the universe and their place in it. In addition, the facility will highlight the earth sciences that are central to most school districts' core curriculums.

The state of Minnesota has demonstrated its interest in creating and expanding educational attractions by providing capital support to the Science Museum of Minnesota, Minnesota Children's Museum and the Minnesota Zoo. Like the future Minnesota Planetarium & Space Discovery Center, these facilities are attractions for residents and visitors from throughout the state, but most importantly promote discovery and learning.

⇒ Be more accessible to schools and students from Greater Minnesota. Today, about 80% of visitors to the Minneapolis Planetarium do not reside in Minneapolis. The new Minnesota Planetarium & Space Discovery Center will continue that tradition but greatly expand the appeal and accessibility for students, teachers and families from Greater Minnesota

- ◆ **Dwell-time.** - The existing Minneapolis Planetarium offered a one-hour experience for visitors, which was a deterrent for groups from beyond the metro-area. The proposed facility would offer visitors a three-hour experience, which can be extended even further through joint programming with the Library.
- ◆ **Resource Center.** The Minnesota Planetarium & Space Discovery Center's space resource center will assist Minnesota teachers in the development of science modules for classroom use.
- ◆ **Outreach.** The portable "star lab" will equip staff educators to visit schools, parks and community centers in Greater Minnesota.

Minnesota Planetarium & Space Discovery Center

⇒ Complement other metro area attractions.

The Twin Cities area is renowned for its cultural attractions. However, the only resource that was focused on space was the Minneapolis Planetarium. The Minnesota Science Museum, which is the most similar in content and spirit, has explicitly chosen not to include astronomy among its featured themes. The Minnesota Planetarium & Space Discovery Center will fill a clear void and effectively complement other attractions.

The only other public planetarium in Minnesota is a 40' theater in Hibbing, which lacks the 3D-immersion technology and supplemental, interactive exhibits of the proposed Minnesota Planetarium & Space Discovery Center.

⇒ Be a compelling destination for tourists.

The Rose Center in New York and Adler Planetarium in Chicago have demonstrated that a well-designed, iconic planetarium can be a major draw for regional, national, and even international tourists. Preliminary research anticipates a sustainable attendance of 250,000 annually at the Minnesota Planetarium & Space Discovery Center. It will be one of the elite planetaria in the U.S. and the premier planetarium in the upper Midwest.

⇒ Serve as a showcase for Minnesota's technology leaders.

Minnesota has a rich legacy of technological innovation and discovery. The new Minnesota Planetarium & Space Discovery Center will be a cutting edge resource for Minnesota's business and technology leaders.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are requested with this project.

Previous Appropriations for this Project

\$1 million was appropriated in the 2000 bonding bid for predesign and design.

Other Considerations

The Minneapolis Library Board will own the land and building upon which the Planetarium will sit. The operation and ownership of the Planetarium itself will be determined before the start of the 2004 legislative session.

Project Contact Person

Richard A Johnson, Project Coordinator
New Central Library Project Office
15 S. 5th Street
Suite 210
Minneapolis, MN 55402
Phone: (612) 334-1671
Fax: (612) 342-4000
Email: richard.a.johnson@ci.minneapolis.mn.us.

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	150	0	0	150
3. Design Fees	0	2,500	0	0	2,500
4. Project Management	0	0	0	0	0
5. Construction Costs	0	17,500	0	0	17,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	8,000	0	0	8,000
9. Inflation	0	0	0	0	0
TOTAL	0	28,150	0	0	28,150

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1000	24,000	0	0	25,000
State Funds Subtotal	1000	24,000	0	0	25,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,800	0	0	1,800
Private Funds	0	3,100	0	0	3,100
Other	0	11,200	0	0	11,200
TOTAL	1000	40,100	0	0	41,100

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	24,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Red Lake School

2004 STATE APPROPRIATION REQUEST: \$33,200,000

AGENCY PROJECT PRIORITY: 1 of 1 (Red Lake School District)

PROJECT LOCATION: Red Lake School District

Project At A Glance

The Red Lake Independent School District 38 is proposing a series of school construction projects to accommodate unexpected student enrollment growth, to upgrade and replace aging school facilities, and to provide greater opportunity for community use of school space.

Project Description

The combination of unexpected increases in enrollment and deteriorated, crowded facilities caused the Red Lake School District to initiate long-term facility planning that will be finalized by September, 2003. The final capital loan request will include finalized plans for construction for the period 2004-2009 that include a new middle school and a new elementary school, as well as renovations to existing schools.

For this budget period, the Red Lake School District School Facilities Project requests \$33.174 million to build a new middle school facility, to replace space lost due to the demolition of the 1949 portion of the high school building deemed unsalvageable, and to continue renovation of the high school. Current middle school space allocated in the high/middle school building is shared with special education and alternative learning center (ALC) programs. It was constructed in the early 1950's as an elementary school, with additions in 1994 and 2001. In spite of renovations, the structure provides substandard educational space. Classrooms are undersized for current and projected enrollment and specialized areas for curriculum areas involving science and technology are lacking.

The middle school is to be built on a site donated by the Red Lake Tribal Council and is designed to house 560 students in grades 6-8, with a maximum capacity of 600 students. The site is large enough to accommodate future construction. The approximately 146,000 square foot structure will include six grade-level "houses" of 80-100 students, plus special needs students. Additions to the high school include a new science

lab, a Tribal Studies resource area, special needs classrooms and support spaces, and a Family and Consumer Sciences classroom.

The decision to build a separate middle school was a result of planning that involved school district management, architects, engineers, students, faculty and community input including tribal elders and spiritual leaders. In addition, community opinion favors segregation of middle school students in a site that is remote from high school and ALC programs.

Impact on Agency Operating Budgets (Facilities Notes)

None

Previous Appropriations for this Project

The Red Lake School District requested \$40.125 million in 2002 for additions to five schools and major renovations at the high school and middle school. The 2002 Legislature appropriated \$12.5 million to begin additions, renovations, and critical health and safety projects at the high school, two elementary schools and early childhood classrooms. Of this amount, up to \$500,000 was allocated to predesign of the projects initially proposed. In previous years, Red Lake has received the following capital loan appropriations for construction and improvement of facilities.

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 - High School, Early Childhood Center, 2 Elementary Schools

Other Considerations

While funding for school facilities has historically been viewed as a primarily local responsibility, the Red Lake School District has extremely low property values and very little private ownership of land as most of the land is owned in common by Tribal members. Even with state assistance through the debt service equalization program, the district cannot fund capital projects through local levies. A measure commonly used to measure school district ability to raise funds through property taxes is the adjusted net tax capacity (ANTC)

Red Lake School

per student. For FY 2003 the unweighted average district ANTC/adjusted marginal cost pupil unit (AMCPU) was \$3,336. Red Lake has ANTC/AMCPU student of \$6.

Enrollment growth is projected to increase between FY 1998 and FY 2010 by 56%. This assumes that new or renovated facilities allowing expanded educational programming will draw many of the secondary students who currently open enroll to other districts back to the Red Lake Schools. One factor that is contributing to the enrollment growth is the federally mandated welfare reform. Minnesota's new program, the Minnesota Family Investment Program (MFIP) established a 60-month time limit for receipt of welfare benefits, but included an exclusion for the Red Lake Nation because of its high unemployment rate (60%). The consequence of the legislation is that tribal members are returning in large numbers as welfare benefits expire elsewhere. In addition, a new housing development has been opened and desirable housing is available for returning tribal members. The development continues to have waiting lists in spite of continued construction of new housing units.

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

Project Contact Person

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

Grants to Political Subdivisions

Project Detail

Red Lake School

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	33,200	0	0	33,200
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	33,200	0	0	33,200

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	33,200	0	0	33,200
State Funds Subtotal	0	33,200	0	0	33,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	33,200	0	0	33,200

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	33,200	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Rochester Regional Public Safety Training Center

2004 STATE APPROPRIATION REQUEST: \$627,000

AGENCY PROJECT PRIORITY: 1 of 2 (City of Rochester)

PROJECT LOCATION: Adjacent to Rochester Army National Guard facility

Project At A Glance

\$627,000 is requested is to develop a Live Burn Training Simulator adjacent to the existing National Guard Facility in Rochester.

Project Description

The Regional Public Safety Training Center (RPSTC) is a collaborative effort between Rochester Community and Technical College, Minnesota Army National Guard, Olmsted County and the City of Rochester.

This multi-phase project proposal calls for construction of a Live Burn Training Simulator (Phase 1), the refurbishment of existing Army National Guard indoor firearms range and construction of an emergency vehicle driving range (Phase 2) and construction of an outdoor firearms range and Hogan's Alley (Phase 3). Note: Each phase should be considered on its own merits. Although together these phases create a master facilities plan, they are not interdependent and could be implemented separately.

Phase 1 of the project will focus on constructing a Live Burn Training Simulator and small staging building adjacent to the existing Minnesota Army National Guard facilities in Rochester. Fire fighters number over 200 in communities in Olmsted County and over 1,500 in the 60-mile radius. Each fire department is responsible to coordinate its own training program. Some of this training is provided by members of the department and some by outside vendors. The operational training programs for area fire departments and law enforcement agencies will be supported by this facility. The Riverland Community College Firefighter training program in Austin, Minnesota represents another operational program which will be supported by the Regional Public Safety Training Center.

Unfortunately, none of the fire departments within the region have access to a live burn facility. This situation forces fire department officers to train their members in makeshift venues and in less than totally safe circumstances.

The low availability of abandoned houses or commercial buildings for live burn training is inadequate. Environmental regulations require these structures be tested for potential hazardous materials such as asbestos, lead or mercury. These testing expenses are the responsibility of the property owner and have proven cost prohibitive for individuals to the point they stop the process and agencies are not allowed to train in the structure. The live burn facility will enable experienced fire fighter trainers, for example from Riverland Community College, to provide a safe, controlled and consistently available environment for area fire fighters. The live burn facility will be constructed to simulate a 4-story high-rise building, a 2-story commercial building and a single story residential structure using building materials designed to withstand the repeated high temperatures associated with training fires. Firefighters will gain valuable experience as they mitigate the unique challenges of fire within each structure.

This live burn training simulator will also provide essential tactical skill training such as forcible entry and rappelling for law enforcement officers and National Guard troops. Total cost associated with Phase 1 is \$1.254 million. Support for this project at the local government level has been included.

Phase 2 of the project would include refurbishment of the existing Army National Guard indoor firearms range and construction of an emergency vehicle driving course. There are over 200 law enforcement officers in Olmsted County and approximately 600 licensed peace officers working within a 60 miles radius of Rochester. These operational programs provide each officer/deputy with several hours of training annually. The indoor firing range is needed for teaching fundamental shooting skills and remedial work for the National Guard and area law enforcement agencies. The range at the Rochester National Guard facility has been closed due to air handling/lead management issues. We feel the investment necessary to restore the facility to operation would be much more economical than building a new indoor range from scratch and is the most economical way to provide this essential training to the region.

Tactical skills training such as weapons qualifications, hand-to-hand combat, forcible entry, hostage negotiation are conducted today in less than adequate facilities. If this collaborative project proceeds, the existing Armory gymnasium is proposed to be used by the Police and Sheriff departments in the region for use-of-force training. The existing classrooms and interactive

Rochester Regional Public Safety Training Center

video facilities are proposed to be used by departments for a variety of instruction applications as well.

The Rochester Community and Technical College is the home for a Minnesota Peace Officer Standards and Training Board approved law enforcement program with an annual enrollment of approximately 100 students. This operational program will also be supported by the Regional Public Safety Training Center.

In spite of Rochester and Olmsted County's population, growth and central locality for the Southeastern corner of Minnesota, the fire fighter and law enforcement agencies of the region are woefully underserved in training facilities. The services of a live burn facility or indoor firearms range are not available in the region. The City of Rochester owns and operates an outdoor firearms range, however it appears inevitable the outdoor range will be closed within the very near future. The existing facility is surrounded by business development thus there is no room for expansion, the facility is small so the number of training participants needs to be few, the small facility size does not allow for scenario-based training and the facilities are not rated for the increased fire power of the latest weapons used by officers. Olmsted County Sheriff's office, Rochester Community and Technical College and regional security agencies also utilize the existing facility. Traveling great distances to other firearms facilities in Minnesota is cost prohibitive for the law enforcement agencies in this region.

The emergency vehicle driving course is designed to accommodate precision maneuvering of law enforcement vehicles, fire apparatus and ambulances. Facility elements such as a maneuvering course, skid pad and roads will provide a wide variety of training opportunities for the emergency service and public safety personnel in the region.

Total cost for Phase 2 is \$2,630,000 however there is no commitment from local government agencies of matching funds at this time for phase 2 of the project.

Phase 3 of the project is proposed to include construction of an outdoor shooting range and a "Hogan's Alley" type of facility. Hogan's Alley is a mock-up of an actual street with storefronts, multi-story facades and actual streetscape elements. Law Enforcement officers and National Guard troops could use this facility for a variety of tactical skill training opportunities

The Army National Guard company assigned to Rochester is an air assault infantry unit. This requires training, which focuses on the tasks of the light infantry soldier and the interface with helicopter functions. The Rochester unit is centrally located for the entire 2nd Battalion, 135th Infantry that also has companies in West St. Paul, Albert Lea, Mankato and Winona. In exchange for our use of the National Guard facilities, the National Guard would be allowed to utilize the Fire Training Tower facilities for repelling, urban terrain fighting skills (MOUT) and civil disturbance training. The parking lot and grassland areas near the Fire Training Tower could be used by the National Guard for helicopter landing procedures and dismounted formation drills. The proposed purchase of the 80-acre site adjacent to the National Guard property for the Burn Tower and related activities will permit this diverse site to be available to the Guard. The wooded areas are proposed to be used for tactical maneuver training including river crossing, bivouac and wilderness survival training. The Guard would also have access to the outdoor firearms range and Hogan's Alley for training events, if these facilities are feasible to construct in the future.

Because of the neighborhood surrounding the Armory site, we anticipate these facility elements to be located elsewhere, perhaps near the Rochester airport. Total cost for Phase 3 is yet to be determined and there is no commitment from local government agencies at this time for this phase of the project.

P H A S E 1	Project Element	Cost
	Land acquisition (match)	\$ 543,000
	Pre-design, schematic design, design development, preparation of bid documents and construction management	\$ 9,000
	Non-state staff Project Management (includes fees, testing etc.	\$ 57,000
	Construction costs of Live Burn Training Tower (includes site development)	\$ 597,000
	Furniture and equipment (includes security equipment)	\$ 20,000
	Relocation costs	\$ 0

Rochester Regional Public Safety Training Center

	Inflation Costs	\$ 29,000
	Phase 1 Total	\$1,254,000
P	Pre-design, schematic design, design	\$ 161,000
H	development and preparation of bid documents	
A	Construction costs of Emergency Vehicle	\$2,016,000
S	Driving Course and Refurbish Indoor	
E	Firearms Range (includes site development)	
	Furniture and equipment	\$ 200,000
2	Relocation costs	\$ 0
	Phase 2 Total	\$2,630,000
P	Pre-design, schematic design, design	To Be Determined
H	development and preparation of bid documents	
A	Construction costs of (includes site	
S	development)	
E	Furniture and equipment	
3	Relocation costs	
	Phase 3 Total	

Rochester Fire Department
 Rochester, MN 55904-3718
 Phone: (507) 285-8953
 Fax: (507) 280-4721
 Email: jleland@ci.rochester.mn.us

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

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are requested with this project.

Previous Appropriations for this Project

None.

Other Considerations

The live burn facility, emergency vehicle driving course, outdoor firearms range and hogan's alley would be owned by the City of Rochester. The Minnesota National Guard would retain ownership of existing facilities such as the indoor firearms range, classrooms, kitchen, and gymnasium. Representatives from departments and organizations who use the facility will assist in operating the facility.

Project Contact Person

Jeff Leland
 Administrative Services

Grants to Political Subdivisions

Project Detail

Rochester Regional Public Safety Training Center

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	543	0	0	543
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	9	161	0	170
4. Project Management	0	57	53	0	110
5. Construction Costs	0	625	2,016	0	2,641
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	20	400	0	420
9. Inflation	0	0	0	0	0
TOTAL	0	1,254	2,630	0	3,884

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	627	2,630	0	3,257
State Funds Subtotal	0	627	2,630	0	3,257
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	627	0	0	627
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,254	2,630	0	3,884

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	627	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

National Volleyball Center, Phase II - Rochester

2004 STATE APPROPRIATION REQUEST: \$3,200,000

AGENCY PROJECT PRIORITY: 2 of 2 (City of Rochester)

PROJECT LOCATION: 2601 Viola Road NE, Rochester

Project At A Glance

The City of Rochester requests \$3.2 million in state funding for the Phase II expansion of the National Volleyball Center.

Project Description

Please consider this letter as a formal request from the City of Rochester, Minnesota to have the phase II expansion of the National Volleyball Center – Rochester included in the 2004 legislative bonding bill. The National Volleyball center was constructed in 1998 as a cooperative project between the Minnesota Amateur Sports Commission, the City of Rochester and Rochester School District #535. The original cost of phase I of the project was \$4.6 million. The local governmental units contributed \$2.3 million and the State of Minnesota contributed \$2.3 million. The National Volleyball Center is one of seven facilities that have been constructed by the state of Minnesota to offer world-class training facilities in Olympic Sports. The City of Rochester is very proud to be part of this impressive athletic system.

The expansion project will involve adding an additional 22,000 square feet of space to the existing facility. The existing facility covers 51,000 square feet including eight Olympic quality volleyball courts, spectator viewing area, concession stand, first aid room, office, men's and women's restrooms (three fixtures each) and a small storage area.

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

locker rooms, conference room, media center, medical training facility, weight training center, and an increase in facility parking to accommodate the additional tournament crowds expected.

The Phase II addition will allow the National Volleyball Center- Rochester to attract more and bigger tournaments, increasing the overall economic impact of this already successful facility. Volleyball is a rapidly growing sport and Rochester is poised to become a world leader in the development of teams and players. Phase II expansion of the National Volleyball Center will complete the 1987 stated goals of Governor Rudy Perpich and the Minnesota State Legislature and of having Minnesota be a national leader in providing training facilities for Olympic Sports.

In 1998 the City of Rochester and Rochester School District #535 contributed \$2.3 million in costs for Phase I construction of the National Volleyball Center. This is the only Minnesota Amateur Sports Commission facility that required local matching funds. The city anticipates \$-0- local dollars will be available or will be needed for Phase II construction.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds re requested for this project.

Previous Appropriations for this Project

\$2.3 million in previous state appropriations.

Other Considerations

The National Volleyball Center- Rochester is owned by the City of Rochester and operated by the Parks and Recreation Department.

If funding were secured during the 2004 legislative session, we would hope to be ready to bid the project in January of 2005 and have the facility ready for occupancy in the winter of 2006.

Project Contact Person

Ron Bastian
 Director of Sports Facilities
 City of Rochester, Parks and Recreation Department
 Phone: (507)281-6040
 Fax: (507)281-6165

National Volleyball Center, Phase II - Rochester

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

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	225	0	0	225
4. Project Management	0	0	0	0	0
5. Construction Costs	4,600	2,875	0	0	7,475
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	100	0	0	100
9. Inflation	0	0	0	0	0
TOTAL	4,600	3,200	0	0	7,800

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,300	3,200	0	0	5,500
State Funds Subtotal	2,300	3,200	0	0	5,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	2,300	0	0	0	2,300
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	4,600	3,200	0	0	7,800

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	3,200	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Roseau Infrastructure Repair & Improvements

2004 STATE APPROPRIATION REQUEST: \$13,572,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Roseau)

PROJECT LOCATION: Roseau

Project At A Glance

This request is for three projects in Roseau that seek \$13,572,000 in state funds. These three projects are presented in priority order.

Project Description

1. **Flood Damage Infrastructure Repair (\$6,322,000)**
This request is for \$6,322,000 in state funding for pre-design, design construction and inspection for the replacement of water main sewer main, street, sidewalk, curb and gutter damaged as a result of the 2002 flood throughout the City of Roseau. All of the project areas were identified by FEMA as flood related damages. The state funding will be used to replace infrastructure that was not covered by FEMA but is necessary to provide a complete reconstruction of old and damaged infrastructure. This project is related to the on-going flood recovery from the Presidentially Declared Disaster 1419. Roseau is a regional center for NW Minnesota and home to a major Minnesota manufacturer and employer Polaris Industries. This reconstruction project is necessary for the recovery and stability of the community and region. Total project costs = \$13,485,818.
2. **Flood Damage Municipal Complex Relocation (\$6,500,000)**
This request is for \$6,500,000 in state funding for construction, inspection furniture/fixtures/equipment to replace and relocate five municipal functions displaced as a result of a 2002 flood in the city of Roseau. All of the project functions/buildings were identified by FEMA as flood related damages. Furthermore, the existing facilities are along the Roseau River and continue to be in danger of future flooding and in the way of future flood mitigation projects. The state funding will be used to augment FEMA repair funding for the permanent relocation of

the city's City Hall, Auditorium, Police Department, Library and Museum. This project is related to the on-going flood recovery from the Presidentially Declared Disaster 1419. Roseau is a regional center for NW Minnesota and home to a major Minnesota manufacturer and employer, Polaris Industries. This relocation project is necessary for the recovery and stability of the community and region. The city of Roseau will own and operate all replacement buildings in this project. Total project cost = \$7,000,000.

3. **Industrial Park Infrastructure (\$750,000)**
This request is for \$750,000 in state funding for pre-design, design, construction, and inspection to install water, sewer, and street to the Roseau Industrial Park. The purpose of the project is to develop and industrial park for relocation of some flood damaged industries as well as provide for the location of industry related to Polaris Industries. The park will be submitted for inclusion in the JOBZ initiative for attraction of non-Minnesota businesses for the development of NW Minnesota. Roseau is a regional center for NW Minnesota and home to a major Minnesota manufacturer and employer, Polaris Industries. This project provides for the long-term stability and sustainability of the community and NW region of Minnesota. The city of Roseau will own and operate all replacement buildings in this project. Total project cost = \$1,485,000.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are requested with these projects.

Previous Appropriations for this Project

Previous flood-related funds were provided to the City of Roseau.

Other Considerations

None.

Project Contact Person

Todd Peterson, Flood Recovery Coordinator
City of Roseau
110 Second Avenue NE, Suite 3

Roseau Infrastructure Repair & Improvements

Box 307
Roseau, MN 56751
Phone: (218) 463-5003
Fax: (218) 463-1252
Email: tpetersn@wiktel.com

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

Grants to Political Subdivisions

Project Detail

Roseau Infrastructure Repair & Improvements

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	2,223	0	0	2,223
4. Project Management	0	0	0	0	0
5. Construction Costs	0	19,777	0	0	19,777
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	500	0	0	500
9. Inflation	0	0	0	0	0
TOTAL	0	22,500	0	0	22,500

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	13,572	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	13,572	0	0	13,572
State Funds Subtotal	0	13,572	0	0	13,572
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	500	0	0	500
Local Government Funds	0	8,428	0	0	8,428
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	22,500	0	0	22,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

Local Parks and Trails - Statewide

2004 STATE APPROPRIATION REQUEST: \$7,006,000

AGENCY PROJECT PRIORITY: 1 of 1 (Statewide Requests)

PROJECT LOCATION:

Project At A Glance

This item includes requests for local park and trail projects from multiple local units of government.

Project Description

A. Blazing Star Trail (\$1.43 million in 2004)

The cities of Albert Lea, Hayward, Austin and counties of Freeborn and Mower appreciate the opportunity to present our joint request for \$1.43 million in bond funds from the state 2004 bond bill. This funding will allow our Joint Powers Board established by the cities of Albert Lea and Austin, along with the counties of Freeborn and Mower, to plan, design, construct, and acquire the tract right-of-way for the approximate nineteen mile segment from Myre Big Island State Park to the west Austin city limits.

This trail between Albert Lea and Austin known as the Blazing Star Trail was designated by the legislature as one of several state trails, M.S. 85.015, Subd. 19.

It is the intent of the now established Albert Lea-Austin Joint Powers Board to acquire the necessary trail right-of-way, design, bid, and construct this trail with the requested \$4,725,300 of state funds over the next three bonding cycles. When completed, we expect to transfer title to the MnDNR for their ownership and operation as one of the legislative authorized state trails.

Previous state funding in the amount of \$850,000 was appropriated for the trail segment from Albert Lea to Myre Big Island State Park. This appropriation was made to the Minnesota DNR.

We believe that this trail system will enhance the recreation and tourism possibilities for our southern Minnesota residents and visitors to our counties. We look forward to the connection of the Blazing Star Trail to the Austin city trail system, which will connect the Blazing Star to the Shooting Star Trail in eastern Mower County. Eventually we expect these two trails to be connected to the existing trails in the Lanesboro area.

Owner and operation of the trail shall be the Minnesota Department of Natural Resources once trail is completed.

- ◆ Phase I - 2005 - 2006 Construction of bridge across Albert Lea Lake and trail development from Helmer Myre State Park to Hayward (\$1.43 million state request in 2004).
- ◆ Phase II - 2007 - 2008 Construction of bridge/tunnel across interstate 90 and trail development between Hayward and the Village of Moscow (\$2.147 million state request in 2006).
- ◆ Phase III - 2009 - 2010 Development of trail between the Village of Moscow and Austin (\$1.148 million state request in 2008).

B. Central Minnesota Regional Parks and Trails (\$5.576 million in 2004)

The Central Minnesota Regional Parks and Trails Coordination Board is hereby submitting an application for state bonding funds to be considered by the Governor and the State Legislature. The project cost total is \$12,343,000 of which \$5,576,000 is being requested through state capital bonding. State bond funds will be matched with local shares provided through authorized sales tax revenue and local capital bonding.

- 1) Watab (Baker) Lake land acquisition - Sartell
Project cost = \$600,000; State funding request = \$300,000.

This request is for \$300,000 in state funding to acquire 60 acres of low and upland for a nature park bordering Watab (Baker) Lake to match \$300,000 from the City of Sartell.

Local Parks and Trails - Statewide

From this parkland would be a trail system connecting to the current trail system in place in the City of Sartell. This trail system will also connect to the City of Sauk Rapids and the City of St. Cloud.

- 2) Honer site acquisition – Stearns County
Project cost = \$2 million; State funding request = \$1 million.

This request is for \$1 million in state funding to assist with the acquisition of 312 acres of land for a regional park. This beautiful forested property is adjacent to Kraemer Lake just west of the rapidly developing St. Cloud area. The site includes 270 acres that were listed as unique by the Minnesota Department of Natural Resources County Biological Survey.

The site would be appropriate for a swimming beach, fishing pier, picnic shelter, boat landing and hiking and cross-country ski trails. There are no state or federal parks in this area and there are no county parks in the nearby area.

- 3) Xcel Trail – Sherburne County
Project cost = \$756,000; State funding request = \$378,000.

This request is for \$378,000 in state funding in 2004 to match an equal amount from combined efforts of Sherburne County and City of Becker to assist with the design and construction of 6.3 miles of trail and two parking areas within Xcel property in Becker. The land has been offered by Xcel for use as a public trail and would be leased by the City of Becker. The trail would follow along the Mississippi River, where it is designated as Wild and Scenic, and extend through an "Oak Woodland" forest designated as a natural plant community by the DNR's Biological Survey Map.

- 4) Lake Wobegon Regional Trail – Stearns County
Project cost = \$468,000; State funding request = \$156,000.

This request is for \$156,000 in state funding to assist with the design, engineering and construction of 3.6 miles of the Lake Wobegon Regional Trail from Holdingford to the Stearns/Morrison County line. This section of regional trail is on a scenic abandoned railroad corridor in the heart of Lake Wobegon Country.

This 3.6 miles of pedestrian/snowmobile/bicycle/in-line skating trail will connect the existing 46.4 miles of the Lake Wobegon Regional Trail to the Morrison County Trail system. At this time Morrison County has a commitment of T-21 funds to build 3.9 miles of pedestrian/snowmobile/bicycle/in line skating trail from the northern end of the stearns County Lake Wobegon Trail to Bowlus in Morrison County. Morrison County's Trail plan includes continuing the trail north to connect to the Paul Bunyan Trail.

- 5) Baldwin Railroad Corridor – Sherburne County
Project cost = \$234,000; State funding request = \$117,000.

This request is for \$117,000 in state funding to match an equal amount from Sherburne County to assist with the design and construction of 2.5 miles of hard surface trail along the abandoned Burlington Northern railroad bed in Baldwin Township. This section of regional trail would complete the link from Princeton to County Road 9, where a bridge with pedestrian pathway was constructed over Highway 169 connecting to an existing trail linking to the railroad. Future segments between County Road 9 to Zimmerman, and Zimmerman to Elk River would be additional phases considered at a later time.

- 6) Cyclone Regional Trail – Sauk Rapids
Project cost = \$200,000; State funding request = \$100,000.

This request of \$100,000.00 in state funding would be used to construct bike trail or road lanes from Golden Spike Road to Osauka Road NE. The city has recently annexed property to the east of Highway 10 and a new high school has been constructed on Osauka Road. The city has purchased 155 acres that meets the school property and construction of the active recreation fields is complete. Plans for construction of passive trails through the nature preserve area of the park are complete and construction of these trails should begin this fall. Mayhew Lake Road is a busy, high-speed two lane county road with no shoulders. Several developments are underway around the school and at the present time there is no safe way for pedestrian traffic to access the school and park. The school is scheduled for opening in September 2003 and the fields will be used

Local Parks and Trails Statewide

beginning in the spring of 2004. It is crucial for the safety of our citizens to integrate both an on and off road trail system early in the development of this area so we can accomplish some goals identified for smart growth within our community.

- 7) GravesFarm Park Development – Benton County
Project cost = \$250,000; State funding request = \$125,000.

Funding is needed to provide the initial development of the Graves Farm property, to include planning, design, and construction of trails and scenic overlooks along the Mississippi River, restoration of the former farmland to natural vegetation, and design for a visitor center and other park facilities.

- 8) Watab Area Regional Park - Sartell
Project cost = \$500,000; State funding request = \$250,000.

This request is for \$250,000 in state funding to match \$250,000 in city funding to make improvements to a newly acquired regional park located within the central portion of the city

Improvements will include bituminous and aggregate trails along with pedestrian bridges over the Watab River. Park shelter with fireplace and roof and enclosure for portable toilet. Other park amenities would include informational kiosks, direction/interpretive signs, park monument sign, stone story ring/fire pit, picnic nodes w/table grill and concrete slab, benches, picnic tables for shelter, bike rack, litter receptacles drinking fountain and jug filler. Landscaping of park area to include native grass/forb restoration along with trees and shrubs. There is also the need to run utilities to the site.

- 9) Northside Park Shelter Improvements – Sartell
Project cost = \$250,000; State funding request = \$125,000.

This request is for \$125,000 in state funding to match \$125,000 in city funding to make improvements to picnic shelter located in Northside Park.

Northside Park is 36 acres in size and plays host to the local high school baseball team, the Sartell Muskies (city team), tennis,

basketball and volleyball courts, a soccer field, softball field and a newly constructed 12-hole disc golf course. A shelter is also located in park and serves as a shelter to picnic tables only.

Improvements would consist of constructing a new shelter that will house restrooms, kitchen facilities and new shelter. Utilities were brought to the park a few years ago. Northside Park is becoming a favorite destination for many families in Sartell as well as visitors from the surrounding area. They travel to the park by means of car, bike or walking. There is a major bike/pedestrian trail that leads to this park.

- 10) Eastman Regional Park Municipal Pool Replacement – St. Cloud
Project cost = \$5 million; State funding request = \$2.5 million.

This request is for \$2.5 million in state funding to help renovate the park and pool building. Our intent is to build a family Aquatic Facility to replace the existing and aging City swimming pool in Eastman Regional Park with the city of St. Cloud. This Park has local and regional significance. It services the population, of not only the residents of St. Cloud, but also the cities and rural residents of the tri-county area of stearns, Benton, and Sherburne Counties.

We need to replace this facility due to its age (over 50 years old) which is increasing our maintenance and operation cost significantly. In addition, code violations relating to structural and equipment deterioration and to the facilities original designs place the health and safety of the patrons and staff at risk. Pool design standards and codes relating to safety, accessibility, etc. 50 years ago have changed significantly. We need to replace this facility. The City closed the pool facility at the end of 2002 season. Its loss has caused a significant impact on the recreational opportunities for the resident in the tri-county area.

The proposed Aquatic Facility to replacement pool would be sized to fit the existing park area, making use of the existing parking and utilities.

- 11) Sauk Rapids Community Center
Project cost = \$5 million; State funding request = \$2.5 million.

Local Parks and Trails - Statewide

This project is to construct, furnish and equip a community center. With voter approval on the local ½ cent tax this rated very high as an approved project. A committee has been formed to pinpoint the location, types of activities and scopes of services to be offered. Land acquisition is not necessary as the city owns several nice locations to choose from for construction.

Project Contact Person

Chuck Wocken, Park Director
1802 County Rd. 137
Waite Park, MN 56387
Phone: (320) 255-6172
Fax: (320)255-6177
Email: chuck.wocken@co.stearns.mn.us

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

Grants to Political Subdivisions

Project Detail

Local Parks and Trails - Statewide

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Pre-design Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	0	0	0	0

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	7,006	2,147	1,148	10,301
State Funds Subtotal	0	7,006	2,147	1,148	10,301
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	7,006	2,147	1,148	10,301

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	7,006	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

St. Cloud Regional Airport Property Acquisition

2004 STATE APPROPRIATION REQUEST: \$2,800,000

None.

AGENCY PROJECT PRIORITY: 1 of 1 (City of Saint Cloud)

Other Considerations

The City of St. Cloud will own and operate the facility. The airport currently consists of 1,400 acres and the request is for 800 additional acres.

PROJECT LOCATION: 1550 45th Avenue SE, St. Cloud

Project At A Glance

This request is for \$2,800,000 in state funding to purchase approximately 800 acres of land adjacent to airport property.

Project Contact Person

William P. Towle, Airport Director
St. Cloud Regional Airport
1550 45th Avenue SE
St. Cloud, MN 56304
Phone: 320) 255-7292
Fax: 320) 650-3255
Email: wtowle@ci.stcloud.mn.us

Project Description

As the airport expands, there is a need to control the land within the runway safety zones to allow for the safe operation of aircraft into and out of the airport. The Airport Master Plan for the St. Cloud Regional Airport calls for an 8,000 foot runway, which would be an additional 1,000 extension to the current 7,000 to be constructed in the near future. This land acquisition will allow for this extension and an expansion of the runway safety zones, as well as create additional safety areas where other airport development can take place. At the airport's current size, there is already incompatible development encroaching the airport's property boundary, which will either limit the ability to expand the airport or greatly increase the cost of expansion in the future. More and more residential growth is occurring in close proximity to the airport which will greatly diminish the ability of the airport to expand to the size needed for future growth of this region. The growth of the St. Cloud Regional Airport is vital to the economic growth of St. Cloud and the Central Minnesota Region.

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

The purchase of this land will enable the airport to control the development of adjacent property and ensure a compatible land use as it pertains to airport operations, and will be more in line with what is forecast in the Airport Master Plan. This land is greatly needed for the future safe operation and development of the St. Cloud Regional Airport.

Impact on Agency Operating Budgets (Facilities Notes)

No additional operating dollars are being requested. The City of St. Cloud will provide for the operation and maintenance of the property.

Previous Appropriations for this Project

Grants to Political Subdivisions

Project Detail

St. Cloud Regional Airport Property Acquisition

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	5,600	0	0	5,600
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,600	0	0	5,600

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	2,800	100.0%
User Financing	0	0.0%

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,800	0	0	2,800
State Funds Subtotal	0	2,800	0	0	2,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	2,800	0	0	2,800
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,600	0	0	5,600

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

West Metro Education Program Magnet School

2004 STATE APPROPRIATION REQUEST: \$5,000,000

AGENCY PROJECT PRIORITY: 1 of 1 (West Metro Joint Powers Board)

PROJECT LOCATION: St. Louis Park

Project At A Glance

Project Description

At the time of printing preliminary capital budget requests, the Department of Finance had been made aware of this request, but had not yet received the supporting request data or application materials. Information is expected to be made available later this summer by the applicant.

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)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	5,000	30,000	0	35,000
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	5,000	30,000	0	35,000

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	30,000	0	35,000
State Funds Subtotal	0	5,000	30,000	0	35,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	5,000	30,000	0	35,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)

Winona Riverfront Revitalization Plan

2004 STATE APPROPRIATION REQUEST: \$250,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Winona)

PROJECT LOCATION: Downtown Winona/Winona Levee

Project At A Glance

The City of Winona, on behalf of the Winona community, requests funding to identify the specific components of the riverfront area that could be developed and redeveloped to enhance the local/regional/State economy. The study and preliminary design costs for the City of Winona's riverfront district is estimated to be \$500,000, of which the local match is 50%.

Project Description

Components of the feasibility study would include an in-depth look and preliminary design for the potential of an environmental center in Levee Park which would include offices for the U.S. Fish and Wildlife, U.S. Corps of Engineers, state of Minnesota DNR, Winona State University teaching programs, and other agency uses deemed compatible; a hotel and conference center adjacent to the Levee area, a showboat with a theatre moored at the levee, and the continued redevelopment of the adjacent downtown to assist the growth of the Shakespeare Festival of Minnesota, which begins performances in Winona in 2004.

The study would compliment the downtown section of the Winona Intermodal Transportation Study. This study recommends the relocation of the Levee Park area rail storage yard to allow for the connection between downtown and the Mississippi River. The City and Port Authority of Winona are working with the manufacturing community, especially Bay State Milling Corporation, to relocate the rail storage yards to the east of the Levee Park which would allow for the removal of the Levee Park yard. Bay State Milling Company in Winona estimates that it currently wastes \$500,000 annually because of the logistical problems associated with the current storage area. This activity is important to the continued revitalization of Downtown Winona and will be necessary for the proposed new uses in and adjacent to Levee Park. This activity is underway with land use issues being discussed with the railroads, manufacturing businesses that use the rail and surrounding property owners.

The Port Authority and private businesses could begin land acquisitions for the storage yard relocation site in 2003.

The feasibility study has major implications to the economic vitality of Southeast Minnesota and the state of Minnesota. Several aspects of our regional economy will be carefully examined especially tourism which will include facilitation of the growth of the Shakespeare Festival, Mississippi River enhanced experiences, and related conference center capacity building. Hence, a key component of the study will be a market and demographic analysis of the potential for attracting tourists from Chicago to the Twin Cities who would spend their tourist dollars in the Winona area. The downtown retail market will be examined to access the current retail market and the potential for new retailers utilizing historic buildings in the downtown area.

It is the view of the Winona community that Southeast Minnesota offers a large growth potential for state tourism and the state of Minnesota share of increased tourism dollars that could be generated by some or all of the components to be looked at through the proposed feasibility study. The findings of the proposed study are also intended to attract major private sector and federal investment dollars to the Winona community.

Impact on Agency Operating Budgets (Facilities Notes)

No state operating funds are requested with this project.

Previous Appropriations for this Project

None.

Other Considerations

The study process will identify those possibilities to include future proposals to the state of Minnesota for capital bonding requests. It is likely the Environmental Center will be publicly owned and the other components will be privately owned.

The feasibility study will be completed by 6/1/05.

Project Contact Person

Eric B. Sorensen
City Manager
207 Lafayette Street

Winona Riverfront Revitalization Plan

PO Box 378
Winona, MN 55987-0378
Phone: (507)457-8234
Fax: (507)457-8293
Email: esorensen@cityhall.luminet.net

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

Grants to Political Subdivisions

Project Detail

Winona Riverfront Revitalization Plan

(\$ in Thousands)

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	500	0	0	500
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	0	0	0
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	0	500	0	0	500

CAPITAL FUNDING SOURCES	Prior Years	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	250	0	0	250
State Funds Subtotal	0	250	0	0	250
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	250	0	0	250
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	0	0	500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2004-05	FY 2006-07	FY 2008-09	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	250	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
-	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
-	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
-	MS 16B.335 (2): Other Projects (require legislative notification)
-	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
-	MS 16B.335 (4): Energy Conservation Requirements
-	MS 16B.335 (5): Information Technology Review (by Office of Technology)
-	MS 16A.695: Public Ownership Required (as per Finance Dept.)
-	MS 16A.695: Use Agreement Required (as per Finance Dept)
-	MS 16A.695: Program Funding Review Required (by granting agency)
-	Matching Funds Required (as per agency request)
-	Project Cancellation in 2007 (as per Finance Dept)