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# STRATEGIC CAPITAL BUDGET PLAN

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# 2001-06 Minnesota Capital Budget

*Presented by  
Governor Jesse Ventura  
to the 82nd Legislature*

HJ11  
.M6425c  
2001/  
2006  
Capital  
Budget

*To the  
People of  
Minnesota  
and Their  
Legislators*

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Last year, I presented my first capital budget based on straightforward principles of self-sufficiency, doing what's necessary rather than what's nice, and always remembering that it's the people's money. My 2001 capital budget embraces these same principles, which I expect will also be reflected in legislative action.

This year, I am forwarding my capital budget in combination with a major legislative reform – namely, a recommendation that the Legislature meet in only a single legislative session each biennium. I strongly believe that elimination of legislative sessions in even-numbered years will streamline our state decision-making process and reduce the temptation for increased government spending. It will also properly distance the enactment of bonding bills from election years.

My **one session - one budget** initiative proposes the enactment of state bonding bills in odd-numbered years. As such, I am advancing my 2002 capital budget recommendations for consideration now in the 2001 session. These recommendations are wholly contingent on legislative adoption of the one session initiative.

Just as before, my capital budget recommendations emphasize:

- Protecting the investments the state has already made
- Protecting the life and safety of Minnesota citizens and state employees
- Completing important projects that have been only partially funded
- Making selective strategic investments consistent with my Big Plan goals and smart growth principles

I look forward to working cooperatively with the Legislature as we go forward in doing the people's business in the 2001 session.



**Jesse Ventura**  
Governor

## *Executive Summary*

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# Highlights

The 2001-2006 Minnesota Strategic Capital Budget Plan is proposed by Governor Jesse Ventura in combination with his **one session – one budget** reform initiative.

The Governor recommends \$504 million in general obligation bonds for a variety of state capital projects. Preservation of the state's basic infrastructure and selective investment in strategic initiatives are the hallmarks of the Governor's capital budget.

## One Session – One Budget

In his *2001 State of the State Address*, Governor Ventura proposed a constitutional amendment that would have the Legislature meet only once each biennium. This would move the capital budget from legislative sessions in even-numbered years, as is the current practice, to legislative sessions of odd-numbered years to coincide with adoption of the biennial budget.

Adopted by a constitutional amendment in 1972, the flexibility to meet two sessions per biennium was intended to allow more thoughtful consideration of important policy matters in the second year, avoid end-of-session logjams, and allow a brief consideration of unfinished business.

Unfortunately, the practical effect of having two sessions each biennium has been anything but efficient, or inexpensive.

The result has been a proliferation of bill introductions, more legislative

days, longer sessions, continued end-of-session legislative logjams, and more permanent growth in state spending. In the 1999-2000 biennium, more laws were passed in the second year than in the first.

The time commitment alone represents a threat to Minnesota's tradition of having a Citizen Legislature. The current system pressures legislators to transform their positions into full-time jobs.

It's clear that the results are not what were intended when the people passed the 1972 constitutional amendment allowing for flexible sessions. The Governor believes it's time to move back to a single session format. The 2001 capital budget will allow the Legislature to finish its work and adjourn *sine die* this spring, and his support for signing a capital budget bill is contingent upon this occurring.

## Basic Bricks and Mortar

Minnesotans expect their elected officials and administrators to be good stewards of state assets and facilities. They expect that state facilities will not be in disrepair, roofs will not leak, indoor air quality will not make employees ill, historic structures will not be

neglected, and the network of roads and bridges will not endanger motorist safety.

To that end, the Governor's capital budget recommends \$365 million for asset preservation projects. Basic bricks and mortar projects include:

- \$75 million for facility repairs at the Minnesota State Colleges & Universities and \$50 million for infrastructure repairs at the University of Minnesota.

*“When past reforms don't work, we should have the courage to recognize it.”*

*—Governor Ventura*

- \$163 million for a wide variety of code compliance, asset preservation, and urgent repairs to facilities of the departments of Administration, Corrections, Human Services, Military Affairs, Natural Resources, the Minnesota Historical Society, the Perpich Center for Arts Education, the Minnesota State Academies, the Veterans Homes Board, and the Minnesota Zoo.
- \$30 million for local bridge repair and replacement.
- \$10 million for repair and replacement of Metro Transit bus garages.

The Governor also recommends replacing facilities that have outlived their useful life or no longer adequately support their public program. These recommendations include:

- \$10 million for land acquisition and design to replace state-owned or leased facilities for major agencies, which may include the departments of Agriculture, Health, Human Services, Corrections, and Public Safety.
- \$8.9 million to renovate the psychopathic personalities control unit at the St. Peter Regional Treatment Center.
- \$16.3 million for Phase 2 construction of the St. Paul plant growth facility at the University of Minnesota, and \$2 million for design of a Duluth lab science building.
- \$9.9 million for Phase 2 remodeling of the Normandale Community College science building and \$1.5 million for laboratory renovations at five campuses of the Minnesota State Colleges and Universities.

### Strategic Investments

The state should always be aware of timely opportunities to make good investments for its residents. It should also complete projects that were previously started.

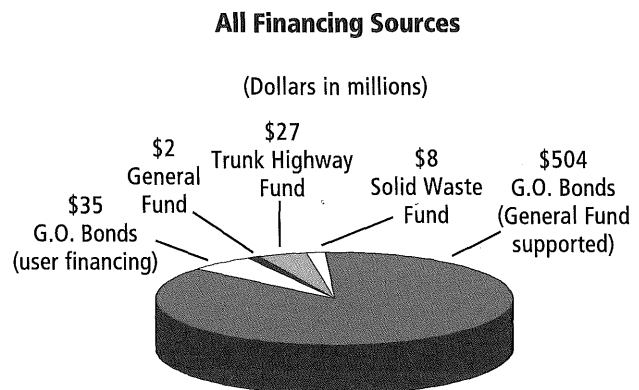
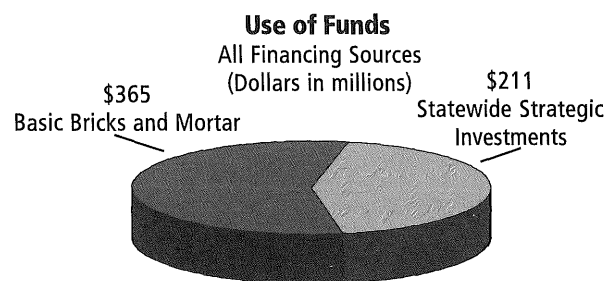
The Governor's capital budget includes \$211 million in recommendations to initiate or complete funding for unique opportunities. Projects that promote strategic investments, leverage significant nonstate funds, and are consistent with the principles of *The Big Plan* and smart growth include:

- \$115 million to match federal funds for the Northstar commuter rail line between St. Cloud and downtown Minneapolis, of which \$7 million is immediately available for final design, and the remainder only available when full federal funding is in place.
- \$50.7 million for the Conservation Reserve Enhancement Program to match federal funds to protect 100,000 acres of critically-sensitive land in the Minnesota River watershed.
- \$20 million in Rural Finance Authority loans to farmers for mortgage assistance. This program is 100% user-financed.

### GOVERNOR'S STRATEGIC CAPITAL BUDGET PLAN

General obligation bonding = \$504 million

Total recommendations = \$576 million (All financing sources)



# *Basic Bricks and Mortar*

Asset preservation and improvements to the state's basic infrastructure provide the foundation for Governor Ventura's 2001 capital budget. \$365 million of the Governor's recommendations are dedicated to improving or replacing current assets and facilities so they may continue to provide value to the public. In any capital budget, these investments must be the first order of business.

Responsible stewardship requires frequent investments in the state's bricks and mortar. These initiatives often do not attract attention because they do not create new space and lack public visibility. However, they do ensure that the state continues to provide important public services and avoids future funding emergencies.

## **Melting the Capital Iceberg**

The Department of Administration estimates that state's deferred maintenance backlog exceeds \$1.5 billion. This is consistent with the 1998 report of the Legislative Auditor that concluded the state may have up to \$600 million in facilities with building components that are deteriorated or inoperable, plus substantial amounts of fully-depreciated assets.

Minnesota's deferred maintenance backlog is known as the "capital iceberg." This backlog has accumulated through years of neglect and will require many more years to be properly addressed. The capital iceberg has been allowed to grow due to lack of state financial resources over many decades. Only limited state funding has been set aside for asset preservation, and that comes under pressure in times of tight budgets.

Since 1990, the state has started to pay more attention to asset preservation needs. Capital and operating appropriations have increased funding for asset preservation at state agencies and higher education systems. These appropriations have completed many long-overdue projects. Unfortunately, current funding levels are still not keeping pace with repair needs.

The Governor believes that on-going funding for asset preservation is a shared financial responsibility that should be included in both the capital and operating budgets in order to upgrade state facilities and protect the public investment. The state should adequately maintain its current buildings before adding new ones. It must also be a responsible steward of state facilities before assuming responsibility for local needs.

In 1999 – Governor Ventura's first year in office – the Legislature funded the Governor's initiative to provide additional facility repairs at state agencies and higher education institutions. This initiative added \$27 million to existing base funding of \$87 million for the repair budgets of state agencies and higher education institutions. The 2000 bonding bill provided additional one-time asset preservation funding.

In keeping with his on-going commitment to this effort, the Governor has proposed asset preservation funding of \$365 million in his 2001 capital budget. This is in addition to increased base funding for repair and replacement amounts in the F.Y. 2000 - 2001 biennial budget.

Asset preservation funding is recommended for unanticipated emergencies; removal of safety hazards and hazardous substances; mitigation of building code violations; and repairs to roofs, windows and other structures. Renovation and replacement of obsolete buildings is also recommended.

## **A Time to Replace Aging Facilities**

Although on-going repairs must be provided on a timely basis to keep state facilities operational, there are times when buildings outlive their useful life and become obsolete. Old buildings cannot always accommodate new programs. Technology and the delivery of state programs have changed dramatically in recent decades. Normal wear and tear associated with years of use have also taken their toll on buildings.

As a result, the Governor recommends replacing state buildings that have exceeded their useful life.

The Governor recommends \$10 million for land acquisition and design of important state buildings. The Department of Administration is currently reviewing agency space needs, considering location issues, and will recommend the sequence of development for replacement facilities of the departments of Health, Human Services, Agriculture, Corrections, Public Safety and other state agencies.

\$8.9 million is recommended for second-phase renovation of the St. Peter Regional Treatment Center. The completed project will accommodate individuals committed as sexual psychopathic personalities, sexually dangerous persons, and the mentally ill and dangerous. Shantz Hall at the St. Peter Regional Treatment Center will be renovated, a connecting link to Pexton Hall will be constructed, and programming space and security improvements will be added.

## **A Focus on Science and Technology in Higher Education**

In addition to significant HEAPR funding, the Governor is recommending \$29.3 million for renovation of science buildings at six MnSCU campuses, and development of new science facilities at two campuses of the University of Minnesota.

With increasingly fierce competition for students, employees and businesses, the state must continue to invest in ventures that put Minnesota in the best position to compete nationally and globally. Each of the eight projects will support the sciences and provide students with access to technology needed in the classroom as well as in the work world. Each project will help to produce a workforce skilled in science and technology.

These improvements will eliminate deferred maintenance problems, focus on priority science and technology needs, provide immediate high impact satisfaction to students, and improve the overall condition and functionality of science laboratories at our higher education institutions.

The Governor recommends \$16.3 million to upgrade plant growth facilities at the St. Paul campus of the University of Minnesota to support teaching and research. \$2 million is for design of new instructional and research facilities of the biology and chemistry programs at the University of Minnesota-Duluth.

In addition, \$9.9 million is recommended to MnSCU for completion of second-phase renovations at the Normandale Community College science building. Also included is \$1.5 million to remodel outdated laboratories at the MnSCU campuses of Minnesota West at Canby, MSC-Southeast TC at Red Wing and Winona, South Central Technical College at Faribault, and Minneapolis Community and Technical College.

MnSCU and the University of Minnesota is asked to pay one-third user financing for the debt service costs of these science facilities.

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**AT A GLANCE: GOVERNOR'S ASSET PRESERVATION RECOMMENDATIONS**

| <b>Projects</b>   | <b>Cost in Millions</b> |
|---|-------------------------|
| HEAPR funding for safety and statutory compliance, building repairs and mechanical improvements at the Minnesota State Colleges and Universities campuses .....   | \$75.0                  |
| HEAPR funding for infrastructure repair and code improvement projects at the University of Minnesota .....  | \$50.0                  |
| Asset preservation and infrastructure repairs at facilities of the Department of Corrections, Military Affairs, Human Services regional treatment centers, Minnesota State Academies, Perpich Center for Arts Education ..... | \$35.5                  |
| Building repair, office renovation, park rehabilitation, and disability access improvements at Department of Natural Resources facilities statewide .....   | \$30.0                  |
| Local bridge repair and replacement .....   | \$30.0                  |
| CAPRA and asset preservation funding for removal of structural defects and safety hazards, elimination of hazardous substances, and replacement of roofs, windows and mechanical systems .....                                | \$22.5                  |
| University of Minnesota plant growth facility and Duluth science lab design .....   | \$18.3                  |
| Replace the metro transportation maintenance building .....   | \$14.6                  |
| Replace the Mankato transportation headquarters building .....  | \$12.6                  |
| Infrastructure repairs and improvements at Minnesota Veterans Homes .....   | \$12.5                  |
| Remodeling of science buildings and laboratories at MnSCU campuses .....  | \$11.4                  |
| Property acquisition and design of major new state office buildings .....   | \$10.0                  |
| Repair, renovation and construction of Metro Transit bus garages .....  | \$10.0                  |
| Remodeling of the St. Peter Regional Treatment Center to provide secure beds for individuals committed as psychopathic personalities or sexually dangerous persons .....  | \$8.9                   |
| Asset preservation at Metropolitan Parks .....  | \$5.0                   |
| Renovation of the west wing of Noyes Hall at the Faribault Residential Academies .....  | \$5.0                   |
| Repairs to the Governor's Residence .....   | \$4.0                   |
| Replacement of roads, pathways and heating lines at the Minnesota Zoo .....   | \$4.0                   |
| Renovation of the Capitol's mechanical and electrical systems in anticipation of its 2005 centennial .....  | \$3.0                   |
| Preservation projects at historical sites of the Minnesota Historical Society .....   | \$2.0                   |
| Demolition of the vacant Bureau of Criminal Apprehension building .....   | \$1.0                   |
| <br>Total asset preservation recommendations .....  | <br>\$365.3             |



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**THE GOVERNOR'S SEVEN CRITERIA FOR RECOMMENDING CAPITAL PROJECTS**

1. Protect the life and safety of residents and state employees
2. Provide responsible stewardship of existing state assets and facilities
3. Select projects that are urgent and necessary, rather than merely nice
4. Complete important projects that have only been partially funded
5. Clarify the state's funding role versus that of local government and the private sector
6. Take advantage of unique financing opportunities, particularly for federal matching funds
7. Promote strategic initiatives consistent with goals of *The Big Plan* and smart growth principles

**STRATEGIC DIRECTIONS OF THE BIG PLAN**

- Healthy, vital communities
- Self-sufficient people
- Service, not systems
- Minnesota: world competition

**SMART GROWTH CRITERIA FOR CAPITAL PROJECTS**

- Provide wise stewardship of land, buildings and natural resources to sustain them over time
- Select efficient, integrated public investments based on lowest long-term economic, environmental and social costs
- Increase the range of smart growth options
- Reinforce accountability for development decisions

**STATUTORY CRITERIA FOR EVALUATING REQUESTS FROM LOCAL GOVERNMENT**

- Local funding should be provided to the fullest extent possible
- Projects should fulfill a state mission and have statewide significance
- No new state operating subsidies
- State role should not be expanded
- Projects should not compete against private facilities or create inequities among local jurisdictions
- Local governing body must endorse the project

# Strategic Investments

Selective strategic initiatives are recommended for projects that provide timely investment opportunities, and are consistent with *The Big Plan* and smart growth principles.

## Moving Minnesota

Providing high quality, environmentally sound and cost-effective transportation is a priority of the Governor's 2001 capital budget. \$115 million is recommended for the state's share of costs for the Northstar commuter rail from St. Cloud to downtown Minneapolis. This project will use existing rail lines to transport commuter trains over an 80-mile distance.

\$7 million is immediately available for final design, with the remainder only available when full federal funding is in place.

The Northstar corridor project reflects the Governor's *Big Plan* by supporting statewide multimodal transportation options. The project is currently in the preliminary engineering phase. An advanced corridor plan has been presented at public hearings. Affected cities have commented on the plan. Potentially, twelve cities are expected to approve station sites.

Overall, the FTA is expected to contribute 50% of total project costs. The state share will be 40%, with the remaining 10% of project costs provided from regional rail authorities.

## Cleaning up the Minnesota River

The Minnesota River was once a pristine prairie river fed by equally clean tributaries. Fresh water mussels, fish and wild rice flourished in the streambeds and wildlife were abundant along the banks. Unfortunately, the 20th-century was not kind to the Minnesota River.

Human settlement and agricultural land use have changed the river dramatically. High levels of nitrites, phosphorous, eroded soil and bacteria from agricultural practices, and inadequately treated wastewater have depleted the river's oxygen, caused odors and killed aquatic life. Average water levels are significantly higher due to increased rainfall, lost wetlands and agricultural drainage systems. Higher water levels have increased erosion and flooding. Recreational uses such as swimming and fishing are precluded in much of the watershed.

To help address these issues, the Governor is proposing an unprecedented investment of \$50.8 million in the Conservation Reserve Enhancement Program (CREP) administered by the Board of Water and Soil Resources. This program pays farmers to take marginal agricultural land out of production. In return for cash payment from the state, landowners sign perpetual easements guaranteeing that the land will not be cultivated and conservation practices will be implemented.

The Conservation Reserve Enhancement Program affects 37 counties and a dozen large river systems in the region. It presents a significant opportunity to clean up the Minnesota River and reduce pollution downstream in the Mississippi River. The state has until September 30, 2002, to match up to \$163 million in federal funds to retire 100,000 acres of flood-prone marginal cropland in the Minnesota River watershed. The state must provide \$50.8 million to fully match the federal funds.

## Water Management and Pollution Control

The Governor recommends \$10 million for statewide water management infrastructure. Funding is recommended for the Public Facilities Authority for loans to local communities for drinking water and wastewater improvements. The request provides \$5 in

federal money for every \$1 of state match. The Clean Water Partnership provides assistance to local government for restoring lakes, rivers and streams, and groundwater aquifers.

### **Supporting Agriculture**

Agriculture is a key contributor to the state's economy, a cherished way of life and the principal land use for much of rural Minnesota. One way the state can support the agricultural economy is by helping farmers lower their cost of production.

The Governor recommends \$20 million in Rural Finance Authority loans to help Minnesota farmers reduce their costs and become more competitive in world product markets. RFA purchases an interest in a farmer's first mortgage and the lender reduces the interest rate paid by the farmer on the loan. Loan repayments reimburse the state for the debt service costs. Loans are repaid in full by participating farmers and the program is 100% user financed.

### **Building our Economic Future**

The redevelopment of previously developed land is critical to maintaining healthy, vital communities as outlined in *the Big Plan*. To accomplish that end, the redevelopment grant program of the Department of Trade and Economic Development was created in 1998 to use state funds to clear previous development, install updated infrastructure and stimulate private investment in existing neighborhoods and communities. Through financial assistance to local governments, obsolete and abandoned properties can be recycled for new industrial, commercial and residential uses.

This program supports several *Big Plan* principles including economic diversification in greater Minnesota, advancement of technology-based development, support for business activities that create high-paying jobs, and sustaining existing development areas.

The redevelopment grant program exemplifies smart growth principles. Public investment is maximized when infrastructure improvements are provided in areas that already have the availability of people, jobs, housing, and services. The Governor supports inventive economic initiatives of this type and recommends \$3 million for the redevelopment grant program.

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**AT A GLANCE: GOVERNOR'S RECOMMENDATIONS FOR STRATEGIC INVESTMENTS**

| <b>Projects</b>  | <b>Cost in Millions</b> |
|--|-------------------------|
| Northstar Commuter Rail Line between St. Cloud and downtown Minneapolis .....              | \$115.0                 |
| Clean up of the Minnesota River through the Conservation Reserve Enhancement Program ..... | \$50.8                  |
| Agricultural loans through the Rural Finance Authority .....                               | \$20.0                  |
| Water and wastewater pollution control programs of the Public Facilities Authority .....   | \$10.0                  |
| Energy investment loan program of the Department of Commerce .....                         | \$5.0                   |
| Redevelopment grant program of the Department of Trade and Economic Development .....      | \$3.0                   |
| Publicly owned transitional housing loans of the Minnesota Housing Finance Agency .....    | \$2.5                   |
| Relocation of state agencies into improved program space .....                             | \$2.0                   |
| Completion of the East Metro Magnet School .....   | \$1.7                   |
| Miscellaneous .....  | \$0.7                   |
| <br>   |                         |
| Total strategic investment recommendations .....   | \$210.7                 |



## *Project Narratives*

This section contains all capital requests recommended by the Governor.

|  |    |
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2001 STATE APPROPRIATION REQUEST: \$10,000

AGENCY PROJECT PRIORITY: 1 of 8

**PROJECT LOCATION:** Administration, Corrections, Economic Security, Human Services, Natural Resources, Military Affairs, Perpich Center for Arts Education, Residential Academies, Veterans Homes Board, MN Zoological Garden, and Minnesota Historical Society

**PROJECT DESCRIPTION:**

The Capitol Asset Preservation and Replacement Account (CAPRA), established under M.S.16A.632, is a statewide fund for removal of mechanical or structural defects and safety hazards, elimination of hazardous substances, replacement of roofs and windows, preservation of exterior and interiors of buildings and unanticipated emergencies of all kinds. The projects are generally too large or unexpected to be funded from agency repair and replacement operating budgets, and usually cost between \$25 and \$350 thousand each.

CAPRA is centrally managed by the Department of Administration (Admin). Higher education is funded separately under Higher Education Asset Preservation and Renewal Account (HEAPR).

This CAPRA request is based on agency requests in excess of \$72 million. Since the program was created in 1990, \$58.9 million has been appropriated for CAPRA projects that are beyond agency asset preservation and operating budget repair and replacement allocations.

CAPRA is viewed as a supplement to repair and replacement funding in agency operating budgets. Agencies are expected to request sufficient funding from the legislature and manage their operating budget accordingly to keep current with ongoing maintenance repair needs.

In 1998 the Department of Finance charged the Statewide Facilities Management Group (SFMG) with establishing budget guidelines for building maintenance. The SFMG consists of representatives from 15 agencies who manage and maintain the state's capital assets.

The group developed building maintenance guidelines for use in determining the amount of funds needed to maintain buildings. By the application of the guidelines, the annual amount of funding needed for building maintenance of the current building inventory is \$271 million. The amount allotted in agency operating budgets for repair and replacement (R&R) in FY 1998 was \$32 million. Therefore the current annual building maintenance funding needed or shortfall is \$239 million.

While these guidelines provide a framework for building maintenance, they do not address the issue of deferred maintenance. The deferred maintenance backlog or the capital iceberg has been estimated at between \$1.5 and \$2 billion. The

continued capital bonding funding of asset preservation, CAPRA and HEAPR, in addition to funding building maintenance from the operating budget, is necessary to reduce the capital iceberg.

If building maintenance was fully funded, per the guidelines, capital bonding appropriations for asset preservation, CAPRA and HEAPR amounts would subsequently diminish. Then capital bonding can be limited to new construction and major remodeling projects.

In recent years Indoor Air Quality (IAQ) issues have arisen and remediation of the problems, from mold abatement to inadequate fresh air supply, have been funded from the CAPRA account. IAQ issues will continue to be remediated as awareness and testing continue. Funding this request will provide the financial resources to ensure safe, healthy buildings when IAQ issues arise, thus being proactive to remedy a problem.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):**

Through the process of funding CAPRA, there will be a reduction in operating expenditures for recurring maintenance specific to each project improvement funded by CAPRA. Certain energy savings will also result from some improvements along with reduced potential liability costs associated with correcting code, or unsafe and hazardous conditions. The availability of CAPRA funds has provided critically needed funds for agencies to quickly respond to unanticipated emergencies and helped avoid additional damage or deterioration that could occur if the deficiency were not properly addressed.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$10 million in general obligation bonding for this project. Also included are budget planning estimates of \$10 million in 2003 and 2005.

**2001 STATE APPROPRIATION REQUEST: \$10,000**

**AGENCY PROJECT PRIORITY:** 2 of 8

**PROJECT LOCATION:** Capitol Complex

**PROJECT DESCRIPTION:**

This request is to preserve and maintain facilities under the custodial control of the Department of Administration (Admin). Admin's deferred maintenance needs total over \$47 million for the 2.8 million square feet of space maintained in Capitol complex facilities and various outlying buildings. Regular and continued provision of funds for asset preservation is required to prevent further deterioration of facilities under Plant Management's custodial control. State facilities in the Capitol complex are aging as summarized in the table below.

**CAPITOL COMPLEX BUILDING INVENTORY  
(Parking Structures Excluded)**

| Age          | Average Age | No. of Buildings | Building Percentage | Square Feet      | Square Feet Percentage |
|--------------|-------------|------------------|---------------------|------------------|------------------------|
| 51 - 96      | 81          | 8                | 44%                 | 806,044          | 28%                    |
| 11 - 50      | 37          | 7                | 39%                 | 1,020,255        | 37%                    |
| 1 - 10       | 6           | 3                | 17%                 | 1,020,415        | 35%                    |
| <b>TOTAL</b> | <b>51</b>   | <b>18</b>        | <b>100%</b>         | <b>2,846,359</b> | <b>100%</b>            |

The goal of Admin's asset preservation program is to ensure that all facilities under Plant Management Division's custodial control are operated and maintained in a cost-effective manner that ensures preservation of the state's assets. One key objective of the asset preservation program is to reduce the amount of deferred maintenance and renewal commonly known as the capital iceberg.

Continued deferral will cause serious structural damage and deterioration to the asset and will significantly reduce the life expectancy of the facility. A continual escalation of the existing capital iceberg will occur without additional funding specifically directed toward timely repair and replacement. The total impact of not addressing deferred maintenance is more than a financial issue. Associated projects and continuous inefficient "patching" of items that need replacement have a substantial cost that is not calculated. Factors not considered when calculating the capital iceberg are: long-term facility depreciation, further deterioration and structural decay, rapidly escalating repair costs or emergency repair, detrimental indoor air quality conditions followed by costly and interrupting remediation, a change in the useful life of the facility, and the satisfaction and effectiveness of the facility in meeting the needs of those using the facility.

Admin maintains a list of projects that are prioritized based on life safety, tenant/staff safety/comfort, and facility preservation, existing conditions, and the negative consequences of not performing the required work. Included in the program are buildings, grounds, monuments, memorials, statutes, sidewalks and easements. The list is updated as additional asset preservation information becomes known and needs are identified or resolved. Heading the list is the completion of the tuckpointing and masonry repair work on the north and west sides of the State Office Building and the associated remediation work on the inside of those exterior walls.

Asset preservation is an ongoing need. Funding this request will preserve the state's assets and improve service and operation that otherwise would be deferred since they are outside the scope of existing funds. Preventive maintenance and a planned coordinated repair and replacement program is significantly less expensive than emergency repairs or full replacement of facilities.

Historically there has not been a funding source for planning and implementing long-term replacements and/or repairs. Plant Management's lease activity provides funding for Maintenance and Leasehold (M & L) projects; this work includes carpet replacement, painting and general building repair. The M & L budget is insufficient for any major repair or replacement. On occasion these funds have been used for emergency repairs when no alternate funding source has been available; however, use of M & L funds for emergency repairs defers annual preventive maintenance type of activities.

Although the Laws of 1999, Chapter 250 permit the use of depreciation funds for asset preservation beginning in FY 2002, those funds would first need to accumulate before any expenditures could occur.

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**GOVERNOR'S RECOMMENDATION**

The Governor recommends \$10 million in general obligation bonding for this project. Also included are budget planning estimates of \$10 million in 2003 and 2005.



2001 STATE APPROPRIATION REQUEST: \$2,500

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION: Capitol Complex, St. Paul

**PROJECT DESCRIPTION:**

This request is to finish upgrading the high-voltage primary electrical distribution system in the Capitol complex, including connection of the Administration building, installation of power factor correction capacitors and automated switching equipment, and de-energization/removal of the existing loop feeders.

The high-voltage electrical system serving the Capitol Complex is in the process of being updated. The work is being done in phases, with the end result a fully redundant and automated primary selective system, and safe up-to-date switching gear. At this time, redundancy has been provided to all of the buildings on the complex except the Admin building, and much of the switch gear has been updated. The completed system will alleviate overloading, provide reliable electric service, control electrical load balance, and above all replace antiquated electrical infrastructure cable and related components that are becoming increasingly dangerous to maintenance and state employees.

Electrical service is a vital backbone for agencies' operations. This work needs to be performed to ensure the electrical system will operate efficiently and safely and that service will be provided without interruption in the future. If the system remains unchanged, future failures could cause serious consequences to state operations.

Currently, the Administration building is only connected to the electrical loop by a single feeder, providing no alternate source of service if this feeder fails or must be taken out of service for maintenance. Installation of the capacitors will reduce the operating cost of the system, and by automating the electrical switching, operating personnel will not be required to stand next to the switchgear as it is operated, eliminating potential injury as a result of switch failure. Additionally, automation of switching will provide load management tools that will allow the electrical distribution system to be balanced on a regular basis to maximize efficiency, reduce potential failures, and provide for an automated restoration of service to buildings when a utility feeder goes off line unexpectedly.

The electrical infrastructure work requested here involves items related to the high voltage system. Admin is requesting funding for electrical work in the Capitol Building involving non-high voltage equipment elsewhere in this bonding bill.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2.5 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$1,957

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION: St. Paul and Minneapolis, MN

**PROJECT DESCRIPTION AND RATIONALE:**

The Department of Administration is requesting agency relocation funds to move 5 state operations from their existing locations to alternate locations.

- **Department of Public Safety, Bureau of Criminal Apprehension (BCA)**  
**\$373 thousand**  
Relocation funds are needed to move from 1246 University Avenue to the newly constructed building located on Maryland and Prosperity on the eastside of St. Paul in March/April of 2003 when the new building is completed.
- **Department of Health**  
**\$892 thousand**  
Administration received an appropriation in 2000 to perform work in the state-owned building at 717 E. Delaware Street in Minneapolis. Relocation funds are needed to move staff out of their work areas to accommodate the construction beginning in the summer of 2001.
- **Ombudspersons for Families**  
**\$12 thousand**  
Relocation funds are needed to move from Energy Park to the newly constructed Retirement Systems Building in the fall of 2001.
- **State Office Building**  
**\$480 thousand**  
Construction work is planned for the fifth floor and 30% of the remaining floors in the State Office Building. Relocation funds are needed to move staff out of their work areas to accommodate construction beginning in the fall of 2001.
- **Office of Administrative Hearings**  
**\$200 thousand**  
Relocation funds are needed to move and co-locate 2 offices, from downtown Minneapolis and a smaller office by the St. Paul airport to downtown St. Paul in November 2001. Of the \$200 thousand total cost, \$171 thousand can be paid from the Workers Compensation Fund, with the remaining \$29 thousand from the General Fund.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$1.786 million from the General Fund and \$171 thousand from the Workers Compensation Fund for these relocations.

2001 STATE APPROPRIATION REQUEST: \$10,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION: Seven-county metro area

**PROJECT DESCRIPTION:**

Funding is needed for design and property acquisition to support the State's efforts to provide efficient state-owned facilities that serve customers, employees, and the people of Minnesota in a cost-effective manner over the life of programs. Key recommendations from the 1993 Strategic Plan for Locating State Agencies, and reconfirmed by the 2000 Strategic Planning Task Force, include:

- Increasing the amount of state-owned space to control long-term costs and acquire equity in state-occupied buildings.
- Acquiring property to meet the state's current needs and to ensure land is available at the lowest cost possible to meet future needs.

Specifically, this request supports the design stage for projects now in predesign, and for the acquisition of property adequate for the long term needs for those same projects. Good facility management incorporates the sound fiscal practice of balancing facility ownership to meet long-term needs with leasing space to meet short term and fluctuating needs. Funding this request will allow steady and continual progress to be made toward the goal of bringing the state into a better balance between facility ownership and leasing.

It is important that property be acquired for a facility early in the project so that the design may proceed based on correct site information, and the costs involved in site preparation can be considered in a timely manner.

Past appropriations funded the investigation of space needs for a variety of agencies. This request will allow those projects having needs that are identified as most critical to continue.

Agency space needs currently under consideration include new or replacement facilities for the departments of Agriculture, Health, Human Services, Corrections and Public Safety. More information will soon be available for these projects when current predesign activities are completed.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$10 million in general obligation bonding for this project.

**2001 STATE APPROPRIATION REQUEST:** \$4,000

**AGENCY PROJECT PRIORITY:** 6 of 8

**PROJECT LOCATION:** St. Paul

**PROJECT DESCRIPTION AND RATIONALE:**

The Department of Administration is forwarding this request to encourage a discussion about the future of the Governor's residence. At present, many shortcomings exist in the condition and suitability of this facility. A need exists to create a second exit stairway from the third floor to meet code requirements; extend the handicap elevator to the second and third floors; improve the mechanical, electrical, technical, and security systems; remodel the kitchen; provide a separation between the first and second floors; restore masonry on the Residence and Carriage House; repair/replace perimeter fence and stone balusters; repair/replace the front walkway, concrete driveway and asphalt parking lot, and install energy efficient windows.

The Governor's Residence Council (GRC) updated the Master Plan for the residence in 1997. The work noted above is consistent with this plan, which was assembled with input from architects versed in historical preservation, the Department of Administration, the GRC, and several First Families.

The home and grounds were donated to the State of Minnesota for use as a residence for the Governor and the first family in 1965. Major remodeling of the residence has occurred in the public areas on the first and lower levels, but the residential areas on the second and third floors have not received much work since the state acquired the residence. Those areas need improvement to separate the private living areas from the public spaces, and to meet the needs of first families and visiting dignitaries. In addition, the layout and furnishings in the kitchen are inadequate to meet both code and the preparation demands of large dinners.

The current facility uses a central plant for heating and cooling the lower level and first floor. These spaces are the public areas of the facility. Floors 2 and 3 are private space with self-contained cooling units (window air conditioners) for each room. Some rooms have a combination heating and cooling unit. These systems do not provide adequate air supply, humidification or dehumidification of the building, and the self-contained units often fail and are becoming increasingly difficult and costly to maintain. In addition, this project includes a complete revision of the air handling system in the kitchen in order to provide adequate makeup air and environmental control.

Modifications and improvements as a result of this project would maintain the integrity of the masonry. Window replacement and the mechanical improvements will improve energy efficiency resulting in lower operating and maintenance costs.

Continued deferment of these needed improvements will cause greater deterioration and maintenance costs.

In lieu of continuing to maintain the existing residence, consideration could be given to building a new residence, either on the same property or at a new location. A decision to renovate the current Governor's residence or to construct a new facility altogether is an important policy decision that needs consideration in the 2001 legislative session.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$4 million in general obligation bonding for renovation of the Governor's residence, or construction of a new residence on the same property or at a new site. This request was developed in order to advance a policy discussion about the preferred future of the Governor's residence.

**2001 STATE APPROPRIATION REQUEST:** \$1,000

**AGENCY PROJECT PRIORITY:** 7 of 8

**PROJECT LOCATION:** 1246 University Avenue St. Paul, MN 55104

**PROJECT DESCRIPTION AND RATIONALE:**

The Department of Administration is requesting money to demolish the state-owned building at 1246 University Avenue.

The building is currently occupied by the Bureau of Criminal Apprehension (BCA). New facilities are under construction for the BCA, and they expect to vacate this building in late spring 2003. The Department of Administration has determined that renovating the space for new tenants would not be a prudent use of funds for the following reasons:

• **Life Safety Issues**

The existing life-safety systems do not meet current fire code, and an entire new system would be required before an occupancy permit would be issued for a new tenant. Work would include a new sprinkler and pump system, and a new fire and smoke alarm system.

• **Heating, Ventilation, Air conditioning (HVAC)**

The current HVAC system is nearing the end of its useful life cycle, and has been extensively remodeled over the years to accommodate the BCA laboratories. Temperature and humidity systems are inadequate, there are no zone controls, and ventilation is inadequate and poorly distributed. Low ceiling heights limit both access to existing ducts and controls and the ability to run new ducts of the proper size.

• **Floor to Ceiling Height**

The lack of vertical floor to floor height within the building results in inadequate space above the ceilings to accommodate required mechanical, sprinkler, plumbing, life safety and electrical systems, and finished ceilings that are not of sufficient height to meet present office standards.

• **Demolition of laboratory space**

The building was never designed for laboratory functions, and any future use of the facility would not include this type of space. Architectural, mechanical and electrical remodeling done to accommodate the labs will require extensive demolition and patching.

• **Other Inadequacies**

Marginal insulation at the building's exterior creates uncomfortable work areas, and the site fails to meet requirements for parking and service delivery. Caulking at the windows is failing, and will need to be redone.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Demolition of the vacated building will save heating and maintenance costs.

**OTHER CONSIDERATIONS:**

The consequence of deferral or no action taken includes:

- There will be no money available to do anything with the building and it will sit empty when BCA moves out.
- Plant Management will no longer be receiving rent to operate the building, and will have to either stop heating and maintaining it, or spread the cost of such to all of the other leaseholders.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$1 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$3,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION: Capitol Complex

**PROJECT DESCRIPTION AND RATIONALE:**

The Department of Administration, in cooperation with the Capitol Area Architectural Planning Board (CAAPB), is requesting funding for non-high voltage electrical improvements for the Capitol Building, including a new emergency generator and related transformers and switch gear, upgrades to the secondary power distribution system, and installation of a fiber optic backbone.

In particular, this request will provide replacement of seriously outdated and undersized electrical systems, including a new emergency power generator, new emergency power transformers and switch gear, and upgrades to existing secondary power distribution systems located throughout the building. In response to the growing data-telecommunications needs within the Capitol, this request will also build in a fiber optic backbone, thus allowing fiber optic distribution to all building tenants.

As the Interior Predesign for the Capitol Building proceeds, it has become clear that before the more visible parts of the restoration of the 95 year old building can occur, a major overhaul of the electrical and mechanical systems in the building must be addressed. The work noted above represents about half of the electrical work needed, and this first phase will provide tenants with an electrical service built to handle the needs of the 21<sup>st</sup> century.

In prioritizing the mechanical and electrical needs, we considered the flexibility of addressing these asset preservation measures in a phased manner, allowing us to complete the work within each phase and avoiding any extended disruption of operations or any prolonged appearance of construction between funding cycles. In addition, we considered which systems had the greatest investment value. That is, we considered what would provide the most flexibility for handling future building needs regardless of how each space was used or laid out.

As a result, we have committed at this time to the necessary upgrades of the electrical needs, much of which can be implemented regardless of how different operations within the building may or may not change. This in no way is meant to diminish the importance of the mechanical or "HVAC" needs for the building. The HVAC system is a critical component that must likewise be addressed prior to any of the final restoration work of plastering and repainting, but will be directly impacted and dependent upon the final determinations of space utilization resulting from the Predesign and related decisions.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$3 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$20,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Rural Minnesota

**PROJECT DESCRIPTION:**

The department requests \$20 million for Rural Finance Authority loans to develop the state's agricultural resources. The loans would provide affordable financing to farmers and small agri-businesses.

**Project History:**

The Rural Finance Authority (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 undersecured farm real estate loans. The program 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 Restructure Loan Program.

The 1986 Minnesota Legislature authorized the sale of \$50 million in general obligation bonds to fund the initiative. An additional \$41 million in general obligation bonds was authorized by the 1996 Minnesota Legislature to continue the program, and the 2000 Minnesota Legislature authorized another \$20 million.

**Program Purpose:**

The purpose of the Rural Finance Authority's 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 to an eligible farmer, up to \$125 thousand 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 thousand and up to \$150 thousand in the Restructure 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.

**IMPACTS ON AGENCY OPERATING BUDGET:**

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 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 \$49 million for bond redemption and interest payments.

**OTHER CONSIDERATIONS:**

Since its inception, the RFA has enabled more than 1,580 Minnesota farmers to purchase farms, improve them, or add efficient, up-to-date livestock facilities. As of 12-31-2000, the RFA has purchased approximately \$83 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:**

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Agricultural Finance Division  
Minnesota Department of Agriculture  
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St. Paul, MN 55107 - 2094  
Phone: (651) 297-1246  
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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$20 million in general obligation bonding for this project. Also included are budget planning estimates of \$20 million in 2003 and 2005.

**2001 STATE APPROPRIATION REQUEST:** \$1,700

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** 600 Weir Drive, Woodbury, Minnesota

**PROJECT DESCRIPTION AND RATIONALE:**

This \$1.7 million request funds the completion of the East Metro Magnet School project.

In the FY 2000 budget, the Governor requested total project costs of \$17.7 million for the East Metropolitan Arts and Science magnet school in Woodbury. Laws 2000, Chapter 492, Section 5, Subdivision 2, appropriated \$16 million for the project with the stipulation that the project "proceed as planned at the \$17.7 million level, in anticipation of receiving additional funding at a later session of the legislature." Consistent with that directive, the \$1.7 million will finish the school.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

None.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$1.7 million in general obligation bonding for the completion of this project.



2001 STATE APPROPRIATION REQUEST: \$5,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: statewide

The department requests \$5.0 million in FY2001 for the **Energy Investment Loan Program** to make public schools and local government buildings more energy efficient. Bond proceeds will be used for low interest loans for energy-saving retrofits. The present Energy Investment Loan Program will be changed to a revolving loan fund program.

#### Substantial Need

Natural gas costs tripled in the past year; propane and heating oil costs rose substantially. Minnesota faces large electricity shortages within the decade. Energy efficiency and energy conservation in buildings become an essential component in reducing operating costs because it is probable that energy costs will not return to the levels of years past. It is critical to refocus this program to provide ongoing assistance to public schools and local governments, as energy costs remain high. While the current program's 10-year payback was instituted with relatively low energy costs, payback times would now likely be shorter as a result of the increased cost of energy.

#### Initial Program

In 1983, the Minnesota Legislature created the Public School Energy Loan Program. In 1987, this program was expanded to include cities, counties and townships, and the name changed name to the Energy Investment Loan Program. This innovative program provided loans to implement energy efficiency projects that paid for themselves within 10 years. The original source of capital for these loans was \$30 million in state general obligation (GO) bonds. In both 1994 and in 1996, an additional \$4.0 million in GO bonding authority was approved by the legislature. In this program, the state sold GO bonds and issued loans to schools and local governments with the proceeds. The borrowers repay the loans over 10 years, and the repayments have been used to pay the debt service on the bonds. The department now proposes to use principal repayments from loans made from the requested bond funds to establish a revolving loan pool to finance new cost-effective energy efficiency projects in subsequent years.

#### Partner With Existing Exxon PVE Revolving Loan Program

Since 1988, the department has successfully operated a revolving loan program funded by Exxon Petroleum Violation Escrow (PVE) funds. \$6.85 million of these funds were appropriated to the department to establish a revolving loan program for schools, hospitals, and public buildings. This fund has provided \$15.7 million in loan principal to date. The program is integrated with the Energy Investment Loan Program. It accomplishes an interest rate reduction through zero interest principal participation. This combination has stretched the use of GO bond funds and provided a lower net

interest cost to program customers. Since bond funds have been unavailable, however, the Exxon revolving fund use has been limited.

The Energy Investment Loan Program, combined with Exxon PVE funds, has financed \$51.8 million in cost-effective energy efficiency projects in public buildings since 1984. \$38 million has come from GO bond funds and \$13.8 million has come from Exxon PVE funds. This program has provided loans to 193—52%—of the state's 370 plus school districts. Eleven (12.6%) of Minnesota's 87 counties and nineteen (2.4%) of Minnesota's over 800 cities have participated in this program. Over the duration of the program there has never been a default on a loan. All previous protections will be continued in the revolving loan fund program.

#### Continuing Demand

Demand grew steadily over the last several years that bonding authority was available, from \$2.3 million in loans in FY 1992 to \$6.1 in FY 1995. By May 1995, all bonding authority was exhausted, and all available Exxon PVE funds were obligated, including anticipated loan repayments through December 1995. Because there was no remaining bonding authority, the department suspended program operation in June of 1995. An additional \$4.0 million in bonding authority was approved in the 1996 capital budget. This authority was exhausted within 18 months, and program operation has been suspended since the FY1998-99 biennium.

#### An Effective Tool

The Department sees the Energy Investment Loan Program as an effective tool to stimulate cost-effective energy efficiency projects. Before legislative enactment in 1983, the potential cost of cost-effective (less than 10-year payback) conservation investment in public schools alone was estimated at \$120 million—more than double the loan investment made to date. Since that original estimate, city and county buildings became eligible for the program, and new cost-effective technologies have emerged. In the past several fiscal years, nearly 40% of loans have financed energy efficient lighting equipment that was not commercially available as recently as eight years ago.

There is still substantial need for this program. The department will request \$5.0 million in each of the 3 biennium for a total funding for this revolving loan fund program of \$15 million.

Project Contact: Janet Streff, Department of Commerce  
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#### GOVERNOR'S RECOMMENDATION:

The Governor recommends \$5 million in general obligation bonding for this project. Also included are budget planning estimates of \$5 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$20,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: All DOC Facilities Statewide

**PROJECT DESCRIPTION AND RATIONALE:**

The Department of Corrections (DOC) is requesting funding for asset preservation projects. The DOC has developed a list of projects that identify the capital "iceberg" that currently exists within the facilities. These projects require completion so that deficiencies can be properly addressed and improvements made to state assets under control of 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 operating efficiencies.

Many of the DOC facilities are 80 to 100 years old. Funding is needed for the removal of safety hazards and mechanical or structural defects; the elimination of hazardous substances; the replacement of roofs and windows; the preservation of exteriors and interiors of buildings; the upgrade/replacement of electronic security systems; etc.

For example, the DOC has received several OSHA citations pertaining to asbestos and emergency lighting at the Minnesota Correctional Facility-Faribault (MCF-FRB). There are also several State Fire Marshal and Department of Health orders at DOC facilities that need to be completed.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The funding for these projects will affect facility staff in terms of time spent on construction details and in time spent identifying additional "iceberg" items. It is also anticipated that the operating repair and betterment funding will be adjusted in the future to more clearly reflect the funding required. No cost increases will result from these projects.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$20 million in general obligation bonding for this project. Also included are budget planning estimates of \$20 million in 2003 and 2005.

**2001 STATE APPROPRIATION REQUEST: \$2,500**

**AGENCY PROJECT PRIORITY:** 1 of 1

**PROJECT LOCATION:** Statewide

**PROJECT DESCRIPTION:** Publicly Owned Transitional Housing

The Publicly Owned Transitional Housing Program provides deferred loans to local units of government for the development, construction, acquisition, improvement, or rehabilitation of housing properties to be used as emergency or transitional housing for low or moderate income persons. Historically, a large percentage of the population served by projects under this program are battered women and their children. Emergency shelters provide very short-term housing (usually less than 30 days). Transitional housing is housing provided for a limited duration, generally not exceeding 24 months and available for occupancy on a continuous 24-hour basis.

Local units of government are eligible to receive program assistance and must own and manage the property or contract with a service provider to operate the transitional housing program for a minimum of 20 years. After 20 years, the loan is deemed paid in full and all restrictions regarding ownership and operation of the property cease.

**OTHER CONSIDERATIONS**

Transitional and emergency housing are elements of a continuum of basic housing needs in Minnesota. Transitional housing is designed to assist homeless persons in addressing their needs with the goal of assisting in the movement beyond emergency shelter to more stable, long term affordable housing. Additionally, transitional housing seeks to aid people in reintegrating into their communities through the development of needed skills and the utilization of existing community resources. The Publicly Owned Transitional Housing program has also helped stabilize neighborhoods by using resources to rehabilitate blighted properties. Transitional housing serves battered women, children, persons with disabilities and other special populations. Most of the projects funded under this program combine funding from a variety of sources to complete the project. To date, for every \$1 of Publicly Owned Transitional Housing program monies invested, more than \$2 of federal, local or private funds have been invested in the projects. Many of the Publicly Owned Transitional Housing projects are a partnership between the local jurisdiction which owns the property and a non-profit organization which operates the program. The agency is able to facilitate these partnerships by providing needed funding to make the development a reality.

There continues to be a need for temporary housing and services to address homelessness. The Wilder Research Center found that between 1997 and 2000, the

number of homeless persons increased by 20%. Homeless shelters served more than twice as many people in 2000 as in 1991. The 2000 Wilder Research Center's *Minnesota Statewide Survey of Persons Without Permanent Shelter* found that there are as many children in shelter in 2000 as the total number of persons in shelter in 1991. Forty-eight percent of the individuals sheltered in temporary accommodations and surveyed in May, 2000 as part of the Department of Children, Families and Learning Quarterly Shelter Survey were children or unaccompanied youth.

In its May, 2000 Quarterly Shelter Survey, the Department of Children, Families, and Learning reports the highest number ever of persons requesting shelter who were turned away due to lack of capacity.

Funding for the program will be available statewide. Individual projects will have regional significance. Individual projects will be funded consistent with the regional Continuum of Care plans developed by regional committees and with the recommendations of the Interagency Task Force on Homelessness. Projects funded with this request will vary in size, location and construction type (new construction or rehabilitation) depending on regional needs and priorities.

Funding of this request will result in the development of about 70-120 units of transitional housing.

**IMPACT ON AGENCY OPERATING BUDGETS:**

Additional funding for this program will have no impact on the agency's operating budget. This program funds the capital costs of temporary housing; the ongoing operating costs are provided from other sources, including residents' contributions, and federal, state, and local funds.

**PROJECT CONTACT:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2.5 million in general obligation bonding for this project. Also included are budget planning estimates of \$2.5 million in 2003 and \$2.5 million in 2005.

**2001 STATE APPROPRIATION REQUEST: \$10,000**

**AGENCY PROJECT PRIORITY: 1 of 2**

**PROJECT LOCATION: System-Wide**

**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 facilities deficiencies including, but not limited to, the following:

- Safety hazards and code compliance issues
- Roof Repairs and Replacements
- Mechanical and structural deficiencies
- Tuck pointing and other building envelope work (window and door replacement, fascia and soffit work, re-grading around foundations, etc.)
- Elevator repairs/upgrades/replacements
- Road and parking lot maintenance
- Major mechanical and electrical utility system repairs, replacements, upgrades and/or improvements, including the replacement of boilers and upgrade of steam systems
- Abatement of hazardous materials (e.g., asbestos containing pipe insulation, floor and ceiling tile, lead paint, etc.)
- 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 and window replacement, and a few may have shorter life cycles, i.e., road and parking lot seal coating and overlays, and 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. A list outlining many of the asset preservation projects identified by the RTCs is 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 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 or committed.

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 be compounded as complete replacement may become the most cost effective and efficient alternative for addressing related deficiencies.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):** 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.

**OTHER CONSIDERATIONS:** Continued funding at the requested level for several bienniums will enable the department to make a significant impact on the system's deferred maintenance problem.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$10 million in general obligation bonding for this project. Also included are budget planning estimates of \$10 million in 2003 and \$10 million in 2005.

**2001 STATE APPROPRIATION REQUEST:** \$8,900

**AGENCY PROJECT PRIORITY:** 2 of 2

**PROJECT LOCATION:** St. Peter Regional Treatment Center

**PROJECT DESCRIPTION:** This request is for funds to implement the second phase of a multi-phased project at the St. Peter Regional Treatment Center (SPRTC). Phase One was funded by the 2000 Legislature and focuses on the design, remodeling and construction required to develop 100 beds in the residential and program areas of Pexton Hall; construct space for a control center, visitation, programming and administration; install fencing and security systems; and complete site work associated with the development of these restructured facilities.

Phase Two will focus on remodeling Shantz Hall, completing the connecting link between the buildings and constructing a multi-purpose building for programming space. Phase Two will also address the need for exterior security for Shantz Hall and the new addition, and for tying the separate units into a single program complex.

The completed project will provide approximately 200 additional beds to accommodate projected referrals of individuals committed as sexual psychopathic personalities (SPP), sexually dangerous persons (SDP), and mentally ill and dangerous (MI&D). The scope of work, space program, and cost estimate for this project was developed during a predesign study completed by Korsunsky, Krank and Erickson Architects during early spring of 2000.

**BACKGROUND:** In the early 1990s the state experienced a significant growth in the number of individuals committed as sexual psychopathic personalities/sexually dangerous persons (SPP/SDP). Based on projected referrals to the program, the 1993 Legislature authorized the construction of a 100-bed secure facility in Moose Lake and a 50-bed expansion of the Minnesota Security Hospital in St. Peter. In 1998 the Legislature appropriated funds to construct two additional 25-bed units at the Moose Lake. These 50 beds were opened for occupancy in the fall of 2000.

The rate of growth of the Minnesota Sex Offender Program (MSOP) has continued. The combined population of the SPP/SDP program at Moose Lake and St. Peter was 167 in June 2000. The level of referrals continues at approximately 2 per month, or nearly 25 per year, resulting in an average net growth of approximately 19 per year. As a result, there is a need to continue the planning and development of additional capacity for the SPP/SDP program for both the short and long term. In addition, there is a need to develop additional long-term capacity for the MI&D population.

The DHS and the Department of Corrections (DOC) began a collaboration to define a more effective and efficient way to manage Minnesota's sex offender population. The Governor's operating budget recommends funding for a DOC/DHS collaborative process to begin with the screening of approximately 1,300 sex offenders currently in

the DOC. Those identified by the screening as high risk will be required to complete MSOP level sex offender treatment during their incarceration. If funded, this program will be available in the DOC in July 2001. Although this collaborative will lessen the pressure on future MSOP admissions, the direct impact on capacity requirements will not be known for sometime in the future. Accordingly, the Department must continue with plans to address future bed capacity for its forensic programs.

**EXISTING FACILITIES:** Pexton and Shantz Halls were constructed in the 1960s as residential treatment buildings for St. Peter RTC's psychiatric program. Pexton Hall is currently being used as a residential program building for St. Peter's psychiatric program. The facility plans to relocate this program to Bartlett Hall when the Pexton project is ready to start. Shantz Hall has been used for many different psychiatric programs since it was constructed. In 1993/94 St. Peter RTC physical plant staff implemented some basic security improvements in Shantz Hall. Shantz was then used to temporarily house SPP/SDP clients while the new facilities for these clients were being constructed. Shantz is currently used to provide space for two units of the Minnesota Security Hospital.

Funding of this project will enable the department to reuse existing available space for the development the additional bed capacity that will be needed to accommodate the increasing SPP/SDP/MI&D populations. Upon completion of both phases of this request, the new building complex will provide residential and program space for approximately 200 additional beds.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):** The increasing PP population will impact the agency's operating budget. Program costs will go up as the population increases.

**OTHER CONSIDERATIONS:** New facilities could be constructed to accommodate the projected referrals of SPP/SDP patients. However, the cost of the project completed during the summer of 2000 at Moose Lake that added 50 beds, a small protective isolation unit, and a connecting link with some programming space exceeded \$9 million.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$8.9 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$10,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Twin Cities Region

**PROJECT DESCRIPTION AND RATIONALE:**

This request is for a \$10 million grant for a bus garage to maintain and house the expanded Metropolitan Council bus fleet.

The fleet needs to grow to respond to increased congestion and growth in the metro area population.

The 2000 Metropolitan State University Civic Confidence Survey found "Traffic congestion is seen as the metro area's biggest problem. Traffic congestion far outpaces crime as the number one problem for suburban residents, while crime and traffic congestion are equally important for the core cities of Minneapolis and St. Paul."

Over the next 20 years, 500,000 additional residents are expected to move into the region. Most highways in the region will be congested by 2020 unless transit plays a more significant role in satisfying regional travel needs. In response, the Metropolitan Council has set a goal of doubling the bus fleet by 2020. This will require adding 5 more bus garages over the next 20 years.

These facilities would house on an average approximately 200 buses and cost approximately \$45 million. The approximate space allocation would be:

|                               |                   |
|-------------------------------|-------------------|
| Exterior parking areas        | 110,000 sf        |
| Circulation/Setback/Landscape | 180,000 sf        |
| Interior Bus Parking          | 215,000 sf        |
| Shops                         | 76,000 sf         |
| Fuel/wash/support/parts       | 36,000 sf         |
| Offices/dispatch/locker room  | 23,000 sf         |
| <b>Total</b>                  | <b>640,000 sf</b> |

The Metropolitan Council's "Long Range Bus Garage Needs Study" found that 5 new bus garages will need to be built over the next 20 years. The location of these garages would be as follows:

- New Snelling Garage facility (at the Snelling site)

- Heywood Expansion (Minneapolis)
- Ruter Expansion (Brooklyn Center)
- Fourth and fifth garage facilities not yet sited

It is also proposed that the Gateway parking ramp in downtown Minneapolis be modified to house a smaller number of buses.

These new facilities would be funded with a combination of state funds, federal grant funds, and Metropolitan Council property tax-supported bonds.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The Metropolitan Council receives approximately one-third of its operating costs from the state to provide transit services. A portion of the operating costs of the facility would be included in future state operating requests.

**OTHER CONSIDERATIONS:**

Demand from citizens for transit supports this request. Transit ridership grew 22% over the last 4 years.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$10 million in general obligation bonding for this project. Also included are budget planning estimates of \$10 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$2,500

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Various, Statewide Locations

**PROJECT DESCRIPTION:**

**Asset Preservation (\$2,200):**

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 non-CAPRA projects.

Detailed facility audits have revealed a growing backlog of maintenance and renovation requests that exceed \$24 million. Facility aging creates additional maintenance and repair problems. Currently, the average age of the department's armory facilities is 39 years. Phasing of asset preservation projects is (in priority order):

1. Safety/liability related projects,
2. Sanitary issues (e.g., toilet facilities, vehicle garages),
3. Functionality projects (e.g., rehabilitation of training rooms, lighting), and
4. Aesthetics/comfort projects if funding remains.

Some examples of safety/liability issues that are included within the scope of this project are: National Fire Protection Association (NFPA) violations, exit/egress lighting upgrades, repairs to curbs, sidewalks and building entrances, updating of electrical service, renovating vehicle garages 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.

Specific projects will be defined once the source of and amount of appropriated dollars is known.

As stated in the agency's Strategic Plan, Military Affairs must focus its attention on maintaining and upgrading existing buildings. With federal grant funding for new buildings greatly reduced, it is imperative the department keep its building assets in good working order and repair to meet the needs of the buildings users.

The department's goal is to minimize or eliminate the agency's backlog of maintenance and repair projects on its CAPRA/Asset Preservation list, while at the same time methodically eliminating the existing "iceberg" of projects. Funding at the levels requested can be efficiently managed by department personnel and parallels backlog reduction goals identified in the agency performance report.

**Kitchen Renovation (\$300 thousand):**

This a request for funds to renovate the kitchen at Redwood Falls that is over 30 years old and no longer meets safety/health and building code requirements. The project is a significant, permanent, and long overdue major improvement to this armory facility. It is essential that this kitchen be renovated to avoid potential health hazards to National Guard members and community members using our facilities. The need for kitchen facilities during short and long-term disaster response was demonstrated during the floods of 1997.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Because these projects deal primarily with backlog, there will not be a direct impact on the operating budget. However, better insulation and efficiencies will save energy, which will reduce utility costs and, in turn, stretch the operating budget farther.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2.5 million in general obligation bonding for this project. Also included are budget planning estimates of \$2.5 million in 2003 and 2005.

**2001 STATE APPROPRIATION REQUEST:** \$2,000

**AGENCY PROJECT PRIORITY:** 1 of 2 (Governor's Request)

**PROJECT LOCATION:** Multiple Sites - Statewide

**PROJECT DESCRIPTION:**

This request is for \$2 million for the Minnesota Historical Society to preserve and restore important historic sites located throughout the state.

This request was prepared by the Ventura administration on behalf of the Minnesota Historical Society. This request continues the Governor's support for a multi-year asset preservation effort recommended by MHS and the Governor, and partially funded in the 2000 legislative session.

This repair and renovation request is an important priority for the Minnesota Historical Society, and is consistent with a broader set of asset preservation requests of state agencies that are being recommended by the Governor in his 2001 capital budget.

The request is for work that is critical to the preservation and maintenance of the state's historic sites. It includes preservation, restoration, reconstruction, and maintenance of buildings, building systems, landscapes, exhibits, markers and monuments. This work is largely directed to historic buildings and sites that are open to the public. The need for this project results from the use of the historic sites by nearly 14 million visitors in 3 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 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.

These asset preservation needs cannot be met with the current level of repair and replacement funding from the Society's operating budget.

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. 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.

**OTHER CONSIDERATIONS:**

- These asset preservation requests will allow the Society to maintain its strong network of historic structures.
- Many of the Minnesota Historical Society'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. Needs are increasing as additional problems are discovered, buildings increase in age, required skills and materials become more and more difficult to find, and preservation technology discovers new methods to preserve historic structures.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and \$2 million in 2005.



**2001 STATE APPROPRIATION REQUEST: \$250**

**AGENCY PROJECT PRIORITY:** 2 of 2 (Governor's Request)

**PROJECT LOCATION:** Capitol Building - St. Paul

**PROJECT DESCRIPTION AND RATIONALE:**

This project will provide for the preservation and restoration of the original 1905 furnishings in the Minnesota State Capitol.

This request was prepared by the Ventura administration on behalf of the Minnesota Historical Society. This request reiterates the Governor's support for the project that was recommended by MHS and the Governor, but was unfunded in the 2000 legislative session.

This repair and renovation request is an important priority for the Minnesota Historical Society, and is consistent with a broader set of asset preservation requests of state agencies that are being recommended by the Governor in his 2001 capital budget.

The project includes: 1) providing moving and storage expenses; 2) conducting a survey of all furnishings on the inventory, which includes chairs, desks, tables and sofas to determine necessary conservation measures to preserve them; 3) continuing the restoration of furnishings and lighting; 4) providing for emergency conservation measures of furnishings and works of art; and 5) completing the furnishings plan and beginning its implementation.

As provided in M.S. Chapter 138.67-138.69, the Minnesota Historical Society has responsibility to preserve artwork in the State Capitol area, including custom designed chairs, desks, tables, and sofas.

Over 800 of the original 1600 pieces of 1905 Capitol furniture designed or selected by architect Cass Gilbert are extant. Approximately 400 pieces are in daily use in public spaces of the Capitol. Many are used in offices in the Capitol and other state buildings, and many are in storage.

Without funding for this project, the condition of the furniture will continue to deteriorate. This useable collection of original historic furniture, if restored, would enhance the appearance of public and ceremonial spaces as well as office spaces.

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. 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 NOTE):**

None.

**OTHER CONSIDERATIONS:**

Year 2005 marks the 100th anniversary of the Minnesota State Capitol. The Minnesota Historical Society, the Capitol Area Architectural and Planning Board, and Department of Administration are cooperating to prepare the building for its centennial celebration and to complete restoration plans. This furnishings request is an important component of that celebration.

Furniture restoration is not a bond-eligible expense. Thus, this project is presented as a General Fund request.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$250 thousand from the General Fund for this project. Also included are budget planning estimates of \$150 thousand in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$2,000

AGENCY PROJECT PRIORITY: 1 of 2

PROJECT LOCATION: Faribault

**PROJECT DESCRIPTION AND RATIONALE:**

The Minnesota State Academies for the Deaf and the Blind are requesting \$2 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, many 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; asbestos removal; sidewalk replacement and parking improvements; and installation of fire protection systems.

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.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

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

**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.

The Minnesota State Academies received a \$750 thousand appropriation for asset preservation in 1996 and a \$725 thousand appropriation in 1998. The Minnesota State Academies received \$1.25 million in asset preservation monies in 2000. This included funding for 2 special projects, a \$500,000 electrical upgrade for MSAD and a \$500 thousand water/sewer repair at MSAB. An additional \$75 thousand was added to the agency's 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.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$5,000

AGENCY PROJECT PRIORITY: 2 of 2

PROJECT LOCATION: Faribault

**PROJECT DESCRIPTION AND RATIONALE:**

The Minnesota State Academies are requesting \$5 million dollars to complete Phase II of the renovation project in Noyes Hall, a historic building located on the Academy for the Deaf (MSAD) campus. Phase II includes the addition of a new mechanical system (HVAC), improvements to sight lines and lighting, window treatments and the use of natural light, addition of a sound system and auditory support as well as acoustical improvements for the auditorium and the central area that connects the east and west wings of the building. Designing it for teleconferencing use for large groups to address distance learning needs, staff development, sign language instruction, IEP meetings and training will make it a popular, functional space. At the present time, the auditorium space has unusual acoustical and visual challenges that must be addressed. Difficulty in hearing and seeing in this theater setting has frustrated many audiences. New seating with inclined flooring will improve the sight lines as will the use of natural light and new auditorium lighting.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Utility costs will rise and technical assistance will be necessary to maintain the upgraded systems.

**OTHER CONSIDERATIONS:**

Noyes Hall is a historic building listed 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. The west wing of Noyes Hall was added in 1907, completed in 1908, and is currently being renovated. The Noyes Hall auditorium was completed and occupied in 1910. The east wing was remodeled in 1994-95. Phase I of the west wing was funded in 2000 and is currently in progress. This request is for the auditorium space and the area below it which are the last parts of the building to be restored. With remodeling and repair of these spaces, this old majestic building will be completely renovated and will be useful for many years to come.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$5 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$75,000

AGENCY PROJECT PRIORITY: 1 of 3 (Governor's Request)

PROJECT LOCATION: Systemwide -- All Campuses

**PROJECT DESCRIPTION AND RATIONALE:**

This request is for \$75 million for higher education asset preservation and renewal (HEAPR). It will provide funding to maintain and preserve MnSCU's existing physical assets as specified in MS 135A.046, including safety and code compliance upgrades, improvements to building envelopes and mechanical systems, and space restoration.

This request was prepared by the Ventura administration on behalf of the Minnesota State Colleges and Universities system. As of the printing deadline for the Governor's capital budget, the MnSCU Board was considering a 6-year capital plan that included preliminary requests for the 2002, 2004 and 2006 legislative sessions. The MnSCU Board did not specify priorities for the 2001 session.

MnSCU's physical assets are comprised of 18.6 million gross square feet of space in 617 separate buildings, located on 53 separate campuses. This request does not include state university revenue fund buildings. Maintenance and asset preservation projects include repair and in-kind replacement of building and equipment components that have reached their useful life expectancy.

MnSCU has made life safety and maintenance of its existing facilities a top priority in its recent capital improvement programs. The request was developed utilizing a "catch up and keep up" strategy which calls for a 20-year phase out of deferred maintenance through a combination of HEAPR and general operations funds. Each college and university submitted a set of prioritized asset preservation projects utilizing individual assessments of the buildings and grounds and findings from the systemwide facilities condition assessment. A deferred maintenance survey was conducted on all MnSCU facilities during FY 1999.

The results of the survey were a key element in the development of a comprehensive management program. The survey provided data for describing building components, analysis of building conditions, inventory of space and suitability of the space for the function being performed in it.

Deferred maintenance totaling \$497.9 million, or \$26.81 per gross square foot, was identified across the system. The distribution of need across the 3 priorities is summarized as follows:

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):**

Since this HEAPR request contains such a large and diverse number of projects it is difficult to precisely calculate the impact these facility changes will have on operating budgets. Overall, operating budgets should decrease slightly as these major deferred maintenance items are addressed.

**OTHER CONSIDERATIONS:**

None of these HEAPR projects incorporate major architectural reconfiguration or modernization to meet new or expanding program needs.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$75 million in general obligation bonding for this project. Also included are budget planning estimates of \$75 million in 2003 and million in 2005.

2001 STATE APPROPRIATION REQUEST: \$9,907

AGENCY PROJECT PRIORITY: 2 of 3 (Governor's Request)

PROJECT LOCATION: Normandale Community College (Bloomington)

**PROJECT DESCRIPTION AND RATIONALE:**

This request is to remodel, furnish and equip 61,254 gross square feet of the existing science facility at Normandale Community College as a Phase 2 project, that will complete the science building.

This request was prepared by the Ventura administration on behalf of the Minnesota State Colleges and Universities system. As of the printing deadline for the Governor's capital budget, the MnSCU Board was considering a 6-year capital plan that included preliminary requests for the 2002, 2004 and 2006 legislative sessions. The MnSCU Board did not specify priorities for the 2001 session.

In Phase 1, currently under construction, the new science lab facility is being constructed. Phase 2 funding is necessary to renovate and equip the old and vacated laboratories in space originally built in 1968 and 1975. The renovation will accommodate new instructional classroom space and alleviate substantial space shortages for physics, geology, earth science, anthropology, geography, and mechanical and vacuum technology.

These spaces will be renovated to the standards required to use technology effectively and relieve current space shortages.

The project will also bring Normandale Community College science facilities into compliance with safety codes and accessibility standards.

Pre-design has been completed at the same time as the Phase 1 pre-design with a 1998 legislative appropriation. MnSCU and the Department of Administration have approved the pre-design. Design was funded by the legislature in 1998, and Phase 1 construction was funded in 2000.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Phase 2 of the science building project will not add to the operating costs. There is no additional square footage being constructed.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$9.907 million in general obligation bonding for this project, contingent on a one-time debt service payment by MnSCU.

2001 STATE APPROPRIATION REQUEST: \$1,500

AGENCY PROJECT PRIORITY: 3 of 3 (Governor's Request)

PROJECT LOCATION: Canby, Faribault, Red Wing, Winona, & Minneapolis

**PROJECT DESCRIPTION AND RATIONALE:**

This request is for \$1.5 million to design, renovate, furnish and equip science laboratories at the following five college campuses:

- Minneapolis C&TC – organic chemistry lab (3,000 gsf)
- Minnesota West at Canby – dental lab (1,122 gsf)
- MSC – Southeast TC at Red Wing (1,152 gsf)
- MSC—Southeast TC at Winona (1,152 gsf)
- South Central TC at Faribault (1,000 gsf)

All 5 projects will be renovation projects under \$425 thousand with a construction schedule of less than 12 months. All 5 projects will reduce deferred maintenance, address life safety concerns, upgrade the mechanical systems, finish in the college science labs, and bring the labs up to current building codes and computer technology standards.

This request was prepared by the Ventura administration on behalf of the Minnesota State Colleges and Universities system. As of the printing deadline for the Governor's capital budget, the MnSCU Board was considering a 6-year capital plan that included preliminary requests for the 2002, 2004 and 2006 legislative sessions. The MnSCU Board did not specify priorities for the 2001 session.

The science initiative on these 5 campuses directly meets MnSCU's capital priorities of asset preservation, program enhancement and facility revitalization. It also supports the 4 facility principles of focusing on renewal, maximizing functionality, supporting master plans, and utilizing future-oriented technologies. All 5 colleges have master plans that support facility renewal, maximize space functionality, and promote up-to-date classroom technologies.

The five projects will:

- Reduce or eliminate deferred maintenance items
- Focus on the Board's priority on science and technology
- Provide immediate high impact user satisfaction to students, and
- Improve the overall condition and functionality of science laboratories.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Since all 5 projects are renovations of current space only, a slight increase in electrical energy use will be offset by greater efficiencies in newer HVAC and other mechanical systems. There will be no need for additional personnel.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$1.5 million in general obligation bonding for this project, contingent on a one-third debt service payment by MnSCU.

2001 STATE APPROPRIATION REQUEST: \$2,000

AGENCY PROJECT PRIORITY: 1 of 4 (Building Projects)

PROJECT LOCATION: Statewide

**PROJECT DESCRIPTION:**

This request is for \$2 million in bonding for the Department of Natural Resources (DNR) Asset Preservation Program.

The department has identified more than \$17 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 underfunded. The result is a "Capital Iceberg" of deferred maintenance. This request for \$2 million 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.

Funding this request will provide for all aspects of asset preservation, including; roofing, plumbing and heating, electrical repair and renovation, energy efficiency improvements and structural renovations. Our project plan addresses a wide range of life safety and code violations. As opportunities arise, we will upgrade 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.

**IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):**

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.

The 1999 Legislature approved a change item for the operating budget of \$2.5 million for FY 2000 and \$500 thousand for FY 2001 and beyond for statewide asset preservation and repair.

**PREVIOUS PROJECT FUNDING:**

Previous state capital budget appropriations include:

|                        |               |         |
|------------------------|---------------|---------|
| M.L. 1994, Chapter 643 | \$1.4 million | Bonding |
| 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 |

**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 higher 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.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and 2005.

**2001 STATE APPROPRIATION REQUEST:** \$8,000

**AGENCY PROJECT PRIORITY:** 2 of 4 (Building Projects)

**PROJECT LOCATION:** Statewide

**PROJECT DESCRIPTION:**

This request will provide \$8 million for Field Office Renovations and Improvements.

The Department proposes renovation, rehabilitation and reconstruction 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 DNR field offices is 50 years old and only a few have been updated to accommodate changes in natural resource management work requirements. The practical requirements of the DNR's work demand appropriate spaces for; professional and technical staff, modern vehicles and other working equipment, information technologies, and broadly expanded public and client services. Very little has been done to assure proper lighting, heating, air conditioning, ventilation, access, or egress. 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. Substantial productivity gains are possible in DNR Field Offices if we can create workplaces that do not hinder or distract employees from the work we intend them to do. Modifications to offices allow us to ensure adequate meeting space for working with citizens and to create space for needed educational and tourist information.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

This project will result in small increases in square footage of office and service facilities which are incidental to specific project requirements.

Modernized facilities and systems will ensure that the department will get more utility for each maintenance and operations dollar.

**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 many performance factors, among them; employee retention, morale, collaborative work and productivity. These same improvements will reduce the state's exposure to risks associated with unsafe, unhealthy and inaccessible facilities.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$8 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and 2005.



2001 STATE APPROPRIATION REQUEST: \$3,000

AGENCY PROJECT PRIORITY: 3 of 4 (Building Projects)

PROJECT LOCATION: Statewide

**PROJECT DESCRIPTION:**

This request is for \$3 million in bonding to provide for improved and equal accessibility, as outlined by the Americans with Disabilities Act (ADA), for all Minnesotans and visitors to the Department of Natural Resources (DNR) facilities (buildings) and the programs (outdoor recreation opportunities) they support. Accommodating customers and employees with disabilities requires making facilities and programs accessible. Title II prohibits discrimination in the provision of public service, programs and activities.

As a result of previous appropriations, the DNR, in cooperation with the Department of Administration, has been able to accelerate design and construction activities to provide accessible and safe facilities. However, accessibility to all facilities and programs continues to be an issue of great concern to the DNR. Significant progress has been made to address these issues, yet clearly, much remains to be done. This request will assure a continuation of the effort to eliminate barriers to DNR accommodations and services.

This request includes a variety of design and construction projects statewide in 2 categories:

- Buildings – this category will remove barriers, reduce the required effort, clarify way-finding and assure safety along the pathway into buildings including; parking, path, entrances, sanitary amenities, public space and signs.
- Programs – this category will remove barriers, reduce the required effort, and assure safety in improved outdoor recreation and education opportunities at a large number of outdoor facilities.

The projects included in this request are located throughout the state in various state parks, state forests, wildlife management areas, public water accesses, fishing piers, shore fishing sites, state trails and department administrative facilities. Funding for this request will be the sole source for many of these projects and will supplement other projects that include ADA components.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

These rehabilitation projects will improve the use and safety of department facilities. However, it will not result in a reduction of the agency's operating budget. Projects initiated now will also eliminate potential lawsuits and loss of subsidy funding due to non-compliance with ADA.

**OTHER CONSIDERATIONS:**

DNR facilities and recreational amenities such as campgrounds, picnic areas, hunting and fishing opportunities and trails must be improved and rehabilitated to assure proper and safe access to persons with mobility, hearing, visual and learning disabilities, and the aged.

The DNR continues to be proactive in its approach to accessibility which is evidenced by its close and long term working relationship with the Minnesota State Council on Disabilities (MSCOD) in making our facilities and programs more accessible.

The following are some of the impacts that will continue and result in serious consequences if federal mandates (ADA) are not met:

- equal and safe access to individuals would remain unacceptable,
- violation of ADA compliance,
- codes and OSHA safety violations would remain, and
- federal funds subsidies jeopardized.

Although some progress has been made, full implementation is still an ongoing process. The long range goal is to initiate and complete the identified \$16 million in remaining ADA rehabilitation projects over the next 10 years. This request will continue progress in meeting this goal.

The projects included in this request are needed to fulfill the primary goal of ADA which is "the equal participation of individuals with disabilities into the 'mainstream' of American society", with facility and program service designed to promote the fullest integration of all users.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$3 million in general obligation bonding for this project. Also included are budget planning estimates of \$3 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$6,185

AGENCY PROJECT PRIORITY: 4 of 4 (Building Projects)

PROJECT LOCATION: Statewide

**PROJECT DESCRIPTION:**

The Department requests \$6.185 million to rehabilitate the park system's highest priority buildings. Most of these structures are Civilian Conservation Corps (CCC)/Work Progress Administration (WPA) structures which were built in the 1930s. This will extend the life of these structures and eliminate building code violations.

- \$475 thousand for the renovation of existing office and shop buildings.
- \$3.29 million for renovation of CCC/WPA shower and toilet facilities. Work will include new toilet fixtures, wall and floor finishes, exterior siding, windows and roofs, handicapped accessibility, and upgrading of utility systems.
- \$1.52 million for the major renovation of CCC/WPA and other historic buildings. Work will include log restoration, interior remodeling, new fixtures, and complete restoration of utility systems.
- \$900 thousand for the renovation of existing interpretive/nature centers. Projects include building, utility and display renovation and restoration.

These facilities are usually designed by the DNR Bureau of Engineering. Plans and specifications are available to satisfy predesign requirements.

The state park system hosts approximately 8 million visitors each year. These visits bring 1.75 million vehicles, 825,000 overnight guests, and 7 million day visitors. Most facilities are not ADA accessible, and do not comply with health and building codes, or OSHA regulations. The state park system contains more than 1,200 buildings of which over 500 are historic structures. Many are listed on the National Historic Register. They represent a nationally significant cultural resource and include some of the nations finest examples of CCC/WPA construction.

If they're allowed to deteriorate, Minnesota will lose an outstanding cultural resource and a unique style of architecture. These stone and log structures are a part of our heritage that can't be replaced. Delaying these projects only increases future costs.

The state park system is made up of 70 park and recreation areas. The projects included in this request are located across the state. A detailed list is available.

**PREVIOUS PROJECT FUNDING:**

|                        |                 |              |
|------------------------|-----------------|--------------|
| M.L. 1994, Chapter 632 | \$ 650          | Trust Fund   |
| M.L. 1994, Chapter 643 | 2,000           | Bonding      |
| M.L. 1996, Chapter 463 | 2,400           | Bonding      |
| M.L. 1997, Chapter 216 | 500             | General Fund |
| M.L. 1998, Chapter 404 | 4,280           | General Fund |
| M.L. 2000, Chapter 492 | 1,900           | Bonding      |
| <b>Total</b>           | <b>\$11,730</b> |              |

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Rehabilitation projects are expected to reduce future maintenance costs. Those cost savings will be used to offset the cost of future inflation.

**OTHER CONSIDERATIONS:**

Extended use of state park buildings as well as their age has caused many structures to reach the maximum of their life cycle and are in need of major rehabilitation.

The following issues will continue and could result in serious consequences if these building upgrades do not occur.

- Buildings will not be handicapped accessible and will not meet current building codes.
- User demand for these facilities has grown steadily over the past few years and will continue to grow. These visitors expect accessible safe facilities.

The projects scheduled for completion with this funding are prioritized through a rating system involving field and regional management and represents the most urgent needs currently identified by the park system. Delay in construction will mean higher future costs. If no action is taken, the facilities will eventually deteriorate beyond repair.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$6.185 million in general obligation bonding for this project. Also included are budget planning estimates of \$3 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$2,000

AGENCY PROJECT PRIORITY: 1 of 4 (Non-Building Projects)

PROJECT LOCATION: Hubbard County, Pine County, Fillmore County, Itasca County, Rock County, Big Stone County, St. Louis County, Mower County, Becker County, Aitkin County, Kittson County, Statewide

**PROJECT DESCRIPTION:**

To provide \$2 million for dam safety emergency work and priority repair, reconstruction, and removal projects.

The commissioner is responsible under M.S. 103G for dam safety. Minnesota's public dam infrastructure includes over 800 dams owned by the state, cities, counties, and watershed districts. Most of these publicly owned dams are over 50 years old and require ongoing maintenance and repair to preserve their structural integrity and prevent public safety hazards. Emergency repairs must be made when a dam failure threatens public safety or is causing property damages. The statute provides for matching grants to local governments for dam repair projects, and allows the state to pay the entire cost of removing a dam that presents a significant public safety hazard, or prevents restoration of an important fisheries resource.

**Emergency Dam Repairs (\$200 thousand)**

Ten percent of the budget request would be reserved for emergency work. DNR Waters must respond to emergencies immediately to prevent complete dam failures and protect adjoining properties. Emergencies are most often caused by extreme rainfall events that produce runoff exceeding a dam's design capacity. If any of these emergency funds remain when the legislature completes action on the subsequent bonding bill, they would be used on the next highest priority projects on the statewide dam safety project priority list.

**Priority Dam Repair/Reconstruction/Removal Projects (\$1.8 million)**

This would provide funds for implementation of the top 14 projects on the statewide dam safety project priority list. This includes 6 repair projects, 1 reconstruction project, and 7 removal/modification projects. Three of the projects would involve state dam safety grants to cooperating local governments (Potato Lake, Big Stone Lake and Drayton).

| DAM NAME        | COUNTY   | OWNER      | WORK        | (\$000's)<br>State Cost |
|-----------------|----------|------------|-------------|-------------------------|
| Potato Lake     | Hubbard  | DNR/County | Reconstruct | 100                     |
| Clayton Lake    | Pine     | DNR        | Repair      | 250                     |
| Brightsdale     | Fillmore | DNR        | Remove      | 250                     |
| Hill Annex      | Itasca   | DNR        | Modify      | 50                      |
| Blue Mound Park | Rock     | DNR        | Repair      | 200                     |

|                     |           |        |                 |     |
|---------------------|-----------|--------|-----------------|-----|
| Big Stone Lake      | Big Stone | UMR WD | Repair          | 20  |
| Esquagama Lake      | St. Louis | DNR    | Repair          | 150 |
| Lake Louise Park    | Mower     | DNR    | Remove          | 250 |
| Lion's Park         | Becker    | DNR    | Modify          | 200 |
| Portage Lake        | Hubbard   | DNR    | Repair          | 50  |
| Pike River          | St. Louis | DNR    | Repair          | 80  |
| Hanging Kettle Lake | Aitkin    | DNR    | Partial Removal | 50  |
| Pine Lake           | Aitkin    | DNR    | Partial Removal | 50  |
| Drayton             | Kittson   | City   | Modify          | 100 |

**IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTES):**

Current staff would administer and monitor dam safety project bonding funds.

**OTHER CONSIDERATIONS:**

This request is part of an ongoing program to manage Minnesota's public dam infrastructure and preserve and protect lake and river resources. Dams maintain water levels on most of our major recreational lakes and river reservoirs providing significant benefits to recreation, tourism, and the economy. For example, Mille Lacs, Minnetonka, and Ottertail Lakes all depend on dams to maintain their levels and enhance surrounding property values. Proper maintenance and periodic repair limits potential liabilities, protects the public safety, and reduces the need for expensive major repairs. 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.

A consistent, long-term funding approach is necessary to keep public dams from deteriorating, and to remove dams that become obsolete and hazardous. DNR Water's general operating budget does not include funding for dam safety projects. The magnitude of long-term funding needed for management of our public dam infrastructure is about \$2 million per biennium for the foreseeable future.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$5,815

AGENCY PROJECT PRIORITY: 2 of 4 (Non-Building Projects)

PROJECT LOCATION: Statewide

**PROJECT DESCRIPTION:**

This request for State Park and Recreation Area Betterment Rehabilitation is for \$5.815 million to initiate major rehabilitation of non-building facilities such as campsite improvements, trail surfacing, road repair and surfacing, parking area upgrading, and modification and upgrading of utility systems.

Projects included in this request are as follows:

- \$2.6 million for sewer and water utility systems in various state parks. Existing water systems were constructed in the 1930's and are in need of renovation. Sewer systems are not compliant with PCA requirements. Major projects include sewer renovation at Sakatah Lake, Scenic, Father Hennepin and Myre Big Island State Parks.
- \$975 thousand for park trail and bridge renovation and repair. Bridges at Tettegouche and Whitewater State Parks are in need of major renovation. Trails are eroded and in need of major repair.
- \$1.54 million for state park road renovation and repair. These funds will be used to resurface entrance and internal roads in various state parks. Major projects include Wild River entrance road and Forestville horse camp road.
- \$700 thousand for state park campground renovation in various state parks. Project will include campsite renovation, tree planting, erosion control and electrical system repair.

The state park and recreation area water, timber, and soil resources, along with the recreational infrastructure such as campgrounds, picnic areas, trail systems, roads, dams, and bridges, must be preserved and, in some cases, rehabilitated to assure the future of the park system. The state has a tremendous investment in existing facilities. These facilities are used by more than 8 million visitors each year. Enabling legislation that created the park system directs the state to preserve parks for the use and enjoyment of future generations.

The state park system is made up of 67 parks and recreation areas. The projects included in this request are located in various parks across the state. A detailed list of projects is available.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

These rehabilitation and resource projects will result in future operating savings by improving efficiencies of operation. However, it will not result in a reduction to the agency's operating budget. Projects initiated now will also eliminate more costly repairs in the future.

**PREVIOUS PROJECT FUNDING**

Appropriations made during the last 6 years for state park non-building betterment have included the amounts and sources listed below (in \$000):

|                        |                |              |
|------------------------|----------------|--------------|
| M.L. 1994, Chapter 643 | \$1,250        | Bonding      |
| M.L. 1995, Chapter 220 | 1,400          | Trust Fund   |
| M.L. 1996, Chapter 463 | 1,450          | Bonding      |
| M.L. 1998, Chapter 404 | 2,750          | General Fund |
| M.L. 1999, Chapter 231 | 750            | Trust Fund   |
| M.L. 2000, Chapter 492 | <u>1,500</u>   | Bonding      |
| <b>Total</b>           | <b>\$9,100</b> |              |

**OTHER CONSIDERATIONS:**

The projects scheduled for completion with this funding are prioritized through a rating system involving field and regional management and represent the most urgent needs currently identified by the park system.

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**GOVERNOR'S RECOMMENDATIONS:**

The Governor recommends \$5.815 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$2,300

AGENCY PROJECT PRIORITY: 3 of 4 (Non-Building Projects)

PROJECT LOCATION: Statewide

**PROJECT DESCRIPTION:**

This request for \$2.3 million in bonding will provide for the replacement of 5 bridge/major culvert structures in the state forest road system, and for the reconstruction/ resurfacing of approximately 90 miles of existing forest roads to safely meet current use and load levels. Funding this request will eliminate known safety hazards and restore safe access to developed recreation areas and forest lands of the state. The components of this request include the following:

- \$1 million to replace 5 bridge/major culvert structures (Funk's Ford \$750 thousand, and 4 others \$250 thousand)
- \$1.3 million to reconstruct/resurface approximately 90 miles on 22 state forest roads.

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 bring our system to a standard appropriate for current use.

The existing state forest road system is a capital asset worth more than \$75 million. Forestry maintains 2,064 miles of roads that serve 4.6 million acres of forestry administered lands, and several million acres of county, federal, and private forest lands. The system of gravel and dirt roads provides access to the state's forest resources and supports two of the state's largest industries: forest products and tourism.

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 percent of their use is for recreation.

**IMPACT ON AGENCY OPERATING BUDGET:**

Forestry receives approximately \$330 thousand each year in dedicated state gas tax dollars, which is used for state forest road maintenance. Forest roads and bridges receive no general fund dollars. Past bonding funds (except 1998) have been approximately 20% of field identified needs.

The increasing recreational use in our forest has placed increased pressure on the State Forest Road system. Failure to meet the needs of our existing infrastructure will result in reduced recreational opportunities and reduced economical access for forest management activities.

**PREVIOUS PROJECT FUNDING:**

Appropriations authorized during the last 6 years from bonding for reconstruction resurfacing, replacement or construction of forest roads and bridges throughout the state include:

|                        |         |         |
|------------------------|---------|---------|
| M.L. 1994, Chapter 643 | \$ 300  | Bonding |
| M.L. 1996, Chapter 463 | 250     | Bonding |
| M.L. 1998, Chapter 404 | 2,000 * | General |
| M.L. 2000, Chapter 492 | \$ 722  | Bonding |

\* \$500 thousand of this appropriation was legislatively dedicated to the Pine Island State Forest Road to encourage industrial use of peat resources.

**OTHER CONSIDERATIONS:**

Alternatives to this request include the following:

- Increased temporary road closures to all motor vehicles to reduce wear and damage that occurs on forest roads during fall and spring seasons may be more common to protect the road structure. This would impact access for boating, fall color tours, other dispersed recreation, and timber hauling.
- Increase and extend restrictions on maximum weight allowed.
- Continue to transfer selected roads to townships and counties when possible.

If this request is not funded, increased winter access only and reduced summer access for forest resource management will occur. The volume and value of timber the DNR is able to sell may be reduced resulting in reduced revenue to the general fund and the school trust fund. Good summer access also enhances the ability to use light-on-the-land type logging equipment (minimizes site disturbance and/or damage) on a broader scale, use natural seeding techniques involving summer logged shelterwood, and all age harvesting techniques.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2.3 million in general obligation bonding for this project. Also included are budget planning estimates of \$2 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$700

AGENCY PROJECT PRIORITY: 4 of 4 (Non-Building Projects)

PROJECT LOCATION: Statewide

**PROJECT DESCRIPTION:**

This request is for \$700 thousand in bonding for the rehabilitation and improvement of state forest recreation facilities.

The projects included in this request are focused on campgrounds, day use areas and recreational trails that are in danger of being degraded or lost due to inadequate infrastructure. Some of these projects were included as part of the FY 2000 bonding request, but had to be dropped due to reduced funding.

Rehabilitation projects include the replacement of latrines with vault toilets, reconstruction of campsites and campground trails, water well upgrades, erosion control on river and lake shores, and improvements such as sanitary fish cleaning facilities, security lights and pay phones for visitor security.

State forests provide recreational opportunities not often found with other public and private recreation facilities: more "rustic" camping experiences at facilities that are less developed (e.g., no electrical hookups or dump stations for recreational vehicles) and a wide variety of dispersed recreation (e.g., berry-picking, hunting, bird-watching, horse trail riding, etc.). The use of forest campgrounds has increased by 75% over the last 10 years.

Forestry currently administers 46 campgrounds, 44 day-use areas, 900 miles of trail, 142 water accesses, and 17 canoe and boating route campsites. Most of the division's facilities were constructed in the late 1960s and 1970s (some as early as the 1930s). Between 1983 and 1994, 25 state forest campgrounds, 22 day-use areas, 45 miles of trail, and 10 water accesses have been rehabilitated or developed with bonding funds or appropriations from the Environmental Trust Fund.

This request will provide funds needed to repair, replace, or construct facilities that improve the quality and delivery of services to those who use state forest recreation facilities and to provide for the safety of users. In addition, it will help the division meet the public's demand for a wider variety of recreational opportunities.

**PREVIOUS PROJECT FUNDING:**

|                      |        |         |
|----------------------|--------|---------|
| M.L. 1994, Chap. 643 | \$500  | Bonding |
| M.L. 1998, Chap. 404 | \$750  | Bonding |
| M.L. 2000, Chap. 492 | \$283* | Bonding |

\*\$1 million was appropriated for roads, bridges and recreation. Of this, \$283 thousand was allocated for recreation.

**IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):**

The Division of Forestry receives no dedicated revenue to provide for the operation or rehabilitation of campgrounds, day use areas, and non-motorized trails on state forest lands. Instead, it relies on its General Fund operating budget, which has been reduced in recent years. The increasing use of forest campgrounds, day use areas and trails requires an increase in periodic rehabilitation the operating budget simply cannot afford. Delaying this rehab work only increases it's future cost.

These projects do not increase the size or number of facilities, but do improve health and safety issues and extend their useful lives.

**OTHER CONSIDERATIONS:**

Deferral of these projects will result in further deterioration and may result in more restrictive use of trails and facilities, and possible threats to the safety of visitors.

State forest trails provide over 1,200 miles of recreational opportunity for all types of uses. State forest campgrounds provide over 1,000 campsites at 46 developed facilities, often in remote, scenic locations. They fill a unique niche in the outdoor recreation experience by providing a rustic experience in a peaceful, natural setting.

**PROJECT COST BREAKDOWN**

|   |            |
|---|------------|
| Design fees   | \$100      |
| Construction Costs (site and building infrastructure) | <u>600</u> |
| Total   | \$700      |

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$700 thousand in general obligation bonding for this project. Also included are budget planning estimates of \$1 million in 2003 and 2005.

**2001 STATE APPROPRIATION REQUEST:** \$5,000

**AGENCY PROJECT PRIORITY:** 1 of 1 (Governor's Request)

**PROJECT LOCATION:** 7-County Twin City Metropolitan Region

**PROJECT DESCRIPTION:**

\$5 million in state bonds is requested for repair, renovation, and redevelopment of parks, facilities and trails in the Metropolitan Regional Park System.

This request has been prepared by the Ventura administration on behalf of the Metropolitan Regional Park System.

This request is consistent with other asset preservation requests in the Ventura administration's 2001 capital budget recommendations. Funding is requested for repair and renovation projects only. These projects are focused on maintenance and repairs that will maintain existing value in land, buildings and other capital assets. Funding for new land acquisition, and expansion or development of new parks is not included in this request.

The Metropolitan Regional Park System consists of 46,500 acres of parks and 103 miles of trails currently open for public use. It also includes the Como Conservatory, Como Zoo, Noerenberg Floral Garden and Square Lake Special Recreation Features. The Metropolitan Council under M.S. 473.147 designates units of the park system.

The Metropolitan Regional Park System is owned, operated and maintained by 10 regional park implementing agencies:

|                     |                                     |
|---------------------|-------------------------------------|
| Anoka County        | Minneapolis Park & Recreation Board |
| City of Bloomington | Ramsey County                       |
| Carver County       | City of Saint Paul                  |
| Dakota County       | Scott County                        |
| Hennepin Parks      | Washington County                   |

Over 16.8 million visits occurred in the park system in 1998. About 46% of those visits are from persons living outside the regional park implementing agency's local property tax jurisdiction—including 5.1% from out-of-state plus 4.4% from Greater Minnesota. It is this visitor origin pattern which justifies state funding as well as Metropolitan Council funding for these projects.

Park visitors will finance the state bonding request of \$5 million through their state taxes. Based on park system visitor expenditure patterns, out-of-state visitors to the park system pay about \$4 million per year in state taxes (primarily sales taxes).

About \$22 million of state tax revenues are generated per year from visits by persons living in Minnesota.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

There is no impact on state agency operating budgets because this appropriation is a pass-through grant for metropolitan regional park capital improvements. However, operations costs of the regional park implementing agencies are likely to be reduced for redeveloping worn out facilities.

**PREVIOUS PROJECT FUNDING:**

From 1974 to 2000, the Metropolitan Council and regional park implementing agencies have received \$197.3 million of State Bonds, Environmental Trust Funds and Minnesota Future Resources Funds for Metropolitan Regional Park System acquisition, redevelopment, and development projects. In addition to the state revenues, the Metropolitan Council has issued or is committed to issue about \$81.9 million of its own bonds to finance about 40% of the capital improvement costs from 1974 to 1999.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends general obligation bonding of \$5 million for this project. Also included are budget planning estimates of \$5 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$1,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Golden Valley

PROJECT DESCRIPTION: Asset Preservation

This request is for asset preservation projects, including completion of east wing window replacements, east wing climate control improvements, centerwide asbestos removal and flooring replacements, and water pipe improvements in the Gaia building.

Window Replacement Completion Estimated Cost: \$244 Thousand

The east wing window replacement project received partial funding during the 2000 legislative session. An additional \$244 thousand will allow for the replacement of all windows, removal of precast panels and installation of insulation. Windows are original construction, early 1960's, and are single-glazed, energy inefficient, poorly insulated, oddly sized, cumbersome to operate and difficult to maintain. Removal of decorative precast panels which serve no structural function will eliminate an expensive maintenance problem and allow for the placement of insulation to improve the building's energy envelope.

Climate Control/East Wing Estimated Cost: \$506 Thousand

The east wing of the main building is part of the original Lutheran College campus construction of the mid-1960s. The climate control system is rudimentary and ineffective. Air exchange capacity is minimal and there are no cooling or humidification systems, making it impossible to maintain consistent and comfortable internal temperatures throughout the building. Lack of effective climate controls is of concern in three major areas: 1) damage to and operational efficiency of electronic equipment in which the Center is heavily invested; 2) damage to information resources and assets used by arts high school students and adult professional development program participants; 3) staff health, morale and productivity.

Water Pipe Improvements/Gaia Building Estimated Cost: \$40 Thousand

Vertical domestic hot and cold water piping was replaced in the east wing in fall 2000, the result of a 2000 bonding appropriation. The water pipe in the Gaia building suffers from the same problems related to original construction materials -- deteriorating cast iron pipe which is corroding and breaking. The deterioration is due to a buildup of calcium and iron deposits, causing low water pressure, system leaks and the presence of undesirable minerals and elements which impact water quality. This project would involve the installation of new copper pipe adjacent to the old pipe, which would be abandoned.

Ceiling Replacements/East Wing Estimated Cost: \$60 Thousand

While recent remodelings have resulted in the installation of new suspended ceilings in some areas of the building, old ceilings remain in others. The original ceiling consists of 1'x 1' fixed ceiling tiles. They are difficult to remove and reinstall, and create barriers to accessing, installing and maintaining the array of wiring and piping necessary for data, voice, video, security, and energy management purposes that is located above the tiles. Installation of suspended ceiling grids would allow tiles to be easily "popped out" and returned to their original location undamaged.

Asbestos Removal Estimated Cost: \$50 Thousand

The Center continues to remove asbestos tile and insulation from campus buildings. Asbestos abatement contractors recommend the removal of an additional \$50 thousand worth of hazardous material in the east wing and Gaia buildings.

Flooring Replacements Estimated Cost: \$100 Thousand

The removal of asbestos floor tile down to the raw concrete base has resulted in rough and unsightly surfaces. While some areas have been painted, more appropriate and finished coverings such as carpet, vinyl, tile and wood are required to meet the function of the spaces which have undergone asbestos removal.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$1 million in general obligation bonding for these asset preservation projects. Also included are budget planning estimates of \$500 thousand in 2003 and 2005.



**2001 STATE APPROPRIATION REQUEST: \$3,000**

**AGENCY PROJECT PRIORITY: 1 of 3**

**PROJECT LOCATION: Statewide**

**PROJECT DESCRIPTION AND RATIONALE:**

DTED requests \$3 million to make grants for the redevelopment of obsolete or abandoned properties. The purpose of the program is to provide financial assistance to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial and residential uses. The program can also be used to make public improvements on public land in support of private sector redevelopment projects. Eligible uses of Redevelopment Program funds include land acquisition, demolition, site clearance, site preparation and public infrastructure improvements. DTED delivers the program on a competitive basis via semi-annual grant cycles.

The redevelopment of previously developed land is critical to maintaining healthy, vital communities as outlined in the Governor's Big Plan. The link between DTED's Mission, Strategic Plan and the Big Plan is strong. Left to their own devices, business and housing developers will naturally select project sites that are available, accessible and relatively inexpensive. Because redevelopment sites are located in the developed areas of our communities, the sites are accessible. However, because there is still obsolete or abandoned development on the site, and because the cost of removing the existing development is very high, the sites are neither available nor inexpensive. The Redevelopment Grant Program uses state funds to clear previous development, install updated infrastructure and stimulate private reinvestment in our existing neighborhoods and communities. Recycling existing properties relieves development pressure on the urban fringe. The Redevelopment Grant Program is a fundamental part of the Administration's Smart Growth initiative.

The Redevelopment Grant Program was created in statute by the 1998 legislature at 116J.561 to 116J.567. The program received a general fund appropriation of \$4 million for the second year of the biennium and a \$3 million general fund appropriation in the first year of the next biennium. \$6 million in general fund money was appropriated by the 2000 legislature for the second year of this biennium.

To date, DTED has completed 5 funding rounds. For the 5 rounds completed to date, DTED received 86 applications requesting \$33.9 million. DTED has awarded a total of 34 grants and fully used the 3 appropriations. DTED was able to award 34 grants because, in several instances, staff were able to negotiate grant awards that were significantly smaller than the original requests.

The program is typified by a grant award in Duluth. DTED awarded \$460 thousand to the city of Duluth to assist in the creation of the Duluth Technology Village. The

project involved the acquisition and demolition of several dilapidated downtown buildings, the installation of new infrastructure, the construction of the Technology Village building, and the rehabilitation of several adjacent structures. The DTED grant was used specifically for the acquisition of land and the development of a public parking ramp to support the private development activities. Both the land and the structure will remain in public ownership. This project supported several Big Plan principles including diversification of Greater Minnesota's economy, supporting technology-based development, supporting business activities that create high-paying jobs for our workforce, and supporting communities who are committed to sustaining existing development (smart growth).

**IMPACT ON AGENCY OPERATING BUDGETS:**

DTED currently employs Redevelopment Program administrative staff. No new hires would be required. Existing staff would need to be retained to administer the program. All operation and maintenance activities will be conducted by the local communities.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$3 million in general obligation bonding for this project. Also included are budget planning estimates of \$3 million in 2003 and \$3 million in 2005.

**2001 STATE APPROPRIATION REQUEST: \$8,000**

**AGENCY PROJECT PRIORITY: 2 of 3**

**PROJECT LOCATION: Statewide**

**PROJECT DESCRIPTION: State Matching Funds for EPA Capitalization Grants**

The Public Facilities Authority is seeking \$8 million to help communities bear costs associated with drinking water and wastewater facility improvements. State funds draw EPA funds at the rate of 5:1 from the Water Pollution Control Revolving Fund (Clean Water SRF) and the Drinking Water Revolving Fund (Drinking Water SRF).

Since 1995, federal funds for the Water Pollution Control Revolving Fund have been used to fund nonpoint source pollution control programs, including the Department of Agriculture's Best Management Practices Loan Program, MPCA's Clean Water Partnership Loan Program, DTED's Tourism Septic System Loan Program and Small Cities Septic System Loan Program, as well as for financing municipal wastewater projects. The federal capitalization grants for Drinking Water will be used primarily for loans with a small amount being used for the debt service reserve fund to back the PFA's Revenue Bonds for drinking water projects. In both programs, state matching funds are used only for municipal/publicly owned improvements.

**2001 Legislative Session Request: (\$ in thousands)**

| Fiscal Year | Proposed Fed. Funding Level CW | Proposed Fed. Funding Level DW | Requested State Match for CW | Requested State Match for DW | Total State Match Request |
|-------------|--------------------------------|--------------------------------|------------------------------|------------------------------|---------------------------|
| 2003        | \$24,750                       | \$15,250                       | \$4,950                      | \$3,050                      | \$8,000                   |

CW: Clean Water; DW: Drinking Water

Both the House and Senate have historically increased funding levels above the President's budget for both programs. The estimated federal appropriations shown above are based on OMB's interpretation of the balanced budget resolution.

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

Drinking Water and Wastewater facilities are essential infrastructure with which communities can build a healthy, environmentally sound and competitive climate for growth and expansion. The PFA recognizes the fact that environmental infrastructure must be built to address the expansion needs of businesses and communities throughout the state while preserving environmental quality.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):**

PFA operates on federal administrative funds and special revenues generated from fees on loan payments and provides for costs incurred by DTED.

**OTHER CONSIDERATIONS:**

Low-cost financing under the PFA's water and wastewater loan programs is an important element in helping communities contain costs associated with providing these essential services and is an important component of the state's ability to remain economically competitive. Through FY 2000 the PFA has made below market rate wastewater loans totaling almost \$770 million which have resulted in interest savings to local tax and rate payers of over \$228 million compared to market rate financing. The Drinking Water Revolving Fund has generated \$86.6 million in loans in FY 1999-2000, saving over \$23 million in interest payments to local rate and tax payers.

Clean Water SRF loans are the primary source of financial assistance for wastewater projects in the state. Historically, the Clean Water SRF has provided financing to all projects that apply. An average of \$90 million in loans per year were made in FY 1998 and FY 1999 and the demand continues to grow. This demand exceeds the annual long term lending capacity of the Fund which is projected to be \$53 million per year. At the projected funding levels, the Clean Water SRF will not be able to continue to meet the demand for loans in the future. The requested state match is the minimum amount needed to obtain the federal funds for the Clean Water SRF.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

|   |   |   |
|---|---|---|
| Terry Kuhlman, Executive Director<br>Minnesota PFA/DTED<br>500 Metro Square<br>121 7th Place East<br>St. Paul, MN 55101-2146<br>Phone: (651) 296-4704<br>Fax: (651) 296-5287<br>Terry.Kuhlman@state.mn.us | Patricia Bloomgren<br>Division Director<br>Minnesota Dept. of Health<br>220 Metro Square<br>121 7th Place East<br>St. Paul, MN 55101<br>Phone: (651) 215-0731<br>Fax: (651) 215-0979<br>Pat.Bloomgren@state.mn.us | Cathy Moeger, Section Mgr<br>Operations & Planning<br>Policy & Planning Division<br>Environ. Outcomes Div.<br>MN Pollution Control Agency<br>520 Lafayette Road<br>St. Paul, MN 55155<br>651-296-7360<br>cathy.moeger@pca.state.mn.us |
|---|---|---|

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$8 million in general obligation bonding for this project. Also included are budget planning estimates of \$16.258 million in 2003 and \$16.258 million in 2005.

**2001 STATE APPROPRIATION REQUEST:** \$2,000

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** Statewide

**PROJECT DESCRIPTION:** Clean Water Partnership

The Public Facilities Authority (PFA) is seeking \$2 million for the Water Pollution Control Revolving Loan Fund. The PFA will provide funds from this Revolving Fund to the Minnesota Pollution Control Agency (PCA) for Clean Water Partnership (CWP) loans for the restoration of water resources. These loans are available for implementing 'best management practices' and other activities that target the restoration of a water resource (i.e. lake, stream, or ground water aquifers). CWP loans are available to local units of government sponsoring CWP projects.

A local unit of government can use the funds itself to implement best management practices or it can re-loan the funds to private parties for further activities to implement the practices. Implementation activities include upgrade or replacement of individual sewage treatment systems and agricultural practices including manure management.

Under the rules governing use of SRF loan funds, the money can only be used for implementation measures or on-the-ground activities. Funds cannot be used for planning, resource investigation or report writing. For example, money borrowed by Beltrami County for the Lake Bemidji Watershed Management Project is being used to rehabilitate wetlands, create sedimentation basins and set up computerized monitoring. All these improvements will help maintain the 536,000 visitor days of water-based recreation which brings as much as \$6.3 million dollars to the area each year.

The MPCA has received a total of \$21.3 million for CWP. The Public Facilities Authority has provided 19.3 million, including \$5 million in 1995, \$7 million in 1996, \$4.3 million in 1997, and \$3 million in 1999, all of which has been awarded to projects. The legislature provided a direct appropriation of \$2 million in 2000 which is in the process of being awarded to projects.

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

Non-point source pollution is now the most significant type of water pollution and is becoming a major focus of MPCA efforts. The Clean Water SRF is a very useful and important tool for addressing the many small non-point sources that contribute to this problem. The long-term goal of the CWP Loan program is to have \$2 to 2.5 million revolving annually to address non-point sources of pollution.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTES):**

The CWP Loan Program operates on administrative funds provided by the Minnesota State Legislature as part of the base funding for the MPCA.

**OTHER CONSIDERATIONS:**

The CWP program offers low-interest loans to supplement CWP grants. During this past legislative session, an additional \$2 million dollars in grant money per biennium was added to the base amount of this program. With the increase in grant funds available, the MPCA anticipates that there will be an increase in the number of projects applying for loan funds.

The USEPA has been encouraging states to make SRF money available for non-point as well point source projects. Minnesota leads the nation in the amount and number of non-point source projects which use SRF loan money.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2 million in general obligation bonding for this project. Also included are budget planning estimates of \$3 million in 2003 and \$3 million in 2005.

**2001 STATE APPROPRIATION REQUEST:** \$30,000

**AGENCY PROJECT PRIORITY:** 1 of 2 (General Obligation Bonding Projects)

**PROJECT LOCATION:** Statewide

**PROJECT DESCRIPTION:**

This request is to provide funding to replace or rehabilitate local deficient bridges that do not receive federal funding or provide the state and local share (20%) to match federal funding (80%).

One of the Minnesota Department of Transportation's (Mn/DOT) priorities is to maintain the mobility of the traveling public. Bridges are critical links in the transportation network and financial assistance to the local units of government is necessary as most structures are too costly for them to finance with local funds.

In 1976, 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 because of the changing nature of the traffic that uses the bridges. Since 1976, 6,222 bridges have been replaced or rehabilitated with bond funds, federal, state aid, and local funds. There are currently 2,463 deficient bridges on the local road system. Many of the deficient structures are less than 20 feet in length, and do not qualify for federal funds. This request for \$30 million would replace or rehabilitate approximately 400 of those deficient bridges.

The deficiency is determined by an annual or biennial inspection of each bridge. The bridge owners (county or city) are responsible to inspect bridges in their jurisdiction and report the inspection results to the Commissioner of Transportation. The qualified and certified inspectors from each jurisdiction rate the structural and functional condition of each bridge. A bridge is considered to be structurally deficient when it has a structural shortcoming within the superstructure of the substructure. A bridge could also be deficient functionally due to deck geometry, width, waterway opening, etc., but be safe structurally. These bridges are also deficient by federal criteria and require attention and funding for rehabilitation or replacement. Functionally obsolete bridges are narrow and are a hazard to the traveling public.

Other deficiency ratings include "Sufficiency Rating" which is a formula that includes structural and functional conditions and other factors. Normally, bridges with a sufficiency rating of less than 50 are replaced and less than 80 are rehabilitated (Scale of 0-100). However, this can change if economics and practicality indicate otherwise. There may be other local priorities that could dictate the replacement or rehabilitation of a bridge.

**PREVIOUS PROJECT FUNDING:** State bond funds are used to "leverage" other types of bridge replacement funding such as federal, state aid and township bridge funds. Federal funds provide approximately 80% of the bridge funding for eligible

projects with local government providing the match from their state aid funds, if eligible, their town bridge funds, local property taxes, or state bond funds, if available.

Local government units will normally assume all costs for design engineering, construction engineering, right-of-way, bridge removal, ineligible items, and items not directly attributable to the bridge.

Since 1976, the following funds have been provided for this bridge replacement program:

|                            |                    |
|----------------------------|--------------------|
| Federal                    | \$284 million      |
| State bonds                | 233 million        |
| Local (includes state aid) | <u>284 million</u> |
| Total                      | \$801 million      |

The 2000 appropriation for local bridge projects was \$39 million. These funds were used to match federal funds and also used on state funded projects. Since May 2000, approximately \$16 million has been expended or encumbered. \$23 million is unobligated, but set aside for federal match and for other state funded projects for 2001. The remaining funds will be encumbered on approved projects by early 2002.

The request for local bridge funding is based on needs indicated by local agencies. The needs are in the form of county board or city council resolution. A resolution must address:

- The amount of bond funds requested
- The amount of local participation, which includes approaches, old bridge removal or other participating costs. In addition, the local agencies pay for preliminary and construction engineering, which is not reflected in the resolutions.
- Their commitment to deliver the project during the biennium.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$30 million in general obligation bonding for this project. Also included are budget planning estimates of \$30 million in 2003 and 2005.

2001 STATE APPROPRIATION REQUEST: \$115,000

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

PROJECT LOCATION: Minneapolis to St Cloud

**PROJECT DESCRIPTION AND RATIONALE:**

This project would use existing rail lines to transport commuter trains from St Cloud to downtown Minneapolis over a distance of approximately 80 miles. Also included in this project is a connection to the Hiawatha Light Rail Transit (LRT) terminus station at First Avenue in Minneapolis.

The Northstar Corridor project will provide a high quality, environmentally sound and cost effective transportation option for people who cannot or choose not to drive. This is in line with Moving Minnesota and the Governor's *Big Plan* in that it supports greater metro area growth and provides for statewide multimodal options. The Northstar Corridor Development Authority (NCDA), a statutory Joint Powers Board consisting of more than 30 local units of government, has brought together the needed local consensus and has completed a number of the studies and other documentation for this project.

The project is in the preliminary engineering phase and consultants are preparing preliminary engineering plans. The Advanced Corridor Plan, which includes specifics about the stations, has been through a public hearing in September 2000 and cities that are impacted have commented on the plan. Potentially, 12 cities are expected to approve station sites. The federal government has provided financial support for the studies thus far.

The next steps are to seek a state funding commitment, work to resolve municipal issues, generate construction limits, complete environmental documentation, negotiate track improvements with the Burlington Northern Santa Fe Railroad, develop system-wide components such as an operating plan, safety plan, and fare collection system, prepare project management plan and apply for Federal Transit Administration (FTA) authorization to proceed to final design.

Project Timeline as of October 2000:

|                                  |             |
|----------------------------------|-------------|
| Preliminary Engineering Complete | Summer 2001 |
| Secure state and local funding   | May 2001    |
| Environmental Studies Complete   | July 2001   |

|  |                  |
|--|------------------|
| Submit Full Funding Grant Approval Proposal (FFGA) | October 2002     |
| Final Design                                       | 2002             |
| Federal FFGA Issues                                | 2002-Spring 2003 |
| Construction                                       | Spring 2003-2004 |
| System Open  | December 2004    |

The NCDA planning level cost estimate is \$231 million (2004 dollars). An additional cost of \$20 million is estimated for the LRT intermodal connection. These figures are planning level estimates that are subject to revision as the project moves through the pre-design phase. The FTA suggests using an overall project contingency in addition to any line item contingency amount. The funding stakeholders are: FTA (50%); State (40%); Counties and Regional Rail Authorities (10%).

Financial Summary and State Appropriation Request:

It is critical that the state and local funding commitment be in place before seeking FTA approval of the FFGA. \$6.3 million of federal money has already been awarded for this project. The state share of this project will be bond eligible. Cost estimates are as follows:

|   |                      |
|---|----------------------|
| Commuter Rail Costs                                   |                      |
| (NCDA estimate of \$231 million plus 10% contingency) | \$254 million        |
| Annual Inflation (3.5% to 2005)                       | \$9 million          |
| <b>Total</b>  | <b>\$263 million</b> |
| LRT Connection  | \$20 million         |
| State Share (40%): Commuter Rail Construction*        | \$105 million        |
| State Share (50%): Connection to LRT                  | \$10 million         |
| <b>Total Request</b>                                  | <b>\$115 million</b> |

\* Includes \$7 million of final design costs for the commuter rail portion, preliminary and final design for a limited LRT/intermodal connection, utility relocation cost estimate preparation, project management, and development of the FFGA for submittal to the FTA.

**IMPACT ON STATE AGENCY OPERATING COSTS:** Based on preliminary estimates, operating costs will range between \$10 million and \$15 million per year.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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**GOVERNOR'S RECOMMENDATION:** The Governor recommends \$115 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$14,600

AGENCY PROJECT PRIORITY: 1 of 2 (Trunk Highway Fund)

PROJECT LOCATION: Arden Hills (Proposed)

**PROJECT DESCRIPTION AND RATIONALE:**

This project will allow the Mn/DOT Office of Maintenance to consolidate the services it provides to Mn/DOT and other state agencies at one location. The facility would include Central Shop, Electrical Services Section, State Sign Shop, Central Striping Coordination Unit, and a central inventory center. The facility would be designed to accommodate future expansion plans to provide office space for the Office of Maintenance, and to consolidate some of Mn/DOT Metro Division's maintenance operations that could share facilities with Ramsey County at this site. These Metro Division operations include traffic services (signing and striping), central fleet management, night maintenance, the smooth pavement group, and training.

This facility will be constructed on a site at the Twin Cities Army Ammunition Plant (TCAAP) that is now under the control of the Minnesota National Guard. The proposed site is a partnership with Ramsey County, the city of Arden Hills, and the Minnesota Army National Guard (MNARNG) in the south central part of TCAAP along Hamline Avenue. A study of the site is beginning to firm up the layout, locations, and shared facilities with the National Guard, Ramsey County, and the city of Arden Hills.

This project will consist of a heated building of approximately 138,920 square feet, a cold storage building of 17,500 square feet, site work including demolition, grading, utilities, storm sewer and ponding, roadways, site paving, lighting, fencing and landscaping. A desired timetable is demolition and grading in 2001 with building construction for the state facility beginning in 2002. The county may be able to advance their construction, but many issues will need to be cleared up in the near future for this to happen.

Using the TCAAP area has been a long-term goal for Mn/DOT for many years and is now possible due to federal action in turning over control of the land to the Minnesota Army National Guard. MNARNG will allow long term lease of the land to make Mn/DOT's land reuse program happen. Alternate sites will be pursued if the TCAAP land is not made available.

Efficiencies are being looked at through this consolidation that will provide future savings to Mn/DOT. These efficiencies will result from consolidation of three inventory activities into one site, sharing of facilities with Ramsey County, and (in phase 2) from consolidating sign inventory centers from two other locations in Metro Division. Other such efficiencies are being investigated on an ongoing basis.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The utility budget for the Central Services Building managed by Central Shop will need to increase. Additional FTE's will also be required for cleaning and maintenance.

**OTHER CONSIDERATIONS:**

This project is a great opportunity for Mn/DOT to partner with Ramsey County and the city of Arden Hills. Mn/DOT has been anticipating the opportunity to consolidate several maintenance functions for many years; this consolidation is now possible because of the availability of this site. There are very few sites within the metro area that are large enough to accommodate a 100-acre partnership development such as this. The fact that both Ramsey County and Mn/DOT are involved with the roadway network that will serve future development of the TCAAP site is another point in the project's favor.

Even if the project is not built at this site and MnDOT is unable to realize the above mentioned efficiencies, there is still a need to relocate the Central Services Facility due to limitations identified in recent land use plans for adjacent federal properties and because the present location is inadequate for current operation as well as future plans, specifically sign shop operations and the expanded electrical services section.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$14.6 million from the Trunk Highway Fund for this project.

**2001 STATE APPROPRIATION REQUEST:** \$12,600

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

**PROJECT LOCATION:** Mankato

**PROJECT DESCRIPTION:**

This request is for funding to construct a replacement headquarters building and support facilities on a new site near TH 60 and TH 22 east of Mankato. Mn/DOT, State Patrol, and Drivers License Examination employees will jointly occupy the building.

This project has been planned since pre-design studies during the mid-1980's and has shifted from a major remodeling/rehabilitation project to a replacement project for several reasons. First, the preliminary plans for a remodeling at the current site showed a very crowded, nonconforming site plan. Second, the city of Mankato is highly interested in acquiring the site of the current district headquarter in order to vacate their current public works facility to allow for redevelopment near downtown Mankato. Third, the cost estimates to remodel and add on to the current facility are 85% of the cost of a new facility.

The project will consist of construction of a 149,000 square foot building with offices, a materials lab, vehicle storage, a vehicle maintenance shop, 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 roadway chemical storage shed will also be located at the site. The general timetable is for site work to begin in late summer 2001 and building construction to begin early in 2002, with completion early in 2003.

This project has been planned since the mid-1980's as a key to providing transportation planning, design, and construction for south and southwestern Minnesota (Mn/DOT District 7). The original headquarters was constructed in the early 1960's and has become inadequate for current requirements. The increasing traveler needs, as well as the need to support the agency's long-range strategic goals such as upgrading regional corridors, require that we provide a quality facility. This facility will support not only Mn/DOT's mission, but also those of the State Patrol and Drivers License Examination functions of the Department of Public Safety.

This site will include a new Transportation Operations Communications Center (TOCC) that will allow coordinated dispatching and incident management throughout 10 counties in south and southwestern Minnesota for Mn/DOT, the State Patrol, and DNR Conservation Officers. Customer service for both Mn/DOT and the Department of Public Safety will be improved because the new building will eliminate crowded conditions and provide adequate space for people to perform their jobs and serve the public.

The city of Mankato is very interested in acquiring our current headquarters site as soon as possible to meet their needs. Therefore, Mn/DOT is acquiring the new site with a previous land appropriation at a location that is mutually acceptable to the agency and the city of Mankato.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Utility costs would increase moderately in the new building. One additional custodian and possibly one general repair worker would be added to current staff.

**OTHER CONSIDERATIONS:**

By deferring this project, Mn/DOT may lose the opportunity to sell the site to the city for its highest use potential and the agency and State Patrol would have to continue working in crowded, inadequate conditions. Some employees are now working in a temporary wooden structure that was added in 1993 as a short-term space solution.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$12.6 million from the Trunk Highway Fund for this project.

2001 STATE APPROPRIATION REQUEST: \$50,000

AGENCY PROJECT PRIORITY: 1 of 3 (Governor's Request)

PROJECT LOCATION: Statewide -- All University Campuses

**PROJECT DESCRIPTION AND RATIONALE:**

\$50 million is requested for higher education asset preservation and replacement (HEAPR). This appropriation will fund health and safety improvements for the University to meet its basic obligation of providing a safe and accessible environment for students, employees and visitors. The Board of Regents is asked to select specific projects to be funded within the overall request.

This request was prepared by the Ventura administration on behalf of the University of Minnesota. As of the printing deadline for the Governor's capital budget, the Board of Regents was considering a 6-year capital plan that included preliminary requests for the 2002, 2004 and 2006 legislative sessions. The Board of Regents did not specify priorities for the 2001 session.

However, the Governor's recommendations reflect the priority order of the Regents preliminary 2002 requests, and are consistent with other asset preservation recommendations for state agencies and higher education institutions in his 2001 capital budget.

Items for consideration include:

- **Fire and Life Safety Improvements.** These funds will continue the system-wide program to correct fire and life safety code deficiencies identified by the Building Code Deficiency Survey.
- **ADA Access Improvements.** These funds will continue the system-wide effort to make all University facilities and programs accessible to persons with physical disabilities by addressing the deficiencies identified by the Building Code Deficiency Survey.
- **Hazardous Material Abatement and Environmental Improvements.** These funds will continue the University's program to reduce health hazards by eliminating or correcting environmental problems within buildings. This work includes asbestos removal/encapsulation, chemical storage and handling improvements, environmental contamination remediation, indoor air quality improvements, and the elimination of CFC refrigerants as required by Federal regulations.
- **Utility infrastructure.** These funds will repair and update heating, cooling and electrical systems.

- **Building Systems.** This includes repair and replacement funding for roofs, windows, building exteriors, plazas and decks.

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 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". Individual projects were identified through the University's capital planning process, and were prioritized according to established criteria.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The impact of health and safety improvements on the University's operating budget from code improvements will be relatively small. The installation of fire alarms and sprinkler systems will require periodic testing and maintenance. The installation of power-assisted doors and elevators will result in additional energy use and periodic maintenance. Upgraded mechanical systems required to improve air quality may also increase energy and maintenance costs.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$50 million in general obligation bonding for this request. Also included are budget planning estimates of \$50 million in 2003 and 2005.



2001 STATE APPROPRIATION REQUEST: \$16,300

AGENCY PROJECT PRIORITY: 2 of 3 (Governor's Request)

PROJECT LOCATION: St. Paul Campus - St. Paul

**PROJECT DESCRIPTION AND RATIONALE:**

This request for \$16.3 million is to upgrade the plant growth facilities on the St. Paul campus to support teaching and research activities of the University of Minnesota. The University will pay one-third of the debt service cost for this project.

This request was prepared by the Ventura administration on behalf of the University of Minnesota. As of the printing deadline for the Governor's capital budget, the Board of Regents was considering a 6-year capital plan that included preliminary requests for the 2002, 2004 and 2006 legislative sessions. The Board of Regents did not specify priorities for the 2001 session. However, the Governor's recommendations reflect the priority order of the Regents' preliminary 2002 requests.

Physically deteriorated facilities will be replaced with new and renovated facilities to serve the programmatic needs of over 1500 undergraduate students and 400 faculty, staff and graduate students in the colleges of Agriculture, Food, and Environmental Science; Biological Sciences; and Natural Resources. The new and renovated facilities will be designed and managed to maximize efficiency of space utilization and flexibility for multi-disciplinary use.

Phase 1 of this project, the construction of quarantine and bio-containment greenhouses was funded by the legislature in the 2000 session. Phase 2 completes the project as requested in the 2000 legislative session.

Phase 2 of the project consists of three components:

- Replacement of the deteriorated Northwest Greenhouses with new instructional and research-quality facilities.
- Replacement of other antiquated plant growth facilities whose renovation costs would match the cost of new construction; and
- Renovation of existing greenhouses to bring them into compliance with current state law regulating pesticide and fertilizer use.

Greenhouses and supporting plant growth facilities are critical to the teaching and research of numerous departments within the three colleges: Agricultural, Food and Environmental Sciences; Biological Sciences; and Natural Resources. The renovation and replacement of plant growth facilities on the St. Paul campus is needed for the following reasons:

- The Northwest Greenhouses, representing approximately 20% of the current greenhouse space, were constructed in the 1920's. The structures have deteriorated to a point where renovation is not feasible.
- Demand for undergraduate teaching and outreach education, particularly in the College of Agricultural, Food and Environmental Sciences is increasing in response to new Council on Liberal Education (CLE) requirements.
- All St. Paul greenhouses are out of compliance with current state laws regulating pesticide and fertilizer use (M.S. 18B.01 and 18C.005).
- Existing greenhouse facilities are inefficient in the use of both energy and space.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The estimated building operating cost increase for the Plant Growth Facilities is \$292 thousand annually. The increase will occur because the cost of operating and maintaining more sophisticated technology, growth lighting, environmental controls, and irrigation systems will exceed the savings from improved energy efficiency. No additional University of Minnesota faculty or program staff will result directly from this project.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$16.3 million in general obligation bonding for this project, contingent on a one-third debt service payment by the University.

**2001 STATE APPROPRIATION REQUEST:** \$2,000

**AGENCY PROJECT PRIORITY:** 3 of 3 (Governor's Request)

**PROJECT LOCATION:** University of Minnesota - Duluth

**PROJECT DESCRIPTION AND RATIONALE:**

This request is for \$2 million to design new instructional and research facilities to support the Biology and Chemistry programs on the Duluth campus. Design of the new building will include instructional and research laboratories, computer laboratories, laboratory support facilities, and student study space. Campus infrastructure components included in the request provide links to existing buildings and a new chilled water plant. The University will pay one-third of the debt service cost for this request.

This request was prepared by the Ventura administration on behalf of the University of Minnesota. As of the printing deadline for the Governor's capital budget, the Board of Regents was considering a 6-year capital plan that included preliminary requests for the 2002, 2004 and 2006 legislative sessions. The Board of Regents did not specify priorities for the 2001 session. However, the Governor's recommendations reflect the priority order of the Regents' preliminary 2002 requests.

Student enrollments in both the chemistry and biology programs have exceeded the capacities of their existing laboratory facilities. This growth is a result of several factors:

- The Duluth campus has experienced a significant increase in student interest in the sciences, engineering and pre-health disciplines.
- The chemistry and biology departments have established new undergraduate degree programs in response to student demand, employer needs, and disciplinary importance.
- The Duluth campus has successfully established partnerships that have stimulated research initiatives in the fields of natural resources, the environment, and freshwater studies.
- The University's focus on molecular and cellular biology has resulted in new facility hires and the establishment of new research programs.

The two buildings that house the chemistry and biology departments are inadequate to meet the current and anticipated growth in enrollment, curricular offerings, and research activity. This growth, coupled with dramatic changes in methods of experimentation, laboratory instructional techniques, and the safety regulations that govern laboratory sciences, requires additional space and improved instructional and research facilities to satisfy current and future needs.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The University of Minnesota is currently developing operating cost estimates for this project.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$2 million in general obligation bonding for this project, contingent on a one-third debt service payment by the University. Also included is a \$31 million budget planning estimate for 2003.

2001 STATE APPROPRIATION REQUEST: \$7,500

AGENCY PROJECT PRIORITY: 1 of 3

PROJECT LOCATION: 1200 East 18th Street, Hastings

**PROJECT DESCRIPTION:**

The Veterans Homes Board is requesting \$7.5 million for the facility in Hastings to repair and replace utility infrastructure and structural and mechanical building components.

The Minnesota Veterans Home in Hastings is located on 140.26 acres in the southeast corner of the city. The site contains 16 buildings and was built originally as a state hospital in the early 1900s. This facility became a veterans home in 1978 and has since housed veterans, many of whom are homeless, receiving recovery and dual prognosis aftercare treatment and rehabilitation. These veterans often suffer from mental illness, chemical dependency, and drug abuse. Several of the buildings on this campus are connected by an infrastructure tunnel system that serves heating and cooling distribution. The Hastings facility also leases 3 buildings to Dakota County, which offers Detox services to county residents.

In 1998, a design consultant identified and established infrastructure deficiencies at the Hastings facility. Project priority was given to urgent structural and mechanical repairs to maintain reliability of these components for the campus in addition to the safety and health of the residents. The design consultant completed a campus-wide pre-design as part of this assessment. The pre-design identified several deficiencies for immediate replacement and infrastructure and maintenance improvements totaling \$14.5 million. Phase 1 and 2 of the infrastructure project are underway and will replace mechanical components within the power plant and the related support services delivery systems.

This phase 3 request of \$7.5 million will address the majority of issues identified in the 1998 study for improvements to the campus.

- Repair or replace the plumbing, HVAC, asbestos tile, and windows; and make upgrades to the interior and to the fire alarm system for building 25 (the current system does not meet the mandated climate control for interiors of VA resident buildings).
- Repair or replace mechanical distribution tunnels not completed in phase II.
- Replace windows in Building 24, mechanical systems, and complete electrical and interior upgrades.

The campus upgrade has been broken into three phases to cause the least amount of disruption while maintaining the maximum number of beds in service. The above

items have been deferred to this final phase for a logical completion of this facility upgrade.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Repair and upgrade to the exteriors of these buildings would result in mechanical and structural stability and aid heating and cooling efficiency. Stabilizing the exteriors of these buildings would create longevity and lower ongoing maintenance costs.

The nature of these infrastructure improvements should not have any significant impact on the ongoing operating costs of the facility. The improvements will, however, significantly reduce future demands on the repair and replacement budget.

**OTHER CONSIDERATIONS:**

Certain tunnels that were temporarily shored-up in phase 1, and not addressed in phase II, would be completed in this phase. The structural integrity of these tunnels continues to pose safety concerns.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$7.5 million in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$4,400

AGENCY PROJECT PRIORITY: 2 of 3

PROJECT LOCATION: Statewide Veteran's Homes

**PROJECT DESCRIPTION AND RATIONALE:**

The Veterans Homes Board (MVHB) is requesting \$4.4 million for system-wide asset preservation.

The Minnesota Veterans Homes Board manages 50 buildings at five facility locations while providing care for over 1100 residents annually. 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 upgrade deteriorated structural and mechanical items at all of the facilities. These projects serve to maintain a safe, efficient, and manageable environment. At the Minneapolis campus, for example, the funding would allow for removal of asbestos from ceilings, replacement of inefficient windows, tuckpointing of historic buildings, and replacement of a roof. At Hastings, this funding would address buildings 23 and 24 exterior brick stabilization, retaining wall re-structure, site enhancements, and interior decorating. The other facilities would receive funding for various repair and betterment projects.

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. These guidelines indicate that the annual maintenance funding for the Veteran's Homes agency facilities would be \$2.9 million each year.

The governor and the legislature recognized the asset preservation needs of the MVHB by establishing a \$1 million per year appropriation. We have continued to utilize these funds to pare down our asset preservation requirements and reduce future requests. While this provides assistance in reducing our need for repairs and betterment's to our existing buildings, the amount is not enough to address the maintenance backlog that exists at our older sites in Minneapolis and Hastings. In addition, this Agency has recently installed the Archibus System in coordination with the Department of Administration to provide better information with preventive maintenance and facility management. A result of having accurate building systems data will assist in more clearly documenting budget requirements for building repairs.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The nature of these infrastructure improvements should not have any significant impact on the ongoing operating costs of the facility.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$4.4 million in general obligation bonding for this project. Also included are budget planning estimates of \$4.4 million in 2003 and \$4.4 million in 2005.

**2001 STATE APPROPRIATION REQUEST:** \$600

**AGENCY PROJECT PRIORITY:** 3 of 3

**PROJECT LOCATION:** 45 Banks Boulevard, Silver Bay

**PROJECT DESCRIPTION:**

The Silver Bay Veterans Home is requesting \$600 thousand for a building addition to the nursing care facility. This structure would contain storage for facility buses, maintenance vehicles, and patient supplies, and workspace for vehicle repair and maintenance. This structure would allow staff to repair, house, and maintain equipment in a safe and proper environment.

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.

Due to location of the facility, transportation is provided to residents so that they are able to attend medical appointments as far away as Duluth. Without a storage facility, the veterans' transportation vehicles are kept outside year round. These vehicles are subjected to extreme cold conditions with 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 a wash bay for the transportation vehicles. The ability to house the vehicles, lawn equipment, and snow removal equipment would arrest the rapid depreciation now occurring as a result of storing this valuable equipment outdoors. In addition, the ability to load residents in the warm garage in the winter will add resident comfort and enhance mobility to outpatient medical appointments.

The undersized maintenance shop office currently doubles as a repair shop, creating unsafe, cramped working conditions. The maintenance shop has been cited for safety code violations due to safety barrier limitations.

With space in extremely short supply, space management is a challenge. The facility has been encountering storage space issues causing daily operational difficulties. Safety issues have arisen attracting the attention of regulatory agencies such as the State Fire Marshal. Code violations have 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.

The additional storage space in this structure would free up space within the nursing home to be used for programming needs such as an in-house pharmacy, resident common living space, exam rooms for medical, dental, podiatry, chapel, and other

ancillary services. Pharmacy costs could be reduced with an in-house pharmacy through the purchase of drugs off of the U.S. Department of Veterans Affairs national contracts. Continuation of the present situation will result in a lost opportunity to significantly hold down rising operational costs. All of these programming changes would allow the Silver Bay Veterans Home to comply with U.S. Department of Veterans Affairs facility space standards.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The project will increase the useful life of the home's vehicles, and 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 directly benefit the residents by freeing up more programming space. There will be a marginal increase in building operations costs estimated to be \$17 thousand annually that will be absorbed within current operations.

**OTHER CONSIDERATIONS:**

The grounds of the home are adequate to accommodate the addition without impacting the integrity or character of the current structure.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$600 thousand in general obligation bonding for this project.

2001 STATE APPROPRIATION REQUEST: \$50,763

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Minnesota River Basin

**PROJECT DESCRIPTION AND RATIONALE:**

The Board of Water and Soil Resources requests \$50.8 million to purchase conservation easements and implement conservation plans on private land in the Minnesota River basin. The Conservation Reserve Enhancement Program (CREP) is an accelerated program resulting from an agreement between the state and USDA to put up to 100,000 acres of marginal croplands into conservation easements. This agreement provides approximately \$2.3 dollars for easement acquisition for every state dollar. The agreement stipulates that the state must fund 100% of the implementation costs of both the federal and state shares. Federal funding is guaranteed up to \$163 million, but is only available until September 30, 2002.

The CREP initiative directly affects 37 counties and a dozen large river systems in the region. It also affects water quality in the Minnesota River, the Mississippi River, Lake Pepin and the Gulf of Mexico. This request presents a unique opportunity to leverage federal funds, double the existing easement inventory over a three year period, and save the state approximately \$70 million. CREP is a collaboration of several state and federal agencies; conservation, environmental and agricultural groups; and local government units in the river basin. Because of the incentive provided by federal funding, private landowners are participating in the program at significantly higher rates than the standard conservation easement programs.

Several long and short term environmental benefits can be measured through the agency's Local Government Area Reporting System (LARS). LARS can provide specific measurements for the following water quality issues;

- Soil loss reduction - the goal is a reduction to 11 tons per acre per year.
- Sediment reduction - the goal is a reduction to 4 tons per acre per year.
- Phosphorus reduction - goal is a reduction to 5 pounds per acre per year.
- Nitrogen reduction will be measured in pounds per acre (the nitrogen measure is still under development).

The goal of 100,000 acres will provide 20% of the pollutant reduction in the Minnesota River. CREP also provides expanded wildlife habitat, which has spillover benefits on tourism, recreation and economic development. The program will also benefit farmers by retiring marginal cropland and constructing conservation practices, which result in more efficient and competitive farming operations.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

The agency has funding within the base budget to provide for easement acquisition. However, those funds are not sufficient to support this acquisition volume.

New funding requested for project completion includes \$43 million for easement acquisition and \$7.763 million for implementation. Total implementation cost is \$8.816 million, which is net of base funds available. These costs are incurred by the agency and soil and water conservation districts (SWCD) to provide marketing, establish eligibility, review applications, provide legal work, develop and implement conservation plans, and provide engineering support. Implementation costs are incurred over a three year period, averaging 50% the first year, 40% the second and 10% the third. Agency implementation costs are \$3.696 million and SWCD cost are \$5.12 million.

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$43 million in general obligation bonding for this project, and \$7.763 million from the Solid Waste Fund for implementation to complete this project by the September 2002 deadline.

2001 STATE APPROPRIATION REQUEST: \$4,000

AGENCY PROJECT PRIORITY: 1 of 1 (Governor's Request)

PROJECT LOCATION: Apple Valley

**PROJECT DESCRIPTION AND RATIONALE:**

This request is for \$4 million for an ongoing project to rebuild pathways, roadways, parking lots, and to improve lighting at the Minnesota Zoo.

This request was prepared by the Ventura administration on behalf of the Minnesota Zoological Gardens. This request reiterates the Governor's support for the project that was recommended by the Governor but unfunded in the 2000 legislative session.

This repair and renovation project is an important priority for the Zoo, and is consistent with a broader set of asset preservation requests of state agencies that are being recommended by the Governor in his 2001 capital budget.

Beginning with a \$1.75 million appropriation in the 1998 Capital Budget, infrastructure improvements were made, and serious safety deficiencies were addressed. The proposed project will continue this work by focusing on the roadways, parking lots, pathways and public plaza areas that will handle over 5 million people over the next 5 years.

The Minnesota Zoo currently has approximately 1.6 million square feet of asphalt surfacing located on 38 acres of land. Maps showing the pavement areas of the Zoo and their current condition are available. The following table describes the categories and quantities of the paved areas.

|                    |                       |                       |
|--------------------|-----------------------|-----------------------|
| Roadways           | 375,000 square feet   | Average 20-foot width |
| Parking Lots       | 1,100,000 square feet | 2,700 parking stalls  |
| Pathways           | 70,000 square feet    | Average 10-foot width |
| Public plaza areas | 100,000 square feet   |                       |

Previous funding of this project has allowed for replacement of public perimeter roads (about 186,000 square feet of asphalt), new curbing in these areas, a rebuilt public pathway along the Northern Trail (approximately 35,000 square feet) and replacement of a pedestrian bridge along the Northern Trail.

Because of advanced age, a limited maintenance budget, and intense use of these pavement areas over the past 2 decades, all of the asphalt (except that replaced during 1998 and 1999) needs extensive repair or replacement.

Many of the zoo's roadways and pathways were originally constructed for light duty

use. The 1998 appropriation was used to reconstruct the worst of the public roadways, and the next phase is to reconstruct public parking lots and the service roads. The roadway current width and cross section are not able to handle the additional traffic volume and heavy loads of today's vehicles.

As a part of this project, concrete curbing needs to be installed in all areas visible to the public and where we were experiencing erosion to the roadway sub-base. This curbing is necessary and instrumental in protecting the asphalt edge from unnecessary deterioration, extending the lifespan of roadways for many years and channeling storm water runoff.

A key aspect of this project is to address the increasing demand for adequate public parking on the zoo site. With our current attendance the need to provide adequate parking has become acute.

In addition to asphalt and curbing, lighting improvements are needed in the main entries, public walkways and plaza areas where the public congregate. Improved lighting will increase the safety and security of the visitors, staff and the overall premises. With the increase in the amount of nighttime activities and the huge investment in zoo facilities, lighting is becoming a critical public safety need.

A predesign document was previously submitted, and partial design work has been completed on this project.

**IMPACT ON AGENCY OPERATING BUDGETS:**

The annual estimated increase in operating costs to maintain the requested improvements is \$131 thousand beginning in FY 2002. This is for a regular schedule of seal coating and chip coating of the paved areas.

**PROJECT CONTACT PERSON, TITLE, ADDRESS, PHONE, FAX, AND E-MAIL:**

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Phone: (952) 431-9309  
Fax: (952) 431-9211  
Email: [jim.reinholdz@state.mn.us](mailto:jim.reinholdz@state.mn.us)

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends \$4 million in general obligation bonding for this project. Also included are budget planning estimates of \$4 million in 2003 and 2005.

## *Governor's Recommendations (Report)*

This section identifies capital requests over the six-year planning cycle, including funding recommendations of the Governor. Governor's recommendations are provided by project and funding source.

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(AGENCY SUMMARY)**  
 (\$ In Thousands)

| Agency                             | Number of Requests | Agency Request |           |           | Governor's Recommendation | Governor's Planning Estimates |           |
|------------------------------------|--------------------|----------------|-----------|-----------|---------------------------|-------------------------------|-----------|
|                                    |                    | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                 | F.Y. 2003                     | F.Y. 2005 |
| Administration, Department of      | 11                 | 42,457         | 43,850    | 87,997    | 42,457                    | 20,000                        | 20,000    |
| Agriculture, Department of         | 2                  | 20,000         | 22,750    | 47,825    | 20,000                    | 20,000                        | 20,000    |
| Children, Families & Learning      | 5                  | 1,700          | 12,250    | 24,500    | 1,700                     | 0                             | 0         |
| Commerce, Department of            | 1                  | 5,000          | 5,000     | 5,000     | 5,000                     | 5,000                         | 5,000     |
| Corrections, Department of         | 38                 | 20,000         | 75,069    | 47,949    | 20,000                    | 20,000                        | 20,000    |
| Finance, Department of             | 1                  | 500            | 400       | 400       | 500                       | 400                           | 400       |
| Housing Finance Agency             | 1                  | 2,500          | 2,500     | 2,500     | 2,500                     | 2,500                         | 2,500     |
| Human Services, Department of      | 15                 | 18,900         | 34,932    | 25,150    | 18,900                    | 10,000                        | 10,000    |
| MN State Colleges and Universities | 3                  | 86,407         | 75,000    | 75,000    | 86,407                    | 75,000                        | 75,000    |
| Metropolitan Council Transit       | 2                  | 10,000         | 60,000    | 60,000    | 10,000                    | 10,000                        | 10,000    |
| Military Affairs, Department of    | 5                  | 2,500          | 16,038    | 41,077    | 2,500                     | 2,500                         | 2,500     |
| Minnesota Historical Society       | 2                  | 2,250          | 2,150     | 2,150     | 2,250                     | 2,150                         | 2,150     |
| Minnesota State Academies          | 10                 | 7,000          | 13,439    | 15,921    | 7,000                     | 2,000                         | 2,000     |
| Natural Resources, Department of   | 27                 | 35,000         | 67,921    | 74,597    | 35,000                    | 22,000                        | 22,000    |
| Perpich Center for Arts Education  | 6                  | 1,000          | 4,843     | 3,540     | 1,000                     | 500                           | 500       |
| Trade & Economic Development       | 4                  | 13,000         | 52,258    | 52,258    | 13,000                    | 22,258                        | 22,258    |

**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(AGENCY SUMMARY)**  
 (\$ In Thousands)

| Agency                        | Number of Requests | Agency Request   |                  |                  | Governor's Recommendation | Governor's Planning Estimates |                  |
|-------------------------------|--------------------|------------------|------------------|------------------|---------------------------|-------------------------------|------------------|
|                               |                    | F.Y. 2001        | F.Y. 2003        | F.Y. 2005        | F.Y. 2001                 | F.Y. 2003                     | F.Y. 2005        |
| Transportation, Department of | 18                 | 172,200          | 99,690           | 104,125          | 172,200                   | 30,000                        | 30,000           |
| University of Minnesota       | 3                  | 68,300           | 81,000           | 50,000           | 68,300                    | 81,000                        | 50,000           |
| Veterans Homes Board          | 3                  | 12,500           | 4,400            | 4,400            | 12,500                    | 4,400                         | 4,400            |
| Water & Soil Resources Board  | 2                  | 50,763           | 11,600           | 11,600           | 50,763                    | 0                             | 0                |
| Zoological Gardens            | 1                  | 4,000            | 4,000            | 4,000            | 4,000                     | 4,000                         | 4,000            |
| <b>Grand Totals</b>           |                    | <b>\$575,977</b> | <b>\$689,090</b> | <b>\$739,989</b> | <b>\$575,977</b>          | <b>\$333,708</b>              | <b>\$302,708</b> |

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

Administration, Department of

|  |   |     |        |        |        |        |        |        |
|--|---|-----|--------|--------|--------|--------|--------|--------|
| Statewide CAPRA                              | 1 | GO  | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Asset Preservation                           | 2 | GO  | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Electrical Utility Infrastructure Completion | 3 | GO  | 2,500  | 0      | 0      | 2,500  | 0      | 0      |
| Agency Relocations                           | 4 | GF  | 1,786  | 0      | 0      | 1,786  | 0      | 0      |
|  |   | OTH | 171    | 0      | 0      | 171    | 0      | 0      |
| Property Acquisition & Design                | 5 | GO  | 10,000 | 0      | 0      | 10,000 | 0      | 0      |
| Governor's Residence                         | 6 | GO  | 4,000  | 0      | 0      | 4,000  | 0      | 0      |
| BCA Demolition                               | 7 | GO  | 1,000  | 0      | 0      | 1,000  | 0      | 0      |
| Capitol Repair & Renovation                  | 8 | GO  | 3,000  | 0      | 0      | 3,000  | 0      | 0      |
| Capitol Area Predesigns                      |   | GF  | 0      | 450    | 0      | 0      | 0      | 0      |
|  |   | GO  | 0      | 9,600  | 13,200 | 0      | 0      | 0      |
| InterTechnologies Group Data Center          |   | GO  | 0      | 3,800  | 44,797 | 0      | 0      | 0      |
| Statewide Building Access (ADA)              |   | GO  | 0      | 10,000 | 10,000 | 0      | 0      | 0      |

Funding Source

GF = General Fund  
 GO = General Obligation Bonds

OTH = Other Funding Sources  
 THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund  
 UF = User Finance Bonding

**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Administration, Department of**

|                                    |          |          |          |          |          |          |
|------------------------------------|----------|----------|----------|----------|----------|----------|
| <b>Project Total</b>               | \$42,457 | \$43,850 | \$87,997 | \$42,457 | \$20,000 | \$20,000 |
| General Obligation Bonding         | \$40,500 | \$43,400 | \$87,997 | \$40,500 | \$20,000 | \$20,000 |
| General Fund Projects (GF)         | \$1,786  | \$450    | \$0      | \$1,786  | \$0      | \$0      |
| Workers Comp Special Payment (OTH) | \$171    | \$0      | \$0      | \$171    | \$0      | \$0      |

**Agriculture, Department of**

|  |   |       |          |          |          |          |          |          |
|--|---|-------|----------|----------|----------|----------|----------|----------|
| Rural Finance Authority Loan Participation | 1 | GO/UF | 20,000   | 20,000   | 20,000   | 20,000   | 20,000   | 20,000   |
| Ag Office & Laboratory Building            |   | GO    | 0        | 2,750    | 27,825   | 0        | 0        | 0        |
| <b>Project Total</b>                       |   |       | \$20,000 | \$22,750 | \$47,825 | \$20,000 | \$20,000 | \$20,000 |
| General Obligation Bonding                 |   |       | \$0      | \$2,750  | \$27,825 | \$0      | \$0      | \$0      |
| User Finance Bonding                       |   |       | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |

**Funding Source**

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Children, Families & Learning**

|   |   |    |                |                 |                 |                |            |            |
|---|---|----|----------------|-----------------|-----------------|----------------|------------|------------|
| East Metro Magnet School Completion       | 1 | GO | 1,700          | 0               | 0               | 1,700          | 0          | 0          |
| Headstart Early Childhood Facility Grants |   | GO | 0              | 5,000           | 5,000           | 0              | 0          | 0          |
| Library Accessibility                     |   | GO | 0              | 1,500           | 1,500           | 0              | 0          | 0          |
| Regional Library for Blind at Faribault   |   | GO | 0              | 750             | 13,000          | 0              | 0          | 0          |
| Public Library Construction               |   | GO | 0              | 5,000           | 5,000           | 0              | 0          | 0          |
| <b>Project Total</b>                      |   |    | <b>\$1,700</b> | <b>\$12,250</b> | <b>\$24,500</b> | <b>\$1,700</b> | <b>\$0</b> | <b>\$0</b> |
| <b>General Obligation Bonding</b>         |   |    | <b>\$1,700</b> | <b>\$12,250</b> | <b>\$24,500</b> | <b>\$1,700</b> | <b>\$0</b> | <b>\$0</b> |

**Commerce, Department of**

|                                |   |       |                |                |                |                |                |                |
|--------------------------------|---|-------|----------------|----------------|----------------|----------------|----------------|----------------|
| Energy Investment Loan Program | 1 | GO/UF | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          | 5,000          |
| <b>Project Total</b>           |   |       | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> |
| <b>User Finance Bonding</b>    |   |       | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Corrections, Department of**

|   |   |    |        |        |        |        |        |        |
|---|---|----|--------|--------|--------|--------|--------|--------|
| Statewide Asset Preservation              | 1 | GO | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Dept. - Roof & Window Replacement         |   | GO | 0      | 7,776  | 7,776  | 0      | 0      | 0      |
| MCF-RW - Road & Sidewalk Renewal          |   | GO | 0      | 267    | 0      | 0      | 0      | 0      |
| MCF-WR/ML - Industry Warehouse - ML       |   | GO | 0      | 596    | 0      | 0      | 0      | 0      |
| MCF-WR/ML - Vehicle Garage - ML           |   | GO | 0      | 148    | 0      | 0      | 0      | 0      |
| MCF-WR/ML - Kitchen Expansion - WR        |   | GO | 0      | 34     | 0      | 0      | 0      | 0      |
| MCF-WR/ML - Building Maint. Shop - ML     |   | GO | 0      | 116    | 0      | 0      | 0      | 0      |
| MCF-STW - Electrical Upgrade - Industry   |   | GO | 0      | 800    | 0      | 0      | 0      | 0      |
| MCF-STW - Sewer Vent - Replace Water Main |   | GO | 0      | 2,000  | 0      | 0      | 0      | 0      |
| MCF-STW - Receiving Complex & Warehouse   |   | GO | 0      | 17,608 | 0      | 0      | 0      | 0      |
| MCF-STW - Tuckpointing                    |   | GO | 0      | 800    | 0      | 0      | 0      | 0      |
| MCF-OPH - Emergency Generator             |   | GO | 0      | 750    | 0      | 0      | 0      | 0      |
| MCF-OPH - Razor Ribbon Replacement        |   | GO | 0      | 350    | 0      | 0      | 0      | 0      |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Corrections, Department of**

|  |    |   |       |       |   |   |   |
|--|----|---|-------|-------|---|---|---|
| MCF-SCL - Replace Facility Sewer System      | GO | 0 | 3,214 | 0     | 0 | 0 | 0 |
| MCF-SCL - Replace Phone Equipment & Lines    | GO | 0 | 444   | 0     | 0 | 0 | 0 |
| MCF-SCL - Remodel Basement Areas             | GO | 0 | 461   | 0     | 0 | 0 | 0 |
| MCF-WR/ML - Industry Building Addition - ML  | GO | 0 | 51    | 0     | 0 | 0 | 0 |
| MCF-STW - Master Control Renovation          | GO | 0 | 1,611 | 0     | 0 | 0 | 0 |
| MCF-STW - Wall, Towers, Catwalk, & Security  | GO | 0 | 1,476 | 7,072 | 0 | 0 | 0 |
| MCF-OPH - Security System Upgrade            | GO | 0 | 4,029 | 0     | 0 | 0 | 0 |
| MCF-STW - Renovation of Old Ed & Admin Bldg. | GO | 0 | 1,500 | 0     | 0 | 0 | 0 |
| MCF-STW - Electronic Locks for CHA & CHD     | GO | 0 | 4,000 | 0     | 0 | 0 | 0 |
| MCF-SCL - Electric Locks - Cell Houses       | GO | 0 | 2,433 | 0     | 0 | 0 | 0 |
| MCF-SHK-62-bed Expansion & Support Area      | GO | 0 | 4,605 | 0     | 0 | 0 | 0 |
| MCF-SCL - Loop Wiring, High Voltage          | GO | 0 | 0     | 350   | 0 | 0 | 0 |
| MCF-SCL - Emergency Generator                | GO | 0 | 0     | 838   | 0 | 0 | 0 |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Corrections, Department of**

|  |  |    |                 |                 |                 |                 |                 |                 |
|--|--|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| MCF-SCL - Retube Boilers                     |  | GO | 0               | 0               | 517             | 0               | 0               | 0               |
| MCF-RW - New Living Unit                     |  | GO | 0               | 0               | 1,470           | 0               | 0               | 0               |
| MCF-SCL - Expand Floor - Balcony Level       |  | GO | 0               | 0               | 318             | 0               | 0               | 0               |
| MCF-SCL - Toilet Carrier Replacement         |  | GO | 0               | 0               | 493             | 0               | 0               | 0               |
| MCF-SCL - Remodel Administration Building    |  | GO | 0               | 0               | 4,504           | 0               | 0               | 0               |
| MCF-SCL - Facility Climate Control           |  | GO | 0               | 0               | 1,291           | 0               | 0               | 0               |
| MCF-SCL - Construct New Warehouse            |  | GO | 0               | 0               | 1,171           | 0               | 0               | 0               |
| MCF-SCL - Upgrade Security System            |  | GO | 0               | 0               | 749             | 0               | 0               | 0               |
| MCF-LL - Replace HVAC Systems - Living Units |  | GO | 0               | 0               | 700             | 0               | 0               | 0               |
| MCF-SCL - Install Sprinkler System           |  | GO | 0               | 0               | 500             | 0               | 0               | 0               |
| MCF-RW - Admin. Building Porch Repair        |  | GO | 0               | 0               | 125             | 0               | 0               | 0               |
| MCF-STW - Second Floor Kitchen Renovation    |  | GO | 0               | 0               | 75              | 0               | 0               | 0               |
| <b>Project Total</b>                         |  |    | <b>\$20,000</b> | <b>\$75,069</b> | <b>\$47,949</b> | <b>\$20,000</b> | <b>\$20,000</b> | <b>\$20,000</b> |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority | Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------|-------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                              |       |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Corrections, Department of**

|                            |          |          |          |          |          |          |
|----------------------------|----------|----------|----------|----------|----------|----------|
| General Obligation Bonding | \$20,000 | \$75,069 | \$47,949 | \$20,000 | \$20,000 | \$20,000 |
|----------------------------|----------|----------|----------|----------|----------|----------|

**Finance, Department of**

|                                   |   |    |              |              |              |              |              |              |
|-----------------------------------|---|----|--------------|--------------|--------------|--------------|--------------|--------------|
| Bond Sale Expenses                | 1 | GO | 500          | 400          | 400          | 500          | 400          | 400          |
| <b>Project Total</b>              |   |    | <b>\$500</b> | <b>\$400</b> | <b>\$400</b> | <b>\$500</b> | <b>\$400</b> | <b>\$400</b> |
| <b>General Obligation Bonding</b> |   |    | <b>\$500</b> | <b>\$400</b> | <b>\$400</b> | <b>\$500</b> | <b>\$400</b> | <b>\$400</b> |

**Housing Finance Agency**

|   |   |    |                |                |                |                |                |                |
|---|---|----|----------------|----------------|----------------|----------------|----------------|----------------|
| Publicly Owned Transitional Housing Loans | 1 | GO | 2,500          | 2,500          | 2,500          | 2,500          | 2,500          | 2,500          |
| <b>Project Total</b>                      |   |    | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> |
| <b>General Obligation Bonding</b>         |   |    | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description                    | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|--|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|  |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |
| <b>Human Services, Department of</b>   |                                    |                   |                |           |           |                              |                                  |           |
| System-Wide Asset Preservation         | 1                                  | GO                | 10,000         | 10,000    | 10,000    | 10,000                       | 10,000                           | 10,000    |
| SPRTC - Upgrade Shantz Hall            | 2                                  | GO                | 8,900          | 0         | 0         | 8,900                        | 0                                | 0         |
| SPRTC - Bartlett/Sunrise Improvements  |                                    | GO                | 0              | 3,662     | 0         | 0                            | 0                                | 0         |
| BRHSC - Boiler Renovation/Upgrade      |                                    | GO                | 0              | 700       | 0         | 0                            | 0                                | 0         |
| AGCC - B/C Residential Unit Remodeling |                                    | GO                | 0              | 2,300     | 0         | 0                            | 0                                | 0         |
| BRHSC - Remodel Dietary Department     |                                    | GO                | 0              | 1,200     | 0         | 0                            | 0                                | 0         |
| BRHSC - Tunnel Water Proofing          |                                    | GO                | 0              | 2,500     | 0         | 0                            | 0                                | 0         |
| WRTC - Construct New Storage Building  |                                    | GO                | 0              | 250       | 0         | 0                            | 0                                | 0         |
| AMRTC - Remodel Miller Building        |                                    | GO                | 0              | 5,580     | 0         | 0                            | 0                                | 0         |
| BRHSC - Building #20 Improvements      |                                    | GO                | 0              | 6,340     | 0         | 0                            | 0                                | 0         |
| FFRTC - Facilities Upgrade             |                                    | GO                | 0              | 2,400     | 0         | 0                            | 0                                | 0         |
| WRTC - Remodel Building #8             |                                    | GO                | 0              | 0         | 1,250     | 0                            | 0                                | 0         |
| MSSPTC - Construct 50-bed Addition     |                                    | GO                | 0              | 0         | 9,000     | 0                            | 0                                | 0         |

**Funding Source**

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Human Services, Department of**

|  |  |    |                 |                 |                 |                 |                 |                 |
|--|--|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| AGCC - Remodel A/D Buildings               |  | GO | 0               | 0               | 2,300           | 0               | 0               | 0               |
| AGCC - Remodel E- Bldg. & Install Elevator |  | GO | 0               | 0               | 2,600           | 0               | 0               | 0               |
| <b>Project Total</b>                       |  |    | <b>\$18,900</b> | <b>\$34,932</b> | <b>\$25,150</b> | <b>\$18,900</b> | <b>\$10,000</b> | <b>\$10,000</b> |
| <b>General Obligation Bonding</b>          |  |    | <b>\$18,900</b> | <b>\$34,932</b> | <b>\$25,150</b> | <b>\$18,900</b> | <b>\$10,000</b> | <b>\$10,000</b> |

**MN State Colleges and Universities**

|  |       |       |                 |                 |                 |                 |                 |                 |
|--|-------|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Systemwide HEAPR                         | GOV-1 | GO    | 75,000          | 75,000          | 75,000          | 75,000          | 75,000          | 75,000          |
| Normandale CC Science Building (Phase 2) | GOV-2 | GO/UF | 9,907           | 0               | 0               | 9,907           | 0               | 0               |
| Statewide Lab Renovations (5 sites)      | GOV-3 | GO/UF | 1,500           | 0               | 0               | 1,500           | 0               | 0               |
| <b>Project Total</b>                     |       |       | <b>\$86,407</b> | <b>\$75,000</b> | <b>\$75,000</b> | <b>\$86,407</b> | <b>\$75,000</b> | <b>\$75,000</b> |
| <b>General Obligation Bonding</b>        |       |       | <b>\$82,609</b> | <b>\$75,000</b> | <b>\$75,000</b> | <b>\$82,609</b> | <b>\$75,000</b> | <b>\$75,000</b> |
| <b>User Finance Bonding</b>              |       |       | <b>\$3,798</b>  | <b>\$0</b>      | <b>\$0</b>      | <b>\$3,798</b>  | <b>\$0</b>      | <b>\$0</b>      |

**Funding Source**

|                               |                                  |                           |
|-------------------------------|----------------------------------|---------------------------|
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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Metropolitan Council Transit**

|                                   |   |    |                 |                 |                 |                 |                 |                 |
|-----------------------------------|---|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Garages                           | 1 | GO | 10,000          | 10,000          | 10,000          | 10,000          | 10,000          | 10,000          |
| Busways                           |   | GO | 0               | 50,000          | 50,000          | 0               | 0               | 0               |
| <b>Project Total</b>              |   |    | <b>\$10,000</b> | <b>\$60,000</b> | <b>\$60,000</b> | <b>\$10,000</b> | <b>\$10,000</b> | <b>\$10,000</b> |
| <b>General Obligation Bonding</b> |   |    | <b>\$10,000</b> | <b>\$60,000</b> | <b>\$60,000</b> | <b>\$10,000</b> | <b>\$10,000</b> | <b>\$10,000</b> |

**Military Affairs, Department of**

|  |   |    |                |                 |                 |                |                |                |
|--|---|----|----------------|-----------------|-----------------|----------------|----------------|----------------|
| Asset Preservation & Kitchen Repair      | 1 | GO | 2,500          | 2,500           | 2,500           | 2,500          | 2,500          | 2,500          |
| Military Affairs/Emergency Mgmt Facility |   | GO | 0              | 2,885           | 32,857          | 0              | 0              | 0              |
| Stillwater Training/Comm Center (Armory) |   | GO | 0              | 5,195           | 0               | 0              | 0              | 0              |
| Blaine Training/Comm Center (Armory)     |   | GO | 0              | 5,458           | 0               | 0              | 0              | 0              |
| Anoka Training/Comm Center (Armory)      |   | GO | 0              | 0               | 5,720           | 0              | 0              | 0              |
| <b>Project Total</b>                     |   |    | <b>\$2,500</b> | <b>\$16,038</b> | <b>\$41,077</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> |
| <b>General Obligation Bonding</b>        |   |    | <b>\$2,500</b> | <b>\$16,038</b> | <b>\$41,077</b> | <b>\$2,500</b> | <b>\$2,500</b> | <b>\$2,500</b> |

**Funding Source**

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| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Minnesota Historical Society**

|   |       |    |                |                |                |                |                |                |
|---|-------|----|----------------|----------------|----------------|----------------|----------------|----------------|
| Historic Sites Network - Asset Preservation | GOV-1 | GO | 2,000          | 2,000          | 2,000          | 2,000          | 2,000          | 2,000          |
| State Capitol Furnishings Restoration       | GOV-2 | GF | 250            | 150            | 150            | 250            | 150            | 150            |
| <b>Project Total</b>                        |       |    | <b>\$2,250</b> | <b>\$2,150</b> | <b>\$2,150</b> | <b>\$2,250</b> | <b>\$2,150</b> | <b>\$2,150</b> |
| <b>General Obligation Bonding</b>           |       |    | <b>\$2,000</b> | <b>\$2,000</b> | <b>\$2,000</b> | <b>\$2,000</b> | <b>\$2,000</b> | <b>\$2,000</b> |
| <b>General Fund Projects (GF)</b>           |       |    | <b>\$250</b>   | <b>\$150</b>   | <b>\$150</b>   | <b>\$250</b>   | <b>\$150</b>   | <b>\$150</b>   |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority | Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------|-------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                              |       |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Minnesota State Academies**

|  |   |  |    |                |                 |                 |                |                |                |
|--|---|--|----|----------------|-----------------|-----------------|----------------|----------------|----------------|
| Asset Preservation                           | 1 |  | GO | 2,000          | 2,000           | 2,000           | 2,000          | 2,000          | 2,000          |
| West Wing Noyes Hall Phase Two               | 2 |  | GO | 5,000          | 0               | 0               | 5,000          | 0              | 0              |
| Site Work/Garage/Parking/Road Work           |   |  | GO | 0              | 1,551           | 0               | 0              | 0              | 0              |
| Mott Hall Vocational Renovation              |   |  | GO | 0              | 2,416           | 0               | 0              | 0              | 0              |
| MSAD Frechette Renovation                    |   |  | GO | 0              | 4,247           | 0               | 0              | 0              | 0              |
| MSAB Dorm Expansion                          |   |  | GO | 0              | 3,225           | 0               | 0              | 0              | 0              |
| MSAD Lauritsen Recreation and Fitness Center |   |  | GO | 0              | 0               | 5,271           | 0              | 0              | 0              |
| MSAD Rodman Dining                           |   |  | GO | 0              | 0               | 6,359           | 0              | 0              | 0              |
| MSAB Vocational Building/Industrial Building |   |  | GO | 0              | 0               | 1,257           | 0              | 0              | 0              |
| MSAD Garage                                  |   |  | GO | 0              | 0               | 1,034           | 0              | 0              | 0              |
| <b>Project Total</b>                         |   |  |    | <b>\$7,000</b> | <b>\$13,439</b> | <b>\$15,921</b> | <b>\$7,000</b> | <b>\$2,000</b> | <b>\$2,000</b> |
| <b>General Obligation Bonding</b>            |   |  |    | <b>\$7,000</b> | <b>\$13,439</b> | <b>\$15,921</b> | <b>\$7,000</b> | <b>\$2,000</b> | <b>\$2,000</b> |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Natural Resources, Department of**

|   |       |    |       |        |        |       |       |       |
|---|-------|----|-------|--------|--------|-------|-------|-------|
| Statewide Asset Preservation            | B-1   | GO | 2,000 | 2,000  | 2,000  | 2,000 | 2,000 | 2,000 |
| Field Office Renovations & Improvements | B-2   | GO | 8,000 | 2,000  | 2,000  | 8,000 | 2,000 | 2,000 |
| ADA Compliance                          | B-3   | GO | 3,000 | 3,000  | 3,000  | 3,000 | 3,000 | 3,000 |
| State Park & Rec Area Bldg Rehab        | B-4   | GO | 6,185 | 3,000  | 3,000  | 6,185 | 3,000 | 3,000 |
| Dam Repair/Reconstruction/Removal       | NB-1  | GO | 2,000 | 2,000  | 2,000  | 2,000 | 2,000 | 2,000 |
| State Park & Rec Betterm't Rehab        | NB-2  | GO | 5,815 | 2,000  | 2,000  | 5,815 | 2,000 | 2,000 |
| Forest Roads and Bridges                | NB-3  | GO | 2,300 | 2,000  | 2,000  | 2,300 | 2,000 | 2,000 |
| Forest Recreation Facility Rehab        | NB-4  | GO | 700   | 1,000  | 1,000  | 700   | 1,000 | 1,000 |
| Metro Regional Parks Asset Preservation | GOV-1 | GO | 5,000 | 5,000  | 5,000  | 5,000 | 5,000 | 5,000 |
| State Park & Rec Area Bldg Dev          |       | GO | 0     | 1,300  | 1,300  | 0     | 0     | 0     |
| Flood Hazard Mitigation Grants          |       | GO | 0     | 15,000 | 17,000 | 0     | 0     | 0     |
| RIM - Wildlife Dev/Habitat Improve      |       | GO | 0     | 2,000  | 2,000  | 0     | 0     | 0     |
| SNA's and Prairie Bank                  |       | GO | 0     | 1,600  | 1,600  | 0     | 0     | 0     |

**Funding Source**

|                               |                                  |                           |
|-------------------------------|----------------------------------|---------------------------|
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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Natural Resources, Department of**

|   |    |   |       |        |   |   |   |
|---|----|---|-------|--------|---|---|---|
| Water Access Acq, Better, & Fishing Piers | GO | 0 | 1,000 | 1,000  | 0 | 0 | 0 |
| RIM - Critical Habitat Match              | GO | 0 | 1,000 | 1,000  | 0 | 0 | 0 |
| Trail Acq. Dev. - Paul Bunyan Trail       | GO | 0 | 2,000 | 2,000  | 0 | 0 | 0 |
| State Park and Rec Area Acquisition       | GO | 0 | 1,500 | 1,500  | 0 | 0 | 0 |
| State Forest Land Acquisition             | GO | 0 | 1,000 | 1,000  | 0 | 0 | 0 |
| Lake Superior Safe Harbors                | GO | 0 | 5,000 | 5,000  | 0 | 0 | 0 |
| Office Facilities Development - DNR       | GO | 0 | 8,021 | 12,697 | 0 | 0 | 0 |
| RIM - Fisheries Improvement               | GO | 0 | 500   | 500    | 0 | 0 | 0 |
| Stream Protection and Restoration         | GO | 0 | 1,000 | 1,000  | 0 | 0 | 0 |
| Metro Greenways and Natural Areas         | GO | 0 | 1,500 | 1,500  | 0 | 0 | 0 |
| State Trail Connections                   | GO | 0 | 1,000 | 1,000  | 0 | 0 | 0 |
| Trust Fund Lands                          | GO | 0 | 1,000 | 1,000  | 0 | 0 | 0 |
| Fisheries Acquisition                     | GO | 0 | 500   | 500    | 0 | 0 | 0 |

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| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Natural Resources, Department of**

|                                   |  |    |                 |                 |                 |                 |                 |                 |
|-----------------------------------|--|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Reforestation                     |  | GO | 0               | 1,000           | 1,000           | 0               | 0               | 0               |
| <b>Project Total</b>              |  |    | <b>\$35,000</b> | <b>\$67,921</b> | <b>\$74,597</b> | <b>\$35,000</b> | <b>\$22,000</b> | <b>\$22,000</b> |
| <b>General Obligation Bonding</b> |  |    | <b>\$35,000</b> | <b>\$67,921</b> | <b>\$74,597</b> | <b>\$35,000</b> | <b>\$22,000</b> | <b>\$22,000</b> |

**Perpich Center for Arts Education**

|                                   |   |    |                |                |                |                |              |              |
|-----------------------------------|---|----|----------------|----------------|----------------|----------------|--------------|--------------|
| Asset Preservation                | 1 | GO | 1,000          | 500            | 500            | 1,000          | 500          | 500          |
| Media Arts Building               |   | GO | 0              | 3,124          | 0              | 0              | 0            | 0            |
| Repair & Maintenance Building     |   | GO | 0              | 123            | 2,243          | 0              | 0            | 0            |
| Sitework                          |   | GO | 0              | 1,096          | 0              | 0              | 0            | 0            |
| Theater/Dance Complex             |   | GO | 0              | 0              | 530            | 0              | 0            | 0            |
| Learning Resource Center          |   | GO | 0              | 0              | 267            | 0              | 0            | 0            |
| <b>Project Total</b>              |   |    | <b>\$1,000</b> | <b>\$4,843</b> | <b>\$3,540</b> | <b>\$1,000</b> | <b>\$500</b> | <b>\$500</b> |
| <b>General Obligation Bonding</b> |   |    | <b>\$1,000</b> | <b>\$4,843</b> | <b>\$3,540</b> | <b>\$1,000</b> | <b>\$500</b> | <b>\$500</b> |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description                     | Agency Strategic<br>Priority | Agency Strategic<br>Score | Funding<br>Source                 | Agency Request  |                 |                 | Governor's<br>Recommendation | Governor's<br>Planning Estimates |                 |
|---|------------------------------|---------------------------|-----------------------------------|-----------------|-----------------|-----------------|------------------------------|----------------------------------|-----------------|
|   |                              |                           |                                   | F.Y. 2001       | F.Y. 2003       | F.Y. 2005       | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005       |
| <b>Trade &amp; Economic Development</b> |                              |                           |                                   |                 |                 |                 |                              |                                  |                 |
| Redevelopment Grant Program             | 1                            |                           | GO                                | 3,000           | 3,000           | 3,000           | 3,000                        | 3,000                            | 3,000           |
| MPFA State Matching Fund                | 2                            |                           | GO                                | 8,000           | 16,258          | 16,258          | 8,000                        | 16,258                           | 16,258          |
| Clean Water Partnership                 | 3                            |                           | GO                                | 2,000           | 3,000           | 3,000           | 2,000                        | 3,000                            | 3,000           |
| MPFA Wastewater Infrastructure Fund     |                              |                           | GO                                | 0               | 30,000          | 30,000          | 0                            | 0                                | 0               |
|   |                              |                           | <b>Project Total</b>              | <b>\$13,000</b> | <b>\$52,258</b> | <b>\$52,258</b> | <b>\$13,000</b>              | <b>\$22,258</b>                  | <b>\$22,258</b> |
|   |                              |                           | <b>General Obligation Bonding</b> | <b>\$13,000</b> | <b>\$52,258</b> | <b>\$52,258</b> | <b>\$13,000</b>              | <b>\$22,258</b>                  | <b>\$22,258</b> |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Transportation, Department of**

|   |       |     |         |        |        |         |        |        |
|---|-------|-----|---------|--------|--------|---------|--------|--------|
| Local Bridge Replacement & Rehabilitation | GO-1  | GO  | 30,000  | 57,400 | 66,000 | 30,000  | 30,000 | 30,000 |
| Northstar Commuter Rail                   | GO-2  | GO  | 115,000 | 0      | 0      | 115,000 | 0      | 0      |
| Consolidated Operations Support Facility  | THF-1 | THF | 14,600  | 0      | 5,000  | 14,600  | 0      | 0      |
| Mankato Headquarters Bldg                 | THF-2 | THF | 12,600  | 0      | 0      | 12,600  | 0      | 0      |
| Thief River Falls-Replacement             |       | THF | 0       | 3,200  | 0      | 0       | 0      | 0      |
| Rochester Hq Building Addition            |       | THF | 0       | 4,000  | 0      | 0       | 0      | 0      |
| Golden Valley Building Addition           |       | THF | 0       | 4,000  | 0      | 0       | 0      | 0      |
| Materials Lab Building Addition           |       | THF | 0       | 3,490  | 0      | 0       | 0      | 0      |
| Training Center Building Addition         |       | THF | 0       | 4,600  | 0      | 0       | 0      | 0      |
| Port Development Assistance               |       | GO  | 0       | 11,000 | 8,000  | 0       | 0      | 0      |
| Rail Service Improvement                  |       | GO  | 0       | 12,000 | 10,000 | 0       | 0      | 0      |
| Duluth Hq Addition/Remodel                |       | THF | 0       | 0      | 1,250  | 0       | 0      | 0      |
| Crookston Hq Building Addition            |       | THF | 0       | 0      | 1,000  | 0       | 0      | 0      |

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**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description                    | Agency Strategic<br>Priority Score | Funding<br>Source                 | Agency Request   |                 |                  | Governor's<br>Recommendation | Governor's<br>Planning Estimates |                 |
|--|------------------------------------|-----------------------------------|------------------|-----------------|------------------|------------------------------|----------------------------------|-----------------|
|  |                                    |                                   | F.Y. 2001        | F.Y. 2003       | F.Y. 2005        | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005       |
| <b>Transportation, Department of</b>   |                                    |                                   |                  |                 |                  |                              |                                  |                 |
| Willmar Hq Building Addition           |                                    | THF                               | 0                | 0               | 1,700            | 0                            | 0                                | 0               |
| Shakopee/Jordan Truck Station Addition |                                    | THF                               | 0                | 0               | 4,675            | 0                            | 0                                | 0               |
| Eden Prairie Truck Station Addition    |                                    | THF                               | 0                | 0               | 2,000            | 0                            | 0                                | 0               |
| Maple Grove Truck Station Replacement  |                                    | THF                               | 0                | 0               | 2,500            | 0                            | 0                                | 0               |
| Plymouth Truck Station Addition        |                                    | THF                               | 0                | 0               | 2,000            | 0                            | 0                                | 0               |
|  |                                    | <b>Project Total</b>              | <b>\$172,200</b> | <b>\$99,690</b> | <b>\$104,125</b> | <b>\$172,200</b>             | <b>\$30,000</b>                  | <b>\$30,000</b> |
|  |                                    | <b>General Obligation Bonding</b> | <b>\$145,000</b> | <b>\$80,400</b> | <b>\$84,000</b>  | <b>\$145,000</b>             | <b>\$30,000</b>                  | <b>\$30,000</b> |
|  |                                    | <b>Trunk Highway Fund (THF)</b>   | <b>\$27,200</b>  | <b>\$19,290</b> | <b>\$20,125</b>  | <b>\$27,200</b>              | <b>\$0</b>                       | <b>\$0</b>      |

**Funding Source**

GF = General Fund  
 GO = General Obligation Bonds

OTH = Other Funding Sources  
 THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund  
 UF = User Finance Bonding

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**University of Minnesota**

|   |       |       |                 |                 |                 |                 |                 |                 |
|---|-------|-------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Systemwide - HEAPR                          | GOV-1 | GO    | 50,000          | 50,000          | 50,000          | 50,000          | 50,000          | 50,000          |
| St. Paul - Plant Growth Facilities, Phase 2 | GOV-2 | GO/UF | 16,300          | 0               | 0               | 16,300          | 0               | 0               |
| Duluth Lab Science Building (design)        | GOV-3 | GO/UF | 2,000           | 31,000          | 0               | 2,000           | 31,000          | 0               |
| <b>Project Total</b>                        |       |       | <b>\$68,300</b> | <b>\$81,000</b> | <b>\$50,000</b> | <b>\$68,300</b> | <b>\$81,000</b> | <b>\$50,000</b> |
| <b>General Obligation Bonding</b>           |       |       | <b>\$62,207</b> | <b>\$81,000</b> | <b>\$50,000</b> | <b>\$62,207</b> | <b>\$81,000</b> | <b>\$50,000</b> |
| <b>User Finance Bonding</b>                 |       |       | <b>\$6,093</b>  | <b>\$0</b>      | <b>\$0</b>      | <b>\$6,093</b>  | <b>\$0</b>      | <b>\$0</b>      |

**Veterans Homes Board**

|   |   |    |                 |                |                |                 |                |                |
|---|---|----|-----------------|----------------|----------------|-----------------|----------------|----------------|
| Hastings Building Preservation            | 1 | GO | 7,500           | 0              | 0              | 7,500           | 0              | 0              |
| Asset Preservation                        | 2 | GO | 4,400           | 4,400          | 4,400          | 4,400           | 4,400          | 4,400          |
| Silver Bay Maintenance & Storage Facility | 3 | GO | 600             | 0              | 0              | 600             | 0              | 0              |
| <b>Project Total</b>                      |   |    | <b>\$12,500</b> | <b>\$4,400</b> | <b>\$4,400</b> | <b>\$12,500</b> | <b>\$4,400</b> | <b>\$4,400</b> |
| <b>General Obligation Bonding</b>         |   |    | <b>\$12,500</b> | <b>\$4,400</b> | <b>\$4,400</b> | <b>\$12,500</b> | <b>\$4,400</b> | <b>\$4,400</b> |

**Funding Source**

GF = General Fund  
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OTH = Other Funding Sources  
 THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund  
 UF = User Finance Bonding

**STATE OF MINNESOTA**  
**Agency Request**  
 F.Y. 2001-2006

**GOVERNOR'S RECOMMENDATIONS**  
**(BY FUNDING SOURCES)**  
 (\$ In Thousands)

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

**Water & Soil Resources Board**

|  |   |     |                 |                 |                 |                 |            |            |
|--|---|-----|-----------------|-----------------|-----------------|-----------------|------------|------------|
| Conservation Reserve Enhancement Program | 1 | GO  | 43,000          | 0               | 0               | 43,000          | 0          | 0          |
|  |   | OTH | 7,763           | 0               | 0               | 7,763           | 0          | 0          |
| Reinvest in Minnesota Reserve Program    |   | GO  | 0               | 11,600          | 11,600          | 0               | 0          | 0          |
| <b>Project Total</b>                     |   |     | <b>\$50,763</b> | <b>\$11,600</b> | <b>\$11,600</b> | <b>\$50,763</b> | <b>\$0</b> | <b>\$0</b> |
| <b>General Obligation Bonding</b>        |   |     | <b>\$43,000</b> | <b>\$11,600</b> | <b>\$11,600</b> | <b>\$43,000</b> | <b>\$0</b> | <b>\$0</b> |
| <b>Solid Waste Fund (OTH)</b>            |   |     | <b>\$7,763</b>  | <b>\$0</b>      | <b>\$0</b>      | <b>\$7,763</b>  | <b>\$0</b> | <b>\$0</b> |

**Zoological Gardens**

|                                   |       |    |                |                |                |                |                |                |
|-----------------------------------|-------|----|----------------|----------------|----------------|----------------|----------------|----------------|
| Roadways and Pathways             | GOV-1 | GO | 4,000          | 4,000          | 4,000          | 4,000          | 4,000          | 4,000          |
| <b>Project Total</b>              |       |    | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> |
| <b>General Obligation Bonding</b> |       |    | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> | <b>\$4,000</b> |

**Funding Source**

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

| Project description | Agency Strategic<br>Priority Score | Funding<br>Source | Agency Request |           |           | Governor's<br>Recommendation | Governor's<br>Planning Estimates |           |
|---------------------|------------------------------------|-------------------|----------------|-----------|-----------|------------------------------|----------------------------------|-----------|
|                     |                                    |                   | F.Y. 2001      | F.Y. 2003 | F.Y. 2005 | F.Y. 2001                    | F.Y. 2003                        | F.Y. 2005 |

|   |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Grand Total</b>                            | <b>\$575,977</b> | <b>\$689,090</b> | <b>\$739,989</b> | <b>\$575,977</b> | <b>\$333,708</b> | <b>\$302,708</b> |
| <b>General Obligation Bonding</b>             | <b>\$503,916</b> | <b>\$644,200</b> | <b>\$694,714</b> | <b>\$503,916</b> | <b>\$308,558</b> | <b>\$277,558</b> |
| <b>User Finance Bonding</b>                   | <b>\$34,891</b>  | <b>\$25,000</b>  | <b>\$25,000</b>  | <b>\$34,891</b>  | <b>\$25,000</b>  | <b>\$25,000</b>  |
| <b>General Fund Projects (GF)</b>             | <b>\$2,036</b>   | <b>\$600</b>     | <b>\$150</b>     | <b>\$2,036</b>   | <b>\$150</b>     | <b>\$150</b>     |
| <b>Solid Waste Fund (OTH)</b>                 | <b>\$7,763</b>   | <b>\$0</b>       | <b>\$0</b>       | <b>\$7,763</b>   | <b>\$0</b>       | <b>\$0</b>       |
| <b>Trunk Highway Fund (THF)</b>               | <b>\$27,200</b>  | <b>\$19,290</b>  | <b>\$20,125</b>  | <b>\$27,200</b>  | <b>\$0</b>       | <b>\$0</b>       |
| <b>Workers Comp Special Payment<br/>(OTH)</b> | <b>\$171</b>     | <b>\$0</b>       | <b>\$0</b>       | <b>\$171</b>     | <b>\$0</b>       | <b>\$0</b>       |

**Funding Source**

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