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2002-07
Minnesota
Capital Budget

Presented by
Governor Jesse Ventura
to the 82nd Legislature



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2002/
2007
Economic
Develop.

— Minn. Stat. 16A.11

2002-07 CAPITAL BUDGET

-INDEX-

ECONOMIC DEVELOPMENT

	<u>Page Number</u>
Governor's Recommendations (by funding sources)	E-1
Commerce Department	E-37
Housing Finance Agency	E-49
Iron Range Resources & Rehabilitation Board	E-59
Minnesota Historical Society	E-99
Trade and Economic Development Department	E-145

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The *Executive Summary* of the 2002-2007 Minnesota Capital Budget and 9-volume set of detailed requests can be viewed at the Department of Finance's web site at: www.finance.state.mn.us

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority	Agency Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Administration, Department of

Statewide CAPRA	1	470	GO	27,700	25,000	25,000	17,000	17,000	17,000
			GF	300	0	0	0	0	0
Agency Relocation	2	270	GF	7,601	1,500	3,000	1,500	0	0
DOT Exterior Repair	3	235	THF	5,046	4,720	5,044	5,046	4,720	5,044
New State Buildings	4	445	GO	84,589	0	0	84,589	0	0
			GF	0	9,200	0	0	9,200	0
Renovation of 1246 University	6	265	GO	11,827	0	0	0	0	0
			GF	0	300	0	0	0	0
Capitol Complex Electrical Work	7	350	GO	3,231	0	0	3,231	0	0
Governor's Residence Renovation & Repair	8	275	GO	4,246	0	0	4,246	0	0
			GF	45	0	0	45	0	0
Stassen Buildout/Rice & University Predesign	9	245	GO	2,730	4,407	0	0	0	0
			GF	427	0	0	0	0	0
Property Acquisition	10	140	GO	1,500	7,500	15,000	0	0	0
New State Buildings			GO	0	75,000	75,000	0	0	0
Administration Ramp Replacement			GO	0	0	6,000	0	0	0

Funding Source

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 F.Y. 2002-2007

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Administration, Department of

IT Data Center			GO	0	0	300	0	0	0
Environmental Cluster Predesign			GO	0	0	300	0	0	0
Cedar Street Armory Demolition			GO	0	0	1,500	0	0	0

Project Total	\$149,242	\$127,627	\$131,144	\$115,657	\$30,920	\$22,044
General Obligation Bonding	\$135,823	\$111,907	\$123,100	\$109,066	\$17,000	\$17,000
General Fund Projects (GF)	\$8,373	\$11,000	\$3,000	\$1,545	\$9,200	\$0
Trunk Highway Fund (THF)	\$5,046	\$4,720	\$5,044	\$5,046	\$4,720	\$5,044

Agriculture, Department of

Rural Finance Authority Loan Participation	1	400	GO/UF	20,000	20,000	20,000	15,000	15,000	15,000
Minnesota Farmers Market Hall	2	221	GO	11,597	0	0	0	0	0
Expansion of Metro Greenhouse & Storage Bay	3	175	GO	292	0	0	0	0	0

Project Total	\$31,889	\$20,000	\$20,000	\$15,000	\$15,000	\$15,000
General Obligation Bonding	\$11,889	\$0	\$0	\$0	\$0	\$0
User Finance Bonding	\$20,000	\$20,000	\$20,000	\$15,000	\$15,000	\$15,000

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F.Y. 2002-2007

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(\$ In Thousands)

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Amateur Sports Commission

Sport Event Center	1	316	GO	5,250	0	0	4,250	0	0
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Project Total	\$5,250	\$0	\$0	\$4,250	\$0	\$0
General Obligation Bonding	\$5,250	\$0	\$0	\$4,250	\$0	\$0

Capitol Area Architectural Planning Bd

Capitol Building: Interior Renovation Design	1	350	GO	2,111	25,281	36,324	0	0	0
Capitol 2005: Restore Floors G-2 & Hist. Elevators	2	325	GO	1,933	0	3,305	1,933	0	3,305
			GF	646	0	0	646	0	0
Signage: Capitol Building and Grounds	3	300	GO	712	0	156	712	0	156
Pre-design/Design & Const. for New Capitol Annex			GO	0	276	55,300	0	0	0

Project Total	\$5,402	\$25,557	\$95,085	\$3,291	\$0	\$3,461
General Obligation Bonding	\$4,756	\$25,557	\$95,085	\$2,645	\$0	\$3,461
General Fund Projects (GF)	\$646	\$0	\$0	\$646	\$0	\$0

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Children, Families & Learning

Early Childhood Facilities Grants	1	275	GO	5,000	5,000	5,000	0	0	0
Red Lake School Additions and Renovations	2	300	GO	40,125	0	0	12,400	0	0
Public Library Accessibility Grants	3	260	GO	1,000	1,000	1,000	0	0	0
Library for the Blind Renovation	4	200	GO	500	9,824	0	0	0	0

Project Total	\$46,625	\$15,824	\$6,000	\$12,400	\$0	\$0
General Obligation Bonding	\$46,625	\$15,824	\$6,000	\$12,400	\$0	\$0

Commerce, Department of

Energy Investment Loan Program	1	400	GO/UF	6,000	6,000	6,000	6,000	6,000	6,000
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Project Total	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
User Finance Bonding	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000

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Corrections, Department of

MCF-LL - 416-Bed Offender Housing Unit	1	356	GO	4,160	0	0	4,160	0	0
DOC - Asset Preservation	2	445	GO	23,100	15,000	15,000	23,100	15,000	15,000
MCF-SHK - ILC Renovation & Support Space	3	250	GO	3,070	0	0	3,070	0	0
MCF-STW - New Seg. Unit Design/Predesign	4	260	GO	906	0	0	90	0	0
MCF-RW - New Vocational Building	5	260	GO	4,938	0	0	0	0	0
MCF-FRB - Kitchen Renovation Predesign/Design	6	135	GO	346	0	0	0	0	0
MCF-WR/ML - Activities Building	7	195	GO	1,523	0	0	0	0	0
MCF-SCL - New Vocational Building	8	100	GO	8,070	0	0	0	0	0
MCF-SHK - 62-Bed Living Unit (Phase II)			GO	0	3,409	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-OPH - Security System Upgrade			GO	0	4,029	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 - Industry Building Addition - ML			GO	0	51	708	0	0	0

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 F.Y. 2002-2007

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Corrections, Department of

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-STW - Master Control Renovation		GO	0	1,611	0	0	0	0
MCF-OPH - Razor Ribbon Replacement		GO	0	350	0	0	0	0
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
Dept. - Roof & Window Replacement		GO	0	7,776	7,776	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 - Retube Boilers		GO	0	0	517	0	0	0

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Corrections, Department of

MCF-SCL - Upgrade Security System		GO	0	0	749	0	0	0
MCF-RW - New Living Unit		GO	0	0	1,470	0	0	0
MCF-LL - Replace HVAC Systems - Living Units		GO	0	0	700	0	0	0
MCF-SCL - Loop Wiring, High Voltage		GO	0	0	350	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

Project Total	\$46,113	\$63,486	\$35,747	\$30,420	\$15,000	\$15,000
General Obligation Bonding	\$46,113	\$63,486	\$35,747	\$30,420	\$15,000	\$15,000

Finance, Department of

Bond Sale Expenses	1	GO	800	800	800	800	459	459
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Project Total	\$800	\$800	\$800	\$800	\$459	\$459
General Obligation Bonding	\$800	\$800	\$800	\$800	\$459	\$459

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Grants to Political Subdivisions

Regional Sludge Management Demonstration Project	ARL-1		GO	500	0	0	0	0	0
Blazing Star Trail	AUS-1		GO	2,500	0	0	0	0	0
Bayport Storm Sewer Reconstruction	BAY-1		GO	1,550	0	0	0	0	0
Bloomington Center for the Arts	BLO-1		GO	1,000	0	0	0	0	0
Dakota County Flood Mitigation	DAK-1		GO	750	0	0	0	0	0
Coleraine Street and Utility Improvements	COL-1		GO	50	250	0	0	0	0
North Shore Sanitary Districts	DUA-1		GO	11,638	0	0	0	0	0
Duluth -- Aerial Lift Bridge Repainting	DUL-1		GO	1,900	0	0	0	0	0
Eveleth Sanitary Sewer Collection Improvements	EVE-1		GO	251	0	0	0	0	0
Duluth -- Spirit Mountain Improvements	DUL-2		GO	3,175	0	0	0	0	0
Municipal Solid Waste Combustor Replacement	FF-1		GO	1,150	0	0	0	0	0
Fergus Falls Public Library Expansion	FF-2		GO	1,835	0	0	0	0	0
Visitor Center at Historic Murphy's Landing	HP-1		GO	3,191	0	0	0	0	0
Campaign for the Children's Theatre Company	HEN-1		GO	12,000	0	0	0	0	0
Colin Powell Youth Leadership Center	HEN-2		GO	6,000	0	0	0	0	0
Restoration of Historic Fort Belmont	JAC-1		GO	200	200	100	0	0	0

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Grants to Political Subdivisions

Regional Cold Weather Testing Facility	KOO-1	GO	3,628	0	0	0	0	0
Big Bear Education Center	KOO-2	GO	6,200	0	0	0	0	0
Trollwood Performing Arts School	MOR-1	GO	5,500	0	0	0	0	0
Minneapolis Park Improvements	MPB-1	GO	33,102	0	0	0	0	0
Minneapolis Empowerment Zone Projects	MPL-1	GO	12,000	7,900	8,400	0	0	0
Minnesota Space Discovery Center & Planetarium	MPL-2	GO	30,000	0	0	0	0	0
Guthrie Theater on the River	MPL-3	GO	35,000	0	0	0	0	0
Minnesota Shubert Performing Arts Center	MPL-4	GO	10,000	0	0	0	0	0
Minnesota Valley Academy	MPS-1	GO	3,500	0	0	0	0	0
Minnetonka -- Affordable Scattered Site Housing	MTK-1	GO	1,000	0	0	0	0	0
Glencoe -- Railroad Switching Yard	MTK-1	GO	796	0	0	0	0	0
Casey Jones Trail	MUR-1	GO	4,200	3,400	3,600	0	0	0
Minnesota Prairie Line Rehabilitation	MV-1	GO	7,500	0	0	0	0	0
Olmsted County Materials Recovery Facility	OLM-1	GO	3,000	0	0	0	0	0
Minnesota Center for Agricultural Innovation	OLV-1	GO	2,000	0	0	0	0	0
Pipestone County Museum Improvements	PIP-1	GO	125	0	0	0	0	0

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Grants to Political Subdivisions

Gibbs Museum Interpretive Center	RAM-1		GO	137	1,436	0	0	0	0
Regional Public Safety Training Center	ROC-1		GO	550	1,286	0	0	0	0
The New Rochester Arts Center	ROC-2		GO	2,300	0	0	0	0	0
DM&E Railroad Corridor Mitigation	ROC-3		GO	50,000	0	0	0	0	0
Improving Access to the Ports of Savage	SAV-1		GO	11,500	0	0	0	0	0
St. Louis Park -- Pedestrian/Trail Crossing	SLP-1		GO	492	0	0	0	0	0
St. Paul -- The New Roy Wilkins Auditorium	STP-1		GO	70,000	0	0	0	0	0
St. Paul -- Phalen Boulevard	STP-2		GO	8,000	0	0	0	0	0
St. Paul -- Como Park Conservatory Restoration	STP-3		GO	2,700	0	0	0	0	0
St. Paul -- 2004 Renaissance Project	STP-4		GO	8,375	0	0	0	0	0
Neighborhood House/El Rio Vista Facility Expansion	STP-5		GO	5,000	0	0	0	0	0
American Lung Association Healthy Design Project	STP-6		GO	3,000	0	0	0	0	0
St. Cloud Civic Center Expansion	ST-1		GO	45,000	0	0	0	0	0
Central Minnesota Regional Parks and Trails	STC-1		GO	8,560	0	0	0	0	0
New Ulm Recreational Trail	ULM-1		GO	1,150	0	0	0	0	0
Virginia/Eveleth Progress Park Expansion	VEE-1		GO	1,500	0	0	0	0	0

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Grants to Political Subdivisions

District Steam Heating System Infrastructure	VIR-1		GO	5,000	0	0	0	0	0
Northeast Park Community Center -- Waseca	WAS-1		GO	1,800	0	0	0	0	0
WMEP Southwest Integration Magnet School	WES-1		GO	27,714	0	0	0	0	0
Winona Harbor Intermodal Transp Improvements	WIN-1		GO	6,300	0	0	0	0	0

Project Total	\$464,319	\$14,472	\$12,100	\$0	\$0	\$0
General Obligation Bonding	\$464,319	\$14,472	\$12,100	\$0	\$0	\$0

Health, Department of

Dental Clinic at State Colleges and Universities	150		GO	775	0	0	0	0	0
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Project Total	\$775	\$0	\$0	\$0	\$0	\$0
General Obligation Bonding	\$775	\$0	\$0	\$0	\$0	\$0

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Housing Finance Agency

Publicly Owned Transitional Housing Loans	1	285	GO	19,500	2,500	2,500	4,461	2,500	2,500
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Project Total				\$19,500	\$2,500	\$2,500	\$4,461	\$2,500	\$2,500
General Obligation Bonding				\$19,500	\$2,500	\$2,500	\$4,461	\$2,500	\$2,500

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Human Services, Department of

System-Wide Roof Replacement	1	470	GO	2,789	4,167	2,145	2,789	1,500	1,500
System-Wide Asset Preservation	2	470	GO	6,500	8,450	8,400	6,500	4,000	4,000
FFRTC - Upgrade Program Facilities	3	385	GO	3,000	3,000	0	0	0	0
System-Wide Building/Structure Demolition	4	395	GO	2,250	1,650	1,065	2,000	1,650	1,065
BRHSC - Building #20 Improvements	5	315	GO	6,305	0	0	0	0	0
SPRTC - Convert Power Plant to Low Pressure	6	280	GO	3,619	0	0	3,619	0	0
BRHSC - Convert Power Plant to Low Pressure	7	255	GO	2,965	4,414	0	0	0	0
AGC - B/C Residential Unit Remodeling			GO	0	2,750	0	0	0	0
AGC - A/D Residential Unit Remodeling			GO	0	2,750	0	0	0	0
AMRTC - Remodel Miller Building			GO	0	6,000	0	0	0	0
AMRTC - Construct Vehicle Maintenance/Storage Bldg			GO	0	250	0	0	0	0
BRHSC - Remodel Dietary Department			GO	0	1,000	0	0	0	0
MSPPTC - Reconfigure Industry Ship/Rec. Area			GO	0	250	0	0	0	0
MSPPTC - Construct Storage Building			GO	0	100	0	0	0	0
SPRTC - Bartlett/Sunrise Building Improvements			GO	0	4,000	0	0	0	0
SPRTC - Storm/Sanitary Sewer Separation/Upgrades			GO	0	1,500	0	0	0	0

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(\$ In Thousands)

Project description	Agency Strategic Priority	Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Human Services, Department of

AGC - B/C Residential Unit Remodeling			GO	0	2,750	0	0	0	0
BRHSC - Building #19 Improvements			GO	0	6,200	0	0	0	0
SPRTC - Phase II Upgrade Shantz & Pexton			GO	0	9,500	0	0	0	0
AGC - Remodel E-Building & Install Elevator			GO	0	0	3,200	0	0	0
AGC - Install Fire Sprinklers			GO	0	0	1,100	0	0	0
MSSPTC - Construct 50-Bed Addition			GO	0	0	9,900	0	0	0
WRTC - Upgrade HVAC/Mechanical Systems Bldg. #8			GO	0	0	1,500	0	0	0

Project Total	\$27,428	\$58,731	\$27,310	\$14,908	\$7,150	\$6,565
General Obligation Bonding	\$27,428	\$58,731	\$27,310	\$14,908	\$7,150	\$6,565

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. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Iron Range Resources & Rehabilitation Bd

Mesabi Station	1	229	GO	2,783	0	0	0	0	0
Giants Ridge Sports Dorm Renovation	2	250	GO	441	0	0	0	0	0
Giants Ridge Chalet/Winter Sports Operations	3	170	GO	939	0	0	0	0	0
Giants Ridge Magic Carpet	4	150	GO	71	0	0	0	0	0
Ironworld Library Expansion	5	125	GO	652	0	0	0	0	0
Ironworld Interpretive Center Energy Efficiency	6	145	GO	1,439	0	0	0	0	0
Ironworld Discovery Center Roof Replacement	7	155	GO	218	0	0	0	0	0
Ironworld Water and Sewer Upgrade/Extension	8	95	GO	284	0	0	0	0	0

Project Total	\$6,827	\$0	\$0	\$0	\$0	\$0
General Obligation Bonding	\$6,827	\$0	\$0	\$0	\$0	\$0

Funding Source

GF = General Fund
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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Metropolitan Council

Northwest Metro Busway	1	351	GO	50,000	50,000	50,000	50,000	0	0
Livable Communities Grant Program	2	275	GO	10,000	10,000	10,000	10,000	10,000	10,000
Snelling Bus Garage	3	336	GO	10,000	10,000	10,000	10,000	0	0
Transit Passenger Facilities	4	200	GO	10,000	10,000	10,000	0	0	0
CSO Reliever Sewer	5	160	GO	2,500	20,000	0	0	0	0

Project Total	\$82,500	\$100,000	\$80,000	\$70,000	\$10,000	\$10,000
General Obligation Bonding	\$82,500	\$100,000	\$80,000	\$70,000	\$10,000	\$10,000

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Military Affairs, Department of

Asset Preservation & Kitchen Repair	1	380	GO	2,500	2,500	2,500	2,500	2,500	2,500
Facility Life/Safety	2	245	GO	1,000	1,000	1,000	1,000	1,000	1,000
Americans with Disabilities Act (ADA)	3	220	GO	857	796	822	857	796	822
Indoor Firing Range Rehab	4	195	GO	1,018	0	0	0	0	0
Military Affairs/Emergency Mgmt Facility	5	230	GO	3,235	39,284	0	0	0	0
Stillwater Training/Community Center (Armory)			GO	0	9,104	0	0	0	0
Blaine Training/Community Center (Armory)			GO	0	0	8,100	0	0	0
Anoka Training/Community Center (Armory)			GO	0	0	8,300	0	0	0

Project Total	\$8,610	\$52,684	\$20,722	\$4,357	\$4,296	\$4,322
General Obligation Bonding	\$8,610	\$52,684	\$20,722	\$4,357	\$4,296	\$4,322

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Minnesota Historical Society

Asset Preservation - Historic Sites Network	1	450	GO	5,545	4,035	4,140	1,500	1,500	1,500
County and Local Historic Preservation Grants	2	385	GF	1,500	1,000	1,000	0	0	0
			GO	1,500	1,000	1,000	0	0	0
State Capitol 2005 Furnishings Project	3	290	GF	550	0	700	0	0	0
Sibley Historic Site Preservation	4	265	GO	542	1,000	0	0	0	0
Kelley Farm Historic Site Land Acquisition	5	125	GO	655	0	0	0	0	0
Historic Fort Snelling Site Improvements	6	220	GO	500	4,600	0	0	0	0
Heritage Trails	7	135	GO	384	250	250	0	0	0
Historic Sites Network Master Plan	8	125	GF	500	500	0	0	0	0
Improve Collections Storage Facilities			GO	0	2,000	500	0	0	0
Kelley Farm Maintenance Building			GO	0	600	0	0	0	0
St Anthony Falls Heritage Zone Implementation			GO	0	0	2,000	0	0	0
Split Rock Barn Reconstruction			GO	0	0	500	0	0	0
History Center Parking Ramp			GO	0	0	1,000	0	0	0

Project Total	\$11,676	\$14,985	\$11,090	\$1,500	\$1,500	\$1,500
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Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority	Agency Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Minnesota Historical Society

General Obligation Bonding	\$9,126	\$13,485	\$9,390	\$1,500	\$1,500	\$1,500
General Fund Projects (GF)	\$2,550	\$1,500	\$1,700	\$0	\$0	\$0

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Minnesota State Academies

Asset Preservation	1	415	GO	2,000	2,000	2,000	1,500	1,500	1,500
West Wing Noyes Hall Phase Two	2	315	GO	2,896	0	0	0	0	0
Safety Improvements/Roadway Related Construction	3	280	GO	1,400	0	0	0	0	0
MSAB Dorm Expansion			GO	0	3,225	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
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
MSAD Lauritsen Recreation & Fitness Center			GO	0	0	5,217	0	0	0

Project Total	\$6,296	\$11,888	\$15,867	\$1,500	\$1,500	\$1,500
General Obligation Bonding	\$6,296	\$11,888	\$15,867	\$1,500	\$1,500	\$1,500

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Minnesota State Colleges & Universities

Roof Replacement & Repair	1	470	GO	33,264	30,000	25,000	0	0	0
Mechanical/Electr Infrastructure Replacement	1	470	GO	30,851	30,000	30,000	0	0	0
HEAPR	1	470	GO	35,885	40,000	45,000	35,000	35,000	35,000
Normandale CC - Science Remodel Phase 2	2	353	GO/UF	9,900	0	0	9,900	0	0
Minneapolis C&TC - Consolidation Remodel Phs 2	3	393	GO/UF	9,000	3,625	0	12,625	0	0
Metro SU - Library & Info Technology Center	4	308	GO/UF	17,442	0	0	17,442	0	0
Alexandria TC - Classroom/Technology Bldg	5	333	GO/UF	9,150	0	0	9,150	0	0
Winona SU - New Science Building	6	378	GO/UF	30,000	9,772	0	30,000	9,772	0
MSU Moorhead - New Science Building	7	343	GO/UF	18,955	10,022	0	18,955	10,022	0
Systemwide Science Lab Renovations	8	313	GO/UF	1,900	2,000	2,000	1,900	2,000	2,000
Systemwide Land Acquisition	9	208	GO/UF	2,000	2,000	2,000	0	0	0
Bemidji SU/NWTC Co-Location Design	10	208	GO/UF	850	10,000	5,000	0	0	0
NWTC Moorhead - Health & Appl Tech Addition	11	288	GO/UF	400	5,000	0	0	0	0
St. Cloud SU - Centennial, Riverview Remodel Phs 1	12	273	GO/UF	10,000	8,500	0	0	0	0
MSU Mankato - Athletic Facility Phase 3	13	168	GO/UF	8,400	0	0	0	0	0
Southwest SU - Library Remodel	14	298	GO/UF	9,200	0	0	0	0	0

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Minnesota State Colleges & Universities

Hennepin TC - "D" Wing Remodel & Driveway	15	238	GO/UF	3,500	0	0	0	0	0
NEHED Virginia - Lab, Classroom, LRC Remodel	16	248	GO/UF	5,496	0	0	0	0	0
Lake Superior C&TC - Design Academic Addition	17	158	GO/UF	700	8,000	0	0	0	0
MSC-SETC - Student Services Remodel	18	238	GO/UF	580	1,169	0	0	0	0
Dakota TC - Design Info Tech/Telecomm Remodel	19	213	GO/UF	500	6,000	0	0	0	0
St. Cloud TC - Design Workforce Center Add/Remodel	20	133	GO/UF	700	12,500	0	0	0	0
Ridgewater C&TC - Science Labs Remodel	21	188	GO/UF	2,880	0	0	0	0	0
Century C&TC - Design Intermediate Space Remodel	22	188	GO/UF	1,500	3,400	0	0	0	0
South Central TC - Design Applied Labs Remodel	23	188	GO/UF	300	4,199	0	0	0	0
Fergus Falls CC - Design IT & Student Services Add	24	213	GO/UF	760	6,500	0	0	0	0
MnWest Worthington CTC - Science, Nursing Remodel	25	208	GO/UF	6,300	0	0	0	0	0
Inver Hills CC - Design Student Services Addition	26	148	GO/UF	500	6,000	0	0	0	0
2004 /2006 Capital Improvement Program			GO/UF	0	51,313	141,000	0	0	0

Project Total	\$250,913	\$250,000	\$250,000	\$134,972	\$56,794	\$37,000
General Obligation Bonding	\$201,116	\$201,163	\$201,160	\$101,983	\$49,603	\$36,340
User Finance Bonding	\$49,797	\$48,837	\$48,840	\$32,989	\$7,191	\$660

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority	Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Natural Resources, Department of

State Park Initiative	DNR-1	520	GO	31,000	13,000	13,000	31,000	7,300	7,300
Field Office Renovation & Improvements	B-1	335	GO	7,000	1,500	1,500	7,000	1,500	1,500
Statewide Asset Preservation	B-2	395	GO	2,900	2,900	2,900	2,900	2,900	2,900
Office Facilities Development	B-3	335	GO	4,600	7,507	10,168	4,600	4,600	4,600
ADA Compliance	B-4	390	GO	1,000	2,000	2,000	1,000	1,000	1,000
Fish Hatchery Improvements	B-5	310	GO	300	300	300	300	300	300
Dam Repair/Reconstruction/Removal	NB-1	350	GO	700	2,000	2,000	700	1,000	1,000
Reforestation	NB-2	335	GO	2,500	2,500	2,500	2,500	1,500	1,500
Forest Roads and Bridges	NB-3	320	GO	1,200	1,000	1,000	1,200	1,000	1,000
Metro Greenways and Natural Areas	NB-4	260	GO	1,000	1,500	1,500	1,000	1,000	1,000
SNA's Acquisition & Development	NB-5	375	GO	500	1,000	1,000	500	500	500
RIM - Consolidated Wildlife/Critical Habitat	NB-6	360	GO	3,000	5,000	5,000	3,000	3,000	3,000
Stream Protection & Restoration	NB-7	260	GO	500	1,000	1,000	500	500	500
Water Access Acq. Better, & Fishing Piers	NB-8	365	GO	1,500	3,000	3,000	1,500	1,500	1,500
State Trail Acquisition & Development	NB-9	325	GO	2,550	2,000	2,000	2,550	2,000	2,000

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority	Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Natural Resources, Department of

Well Sealing	NB-10	255	GO	425	0	0	600	0	0
			GF	175	0	0	0	0	0
Fisheries Acquisition and Improvement	NB-11	250	GO	500	500	500	500	500	500
State Park Acquisition	NB-12	345	GO	1,000	1,500	1,500	1,000	1,000	1,000
Prairie Bank Easements	NB-13	290	GO	500	500	500	500	500	500
Flood Hazard Mitigation Grants	NB-14	380	GO	15,500	15,000	15,000	15,500	15,000	15,000
State Forest Land Acquisition	NB-15	295	GO	500	1,000	2,000	500	500	500
Lake Superior Safe Harbors	NB-16	300	GO	1,750	6,500	8,000	0	0	0
Trust Fund Lands	NB-17	90	GO	0	1,000	1,000	0	0	0
Natural and Scenic Area Grants	G-1	270	GO	1,000	1,000	1,000	1,000	1,000	1,000
State Trail Connections	G-2	235	GO	500	1,000	1,000	500	500	500
Metro Regional Parks Capital Improvements	G-3	285	GO	8,000	15,400	15,900	8,000	5,000	5,000
			OTH	0	7,260	0	0	0	0

Project Total	\$90,100	\$96,867	\$95,268	\$88,350	\$53,600	\$53,600
General Obligation Bonding	\$89,925	\$89,607	\$95,268	\$88,350	\$53,600	\$53,600
Env & Natural Resoures (OTH)	\$0	\$7,260	\$0	\$0	\$0	\$0

Funding Source

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**STATE OF MINNESOTA
Agency Request**

F.Y. 2002-2007

**GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)**

(\$ In Thousands)

Project description	Agency Strategic Priority Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Natural Resources, Department of

General Fund Projects (GF)	\$175	\$0	\$0	\$0	\$0	\$0
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Office of Environmental Assistance

Capital Assistance Program	1	429	GO	12,500	8,000	12,000	3,000	3,000	3,000
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Project Total	\$12,500	\$8,000	\$12,000	\$3,000	\$3,000	\$3,000
General Obligation Bonding	\$12,500	\$8,000	\$12,000	\$3,000	\$3,000	\$3,000

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Perpich Center for Arts Education

Performance Hall Cat Walk	1	275	GO	125	0	0	125	0	0
Asset Preservation	2	305	GO	643	300	300	643	300	300
Foodservice Kitchen Renovation	3	280	GO	570	0	0	570	0	0
Repair & Maintenance Building	4	230	GO	1,817	0	0	326	1,660	0

Project Total	\$3,155	\$300	\$300	\$1,664	\$1,960	\$300
General Obligation Bonding	\$3,155	\$300	\$300	\$1,664	\$1,960	\$300

Pollution Control Agency

Closed Landfill Bonding	1	410	GO	10,795	25,260	0	10,000	26,055	0
Brownfield to Green Space Grant Program	2	245	GO	5,000	0	5,000	0	0	0

Project Total	\$15,795	\$25,260	\$5,000	\$10,000	\$26,055	\$0
General Obligation Bonding	\$15,795	\$25,260	\$5,000	\$10,000	\$26,055	\$0

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority	Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Trade & Economic Development

Redevelopment Grant Program	1	390	GO	10,000	10,000	10,000	10,000	10,000	10,000
State Matching Funds	2	436	GO	16,000	16,000	16,000	16,000	16,000	16,000
Wastewater Infrastructure Fund	3	378	GO	30,000	30,000	30,000	4,000	4,000	4,000
			GF	600	600	600	80	80	80
Clean Water Partnership	4	255	GF	3,000	3,000	3,000	0	0	0

Project Total	\$59,600	\$59,600	\$59,600	\$30,080	\$30,080	\$30,080
General Obligation Bonding	\$56,000	\$56,000	\$56,000	\$30,000	\$30,000	\$30,000
General Fund Projects (GF)	\$3,600	\$3,600	\$3,600	\$80	\$80	\$80

Funding Source

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Transportation, Department of

Northstar Corridor Rail Project	GO-1	319	GO	120,000	0	0	120,000	0	0
Local Bridge Replacement and Rehabilitation	GO-2	385	GO	48,000	65,000	70,000	30,000	30,000	30,000
Red Rock Corridor Rail Project	GO-3	270	GO	5,000	12,000	163,000	0	0	0
Midwest Regional Rail Initiative (Inter-City)	GO-4	256	GO	10,000	30,000	30,000	0	0	0
Rail Service Improvement	GO-5	270	GO	12,000	6,000	6,000	0	0	0
Port Development Assistance	GO-6	230	GO	8,000	8,000	6,000	0	0	0
Statewide Public Safety Radio System	GO-7	95	GO	36,690	35,000	35,000	0	0	0
Consolidated Operations Support Facility	THF-1	160	THF	9,500	0	0	9,500	0	0
Mankato Headquarters Building	THF-2	175	THF	14,000	0	0	14,000	0	0
Communications Backbone Digital Conversion	THF-3	145	THF	11,000	0	0	2,000	0	0
Rochester Headquarters 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
State Bridge Replacement and Rehabilitation			THB	0	70,000	70,000	0	0	0
Duluth Headquarters Addition/Remodel			THF	0	0	1,250	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. 2002-2007

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

Project description	Agency Strategic Priority Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Transportation, Department of

Crookston Headquarters Building Addition	THF	0	0	1,000	0	0	0
Willmar Headquarters 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

Project Total	\$274,190	\$242,090	\$395,125	\$175,500	\$30,000	\$30,000
General Obligation Bonding	\$239,690	\$156,000	\$310,000	\$150,000	\$30,000	\$30,000
Trunk Highway Fund (THF)	\$34,500	\$16,090	\$15,125	\$25,500	\$0	\$0
Trunk Hwy Fund Bonding (THB)	\$0	\$70,000	\$70,000	\$0	\$0	\$0

Funding Source

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 GO = General Obligation Bonds

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 THB = Trunk Highway Fund Bonding

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 UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

University of Minnesota

Systemwide - HEAPR	1	470	GO	80,000	80,000	80,000	35,000	35,000	35,000
St. Paul - Plant Growth Facilities, Phase II	2	428	GO/UF	18,700	0	0	3,400	14,300	0
Duluth - Laboratory Science Building	3	288	GO/UF	25,500	0	0	25,500	0	0
Minneapolis - Nicholson Hall	4	298	GO/UF	24,000	0	0	10,000	0	0
Minneapolis - Mineral Resources Research Center	5	298	GO/UF	18,400	0	0	0	0	0
Systemwide - Classroom Improvements	6	213	GO/UF	4,000	4,000	1,500	4,000	0	0
Minneapolis - Translational Research Facility	7	233	GO/UF	37,000	0	0	0	0	0
Crookston - Bede Hall Replacement	8	313	GO/UF	7,701	0	0	7,701	0	0
Morris - Social Science Building & Sprinklers	9	213	GO/UF	9,000	0	0	0	0	0
Minneapolis - Teaching & Technology Center	10	213	GO/UF	3,000	0	0	0	0	0
Statewide - Research & Outreach Centers	11	248	GO/UF	3,000	3,000	3,000	0	0	0
Minneapolis - Northrop Auditorium	12	248	GO/UF	2,000	10,000	0	0	0	0
Minneapolis - AHC Precinct Plan Phase I			GO/UF	0	20,000	0	0	0	0
Crookston - Academic Program Improvement I			GO/UF	0	4,500	0	0	0	0
Minneapolis - Folwell Hall			GO/UF	0	27,000	0	0	0	0
Morris - Academic Program Improvements I			GO/UF	0	3,000	0	0	0	0

Funding Source

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 THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund
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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

University of Minnesota

Minneapolis – Pillsbury Hall Design	GO/UF	0	1,000	0	0	0	0	0
Minneapolis – Teaching and Technology Center	GO/UF	0	42,000	0	0	0	0	0
Minneapolis – Lind Hall Renovation	GO/UF	0	18,000	0	0	0	0	0
St. Paul – North Project	GO/UF	0	24,000	0	0	0	0	0
Duluth – Kirby Plaza Project	GO/UF	0	12,000	0	0	0	0	0
Minneapolis – AHC Precinct Plan Phase II	GO/UF	0	0	52,500	0	0	0	0
Minneapolis – Pillsbury Hall	GO/UF	0	0	15,000	0	0	0	0
Minneapolis – Scott Hall	GO/UF	0	0	12,000	0	0	0	0
Minneapolis – Peik Hall	GO/UF	0	0	12,000	0	0	0	0
Morris – Academic Program Improvements II	GO/UF	0	0	4,500	0	0	0	0
Minneapolis – Tate Laboratory of Physics I	GO/UF	0	0	21,000	0	0	0	0
St. Paul – Food Science & Nutrition	GO/UF	0	0	15,000	0	0	0	0
St. Paul – Plant Science Teaching & Outreach	GO/UF	0	0	4,000	0	0	0	0
Duluth – Chemistry / Life Science Vacated Space	GO/UF	0	0	9,000	0	0	0	0
Duluth – Bulldog Sports Center	GO/UF	0	0	16,751	0	0	0	0
Crookston – Academic Program Improvements II	GO/UF	0	0	6,000	0	0	0	0

Funding Source

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THF = Trunk Highway Fund
 UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

University of Minnesota

Project Total	\$232,301	\$248,500	\$252,251	\$85,601	\$49,300	\$35,000
General Obligation Bonding	\$186,596	\$197,899	\$196,223	\$73,762	\$49,300	\$35,000
User Finance Bonding	\$45,705	\$50,601	\$56,028	\$11,839	\$0	\$0

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

STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Veterans Homes Board

Hastings Building Preservation	1	470	GO	8,553	0	0	8,553	0	0
Silver Bay Roof Replacement	2	395	GO	2,345	0	0	2,345	0	0
Silver Bay Master Plan Renovation	3	340	GO	3,659	0	0	0	0	0
Minneapolis Dining/Kitchen Renovation	4	315	GO	4,375	0	0	0	0	0
Asset Preservation	5	420	GO	4,690	4,406	4,963	2,000	2,000	2,000
Luverne Dementia Unit/Wander Area	6	345	GO	766	0	0	766	0	0
Minneapolis Adult Day Care	7	210	GO	2,825	0	0	0	0	0
Minneapolis Assisted Living	8	210	GO	2,710	0	0	0	0	0
Fergus Falls Wing-Dementia/Wander Additions			GO	0	5,034	0	0	0	0

Project Total	\$29,923	\$9,440	\$4,963	\$13,664	\$2,000	\$2,000
General Obligation Bonding	\$29,923	\$9,440	\$4,963	\$13,664	\$2,000	\$2,000

Funding Source

GF = General Fund
 GO = General Obligation Bonds

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 THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund
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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Water & Soil Resources Board

Reinvest In Minnesota	1	340	GO	20,000	20,000	20,000	7,000	7,000	7,000
			GF	1,634	1,634	1,634	0	0	0
Local Government Road Wetland Replacement	2	275	GO	5,200	4,600	4,600	0	0	0
			GF	900	800	800	0	0	0
Streambank, Lakeshore and Roadside Erosion Control	3	215	GO	4,740	4,740	4,740	0	0	0
			GF	260	260	260	0	0	0

Project Total	\$32,734	\$32,034	\$32,034	\$7,000	\$7,000	\$7,000
General Obligation Bonding	\$29,940	\$29,340	\$29,340	\$7,000	\$7,000	\$7,000
General Fund Projects (GF)	\$2,794	\$2,694	\$2,694	\$0	\$0	\$0

Zoological Gardens

Zoo Master Plan Design/Construction	1	370	GO	18,563	67,442	0	7,184	0	0
Asset Preservation	2	410	GO	3,000	3,000	3,000	3,000	3,000	3,000

Project Total	\$21,563	\$70,442	\$3,000	\$10,184	\$3,000	\$3,000
General Obligation Bonding	\$21,563	\$70,442	\$3,000	\$10,184	\$3,000	\$3,000

Funding Source

GF = General Fund
 GO = General Obligation Bonds

OTH = Other Funding Sources
 THB = Trunk Highway Fund Bonding

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STATE OF MINNESOTA
Agency Request
 F.Y. 2002-2007

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

Project description	Agency Strategic Priority	Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Grand Total	\$1,942,026	\$1,557,087	\$1,573,906	\$844,559	\$357,114	\$289,331
General Obligation Bonding	\$1,762,840	\$1,314,785	\$1,341,875	\$745,914	\$314,923	\$262,547
User Finance Bonding	\$121,502	\$125,438	\$130,868	\$65,828	\$28,191	\$21,660
Env & Natural Resoures (OTH)	\$0	\$7,260	\$0	\$0	\$0	\$0
General Fund Projects (GF)	\$18,138	\$18,794	\$10,994	\$2,271	\$9,280	\$80
Trunk Highway Fund (THF)	\$39,546	\$20,810	\$20,169	\$30,546	\$4,720	\$5,044
Trunk Hwy Fund Bonding (THB)	\$0	\$70,000	\$70,000	\$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

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Energy Investment Loan Program	1	\$6,000	\$6,000	\$6,000	\$18,000	400	\$6,000	\$6,000	\$6,000
Total Project Requests		\$6,000	\$6,000	\$6,000	\$18,000		\$6,000	\$6,000	\$6,000

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AGENCY MISSION STATEMENT:

The mission of the Department of Commerce (DOC), Energy Division, is to ensure now and into the future that all Minnesotans have access to reliable, reasonably priced, efficient, economically sound, and environmentally responsible energy services.

One of the broad areas of responsibility of the Energy Division is development and implementation of effective energy policies and programs. The program relevant to this request is the Energy Investment Loan program that provides loans to municipalities (counties, cities, towns, and school districts) for energy efficiency capital improvements to buildings. This loan program has not been funded since 1996. It is out of funds for loans at a time when energy prices have become more volatile and will increase overall in the next five years, energy efficiency technology, experience, and knowledge have improved dramatically and local governments, especially schools, do not have funds for capital improvements that will result in more efficient energy use and lower energy bills in the future.

TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:**Rising Energy Prices**

Natural gas commodity prices for the FY 2000-01 heating season increased by nearly four times, resulting in heating bills that were double or triple what they would have been had prices and weather conditions been similar to FY 1999-2000. As it was, the colder winter resulted in heating bills as much as four or five times those in FY 1999-2000. School districts had difficulty paying their heating bills. There was a proposal early in the 2001 legislative session to appropriate money to assist them with these bills. While lower natural gas prices are forecast for the FY 2001-02 winter, volatile energy prices are going to increasingly be a way of life.

Electricity prices are also increasing. The Midcontinent Area Power Pool region, of which Minnesota is the largest electricity consumer, expects a capacity shortfall of electricity between 3,500 and 5,000 megawatts later this decade. This shortfall equates to three to five large power plants similar to the Prairie Island nuclear plant. There are two ways to get the needed capacity – consume less electricity and/or build new capacity.

The more we invest in energy conservation, the less need will exist to build new power plants in the future. Each megawatt of reliable energy conservation costs \$300-\$400 per megawatt saved. The cheapest source of new electric generation capacity, wind energy, costs \$800-\$1,000 per megawatt. A new coal-fired power plant is likely to cost \$1,500-\$2,000 per megawatt and possibly more (none have been built in the last 15 years in the region). In addition, substantial capital investment in transmission and

distribution lines is needed to ensure reliability of the system in the future. These investments will result in higher electricity prices.

Energy Conservation – Sound Public Policy

Investing in energy conservation is the most comprehensive solution to all energy system challenges because it:

- remains the least costly source of energy,
- keeps individual energy costs lower,
- reduces stress on energy infrastructure that is generally operating at capacity--resulting in greater reliability of the system, and
- moderates stress on the natural environment from energy production and transportation.

Despite improvements in energy efficiency, energy consumption continues to grow in Minnesota. Of particular concern is the rapid growth in demand for electricity and transportation-related petroleum products. Given the environmental costs of using these resources and the potential political implications of obtaining energy from foreign sources, implementing available conservation is crucial.

Energy Conservation – Public Buildings

America's schools spend more than \$6 billion each year on energy. The U.S. Department of Energy estimates they could save 25% of that money through better building design, widely available energy-efficient and renewable technologies, and improvements to operations and maintenance. Most public schools, cities, and counties own large, energy consuming buildings. Many were built before concern over energy use and cost was an issue. Most were built without the advantage of today's energy efficiency technologies. These public facilities, supported by local taxpayers, are especially good candidates for energy conservation retrofit. Investment in energy efficiency in these buildings not only provides better, more comfortable public facilities; it also reduces the cost of operation, improves the environment, and reduces the need to build expensive new power plants. These buildings are also very visible within their own communities. Often energy conservation or renewable energy projects within these buildings become models for community residents.

Although cost-effective energy efficiency improvements usually pay for themselves within 10 years, the financial resources necessary to make the improvements are difficult for many institutions to secure. There is pressure to keep property taxes low. Capital funding referendums are often difficult to pass. In the past, the U.S. Department of Energy provided some grant funding for energy conservation in schools and hospitals, but that program has been discontinued. Utilities in some

areas have also made funds available, but those programs are not uniformly available throughout the state and often are not of sufficiently comprehensive scope. Maintenance and building repair often are the first items reduced in the budget because of more pressing program or safety needs.

Energy efficiency improvements not only save energy costs, they also provide a healthier and safer working environment to the building's occupants.

The Energy Investment Loan Program

History

In 1983, the Minnesota Legislature created the Public School Energy Loan Program. In 1987, this program was expanded to include cities and counties, and its name was changed to the Energy Investment Loan Program. This innovative program, one of the first in the nation, provided loans to public school districts 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 low interest loans to local governments with the proceeds. The source of funds for repayment of these loans is the energy cost savings attributable to the funded project. The local governments repay these loans over 10 years, and the repayments are used to pay the debt service on the bonds.

The department has been successful in extending the impact of these bond-funded loans by combining bond funds with Petroleum Violation Escrow Funds (PVE). PVE funds resulted from court settlements of petroleum pricing violations that occurred when oil prices were controlled in the late 1970s and early 1980s. The largest of these PVE settlements was the Exxon Oil Overcharge settlement. In 1986, Minnesota received \$36 million in Exxon PVE funds. The Governor and legislature identified \$6.85 million to be used to establish a revolving loan program for schools, hospitals, and public buildings. This Exxon revolving loan program was developed to be fully integrated with the Energy Investment Loan Program and to meet all federal requirements associated with these PVE funds. This revolving loan mechanism began functioning in FY 1989. It provides a loan principal participation (up to 50% of principal) at zero percent interest rates. Combining these two sources of funds stretches the use of GO bond funds and provides a lower net interest cost to program customers.

Since the Energy Investment Loan Program began operation in 1984, the Energy Investment Loan Program and the Exxon PVE funds have financed \$51.3 million in cost-effective energy efficiency projects in public buildings. Of that amount, \$37.8 million has come from GO bond funds and \$13.5 million has come from Exxon PVE funds. This program has provided loans to 190 (55%) of the state's 343 school

districts. Eleven (12.6%) of Minnesota's 87 counties and 20 (2.4%) of Minnesota's over 800 cities have participated in this program.

Accrued energy cost savings over the life of the program are estimated at over \$54 million. Annual energy cost savings is estimated at over \$5 million each year. DOC examination of actual energy use records of public schools, the major customer of this program, indicates that loan program participants are 7% more efficient in both heating and electrical energy use than non-participants.

Demand for this program grew steadily over the last several years that bonding authority was available, from \$2.3 million in loans in FY 1992 to \$6.1 million in FY 1995 and \$5.6 million in FY 1997. By May 1995, all bonding authority was exhausted. 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 largely exhausted within 18 months, and the program operation was moribund throughout the remainder of the FY 1998-99 biennium.

Prior to 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 have been made eligible for the program, and new cost-effective technologies have emerged. In the last several fiscal years of operation, nearly 40% of loans have financed energy efficient lighting equipment that was not commercially available as recently as nine years ago.

Proposed Changes

The DOC proposes to amend M.S. 216C.37 to increase the allowable payback limit for energy efficiency improvements from 10 to 15 years to be consistent with Minnesota Laws 2001, Ch. 212, Art. 1, § 3, which requires the Department of Administration (DOA) to develop a comprehensive plan for energy conservation improvements in all public buildings that have a simple pay back of 15 years or less. In addition the program would be operated in conjunction with the DOA comprehensive plan so that as improvements are identified and the need to accomplish them become clear, there is a loan fund to help with the capital costs.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS IN RELATION TO CAPITAL REQUESTS:

In relation to this request for funding to continue the Energy Investment Loan Program for schools and municipal buildings, the overall long-range strategic goals of the Energy Division of the DOC are:

- Universal Energy Service – All Minnesota energy consumers must have access to affordable energy services.
- Energy Security – Energy services must be reliable based on adequate supply and distribution that relies on diverse production and/or generation sources, efficient operation of the system, conservation, and adequate contingency planning.
- Environmental Protection – Energy services must be designed, operated, managed, and utilized to minimize adverse environmental effects to the greatest extent feasible and prudent.
- Economic Efficiency – Consumers should be able to choose energy services and energy service providers in a competitive market to the extent that the market can ensure universal, reliable, environmentally sound service where prices reflect costs over time.

One of the key elements of this administration's energy policy is advancing increased energy efficiency and energy conservation to help meet energy capacity shortages predicted in the short-term. By avoiding building new generation capacity, all ratepayers will save on their energy bills.

The Energy Investment Loan Program is designed to assist in all of these objectives. It is intended to provide relatively small amounts of funding that will ensure lower energy costs for the long-term, assist with energy security by reducing demand for energy, reduce adverse environmental effects by reducing demand for more production and transportation, and give municipalities and school districts a viable option to reduce energy consumption and their energy bills by making capital improvements that pay for themselves.

Improving energy efficiency in public buildings provides a model for other building owners as well. If fully funded, we expect that this program would result in additional energy savings of 3-6% annually given historical levels of demand for program funds and historical results of the program.

PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY, AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS, OR ASSETS:

The condition and suitability of the DOC office space is not pertinent to this request. At issue are the condition and energy efficiency of public school and local government facilities throughout the state and the ability of school districts and local governments to cope with increasing energy prices. Many of the buildings operated by these local government units are old and energy inefficient. They were built during a time when energy use and cost were not a concern. Many have limited insulation, inefficient heating plants, old lighting and control technologies, and limited building operation expertise. Virtually all of these local governments are facing the pressure of finite budgets and limited federal and state revenues. Often building maintenance and retrofit are not priorities when compared with programs that fulfill educational and

governmental missions. Those local governments with available funds are also faced with mandates for building upgrades in non-energy areas such as health, safety, fire and handicap accessibility.

Energy prices will continue to be volatile. School districts and municipalities will be hard pressed to adequately budget for their energy expenditures. They will be looking for assistance in meeting what may well be an energy price crisis within a few years. Rather than providing cash assistance to pay heating bills, providing loans to make the capital improvements that will result in more efficient energy use and therefore lower energy bills is a long term solution to rising prices, increasing scarcity of energy sources, stressed infrastructure, and the environmental damage that results from energy production and transportation.

There is a significant continued need for financial assistance through low-cost energy conservation retrofit funds in these public facilities.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The department is submitting this request after discussions with utilities, school administrators, and energy auditors on the demand for energy conservation financing for public sector buildings and the effectiveness of the Energy Investment Loan Program. To arrive at the level of this request, DOC used historical program data to estimate average loan size and number of loans per year. The capital budget request (\$8 million in this biennium), assumes historical averages for loan size and number of loans per year will continue and participation with Petroleum Violation Escrow Funds will continue.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001):

Bonding authority to operate this program was established at \$30 million in 1983. An additional \$4.0 million in bonding authority was approved in both 1994 and 1996. Total bonding authority approved for this program now totals \$38.0 million. To date, 477 loans have funded projects in 193 school districts, 11 counties, and 19 cities.

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2002 STATE APPROPRIATION REQUEST: \$6,000,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Statewide

PROJECT DESCRIPTION AND RATIONALE:

In 1983, the Minnesota Legislature created the Public School Energy Loan Program. In 1987, this program was expanded to include cities and counties, and its program name was changed to the Energy Investment Loan Program. This innovative program, one of the first in the nation, provided loans to public school districts 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 sells GO bonds and issues loans to local governments with the proceeds. The source of funds for repayment of these loans is the energy cost savings attributable to the funded project. The local governments repay these loans over 10 years, and the repayments are used to pay the debt service on the bonds. This innovative program provides energy retrofit capital to local governments efficiently at a favorable interest rate and ensures that state GO bonds will be repaid.

The department has been successful in extending the impact of these bond funded loans by combining bond funds with Petroleum Violation Escrow Funds (PVE). In 1986, Minnesota received \$36 million in Exxon PVE funds. The Governor and legislature identified \$6.85 million to be used to establish a revolving loan program for schools, hospitals, and public buildings. This Exxon revolving loan program was developed to be fully integrated with the Energy Investment Loan Program and to meet all federal requirements associated with these PVE funds. This revolving loan mechanism began in FY 1989. It accomplishes an interest rate reduction through zero interest principal participation. This combination stretches the use of GO bond funds and provides a lower net interest cost to program customers.

Since the Energy Investment Loan Program began operation in 1984, the Energy Investment Loan Program and the Exxon PVE funds have financed \$51.3 million in cost-effective energy efficiency projects in public buildings. This program has provided loans to 190 (55%) of the state's 343 school districts. Eleven (12.6%) of Minnesota's 87 counties and 20 (2.4%) of Minnesota's over 800 cities have participated in this program.

Accrued energy cost savings over the life of the program are estimated at over \$54 million. Annual energy cost savings are estimated at over \$5 million each year. DOC examination of actual energy use records of public schools, the major customer of this

program, indicates that loan program participants are 7% more efficient in both heating and electrical energy use than non-participants.

Demand for this program 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 basic program operation was suspended throughout most of FY 1998-99 biennium.

Prior to 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 have been made 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 nine years ago.

The uncertainty of imported sources, national Clean Air Act requirements, national Energy Policy Act requirements, debate about environmental aspects of various energy sources, and the current discussion about possible energy taxes show that the issue of energy use and efficiency is as important today as it was at this program's inception.

Additionally, Minn. Laws 2001, Ch. 212, Art. 1, §3, requires the Department of Administration to develop comprehensive energy conservation improvement plans for all public buildings in the state. This loan program will dovetail with that comprehensive plan to enable school districts and municipalities to make the improvements, capture the energy and cost savings, and serve as models for other businesses and institutions. The simple pay back limit for Energy Investment Loans should be increased to 15 years to be consistent with the new legislation.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

There will be no impact on the operating budget of the DOC. However, there will be a positive impact of reduced utility costs and healthier, more energy efficient buildings for all of the local governments that participate in this program.

OTHER CONSIDERATIONS:

Never a loan default: The department designed the Energy Investment Loan Program to be flexible for the customer, yet to fully protect the interests of the state

bond holders in the event of unusual circumstances. This protection is built into our rules, applications, and contracts. All loan applications contain assurances that the building will continue to be operated and maintained by the borrower in the future. The application must include an irrevocable repayment resolution, passed by the borrower's governing board. This resolution ensures that the debt assumed by the borrower under this loan obligation is made with appropriate opportunity for citizen access. The program rules specify that only projects with useful lives greater than the remaining useful life of the building will be considered for funding. Finally, our contracts state that the loan can be made due and payable if the building is closed or sold.

Predominantly Public Schools: Most of the program participants are public schools. Public schools account for 86% of the institutions assisted and 96% of the total loan financing approved by this program.

Expansion Into Renewable Energy: Most of the projects financed through this program have been energy efficiency projects. However, in 1996 we used an Energy Investment Loan along with federal funds to finance the first public school wind turbine in the state at Lac Qui Parle high school.

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

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Pre-design Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	38,000	6,000	6,000	6,000	56,000		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	38,000	6,000	6,000	6,000	56,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$38,000	\$6,000	\$6,000	\$6,000	\$56,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	38,000	6,000	6,000	6,000	56,000
State Funds Subtotal	38,000	6,000	6,000	6,000	56,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	38,000	6,000	6,000	6,000	56,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
1996 Chapter 463 Section 23	4,000
1994 Chapter 643 Section 20	4,000
1983 Chapter 323 Section 5	30,000
TOTAL	38,000

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request restarts an energy efficiency program that began in 1984 that provides schools and local governments with the needed capital to make energy improvements at a reduced interest rate. The participating entities repay the loans over a ten-year period with savings that result from lower energy costs. The loan repayments are used to service the bonds.

As a result of 2001 law, the Department of Administration is required to develop comprehensive energy conservation improvement plans for all public buildings in the state. As a result, it's expected there will be a significant increase in demand for programs such as this.

Governor's Recommendation:

The Governor recommends an appropriation of \$6 million for energy improvement projects at schools and units of local government. The appropriation is from General Obligation bonding, to be repaid by the participating entities. Also included are budget planning estimates of \$6 million in 2004 and 2006.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	100
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	400

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AGENCY CAPITAL BUDGET REQUEST
 Fiscal Years 2002-2007
 Dollars in Thousands (\$137,500 = \$138)

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Publicly Owned Transitional Housing Loans	1	\$19,500	\$2,500	\$2,500	\$24,500	285	\$4,461	\$2,500	\$2,500
Total Project Requests		\$19,500	\$2,500	\$2,500	\$24,500		\$4,461	\$2,500	\$2,500

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AGENCY MISSION STATEMENT:

The Minnesota Housing Finance Agency (MHFA) is committed to meeting Minnesotan's needs for decent, safe, affordable homes and stronger communities.

The Agency has two broad policy objectives for all of its programs: 1) meeting Minnesotan's basic housing needs; and 2) strengthening communities. To achieve these policy objectives, the Agency directly and through lenders, community action programs, and local housing and redevelopment authorities provides financial assistance in the form of loans, deferred loans, and grants; provides technical and financial assistance to build housing capacity and to preserve affordable housing financed by the Agency; and administers substantial federal monies in the form of section 8 and section 236 housing assistance payments.

TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:

The number of homeless persons in Minnesota continues to increase. The Wilder Research Center's estimate of homeless persons in October 2000 is 2.5 times the estimate in October 1991. The number of men receiving shelter services grew by 58% between 1991 and 2000, compared to an approximately 12% growth in the state population. The number of homeless adult men who are veterans also increased from 26% in 1997 to 31% of the total in 2000.

The tight housing market and the high cost of housing is reflected in the increase in the portion of homeless adults who are working full-time or part-time. The portion of the adult homeless population that is working more than doubled between 1991 and 2000: 41% of the homeless adults are working either full or part-time. Twenty-six percent of homeless adults are working full-time.

Two-thirds of the working homeless adults earn less than \$9.60 per hour; workers at that hourly rate would still need to pay at least 40% of their income (assuming full-time work) for rent on a typical one-bedroom apartment. Even the 25% of homeless worker earning as much as \$12 per hour could not afford the market rent a typical one-bedroom apartment in the metro area.

Non-economic factors also influence homelessness. The 2000 Wilder survey found that 38% of the homeless adults have a serious mental illness, a slight increase from 1994. Although the portion of the homeless population that is diagnosed with an alcohol abuse or drug abuse disorder is also slightly down from 1997, they still represent 19% and 13% of the homeless adult population respectively. Fifteen percent (15%) of the homeless adults have a "dual diagnosis" of mental illness and alcohol or drug abuse.

Two recent studies indicate that a shift from transitional housing to supportive housing for some households may improve outcomes for residents and reduce public expenditures.

The April 1999 Wilder Research Center "Minnesota Transitional Housing Outcome Study" evaluated the success of transitional housing as measured by seven outcomes. The study concluded that transitional housing produces mixed results.

The October 1999 study entitled "The Supportive Housing Continuum: A Model for Housing Homeless Families" prepared for the Family Housing fund found that the transitional housing system cannot meet the needs of many homeless families. The time limited nature of transitional housing does not accommodate the difficulties families encounter securing permanent housing in a tight housing market or the families' need for services for a longer period of time.

In response to these studies, the MHFA successfully brought to the 2001 Legislature a consolidation of several sources of funding for supportive housing to improve the delivery of supportive housing.

At least four studies in the last three years have examined the effectiveness of supportive housing in reducing costs to other systems, including health care, corrections, and chemical dependency services. All of the studies have found significant savings to one or more systems.

An analysis of an 80 resident long-term housing facility for chronically inebriated men in Hennepin County found a significant reduction in detox admissions among its residents over the two year study period. Another 40-unit permanent supportive housing facility in Hennepin County for chronic alcoholics also found a significant decline in detox admissions and emergency room admissions.

An evaluation of the Minnesota Supportive Housing Demonstration program found that the program, which focuses on people with mental illness, chemical dependency, or HIV/AIDS who are either homeless or at-risk of becoming homeless, uses state funds more economically than the programs on which this population had previously relied.

The May 2001 study funded by the Fannie Mae Foundation entitled "The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of Public Health, Corrections, and Emergency Shelter Systems: the New York-New York Initiative" evaluated, over an eight year period, a program that placed homeless persons with severe mental illness in supportive housing. The study found marked reductions in shelter use, hospitalizations, length of stay per hospitalization, and time incarcerated. Reductions in incarcerations, hospitalizations and shelter use pay for 95% of the costs of the supportive housing according to this study.

MHFAs transitional and supportive housing programs are an integral component of the MHFAs efforts to meet its policy objective of meeting Minnesotan's basic housing needs.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS IN RELATION TO CAPITAL REQUESTS:

The Agency has two broad policy objectives for all its programs: meeting Minnesota's basic housing needs and strengthening communities. With respect to addressing the problem of homelessness, the goal is to ensure that all the components of the continuum of care are accessible to people everywhere in the state. The strategy is to work to fill the gaps in the continuum of care.

The Agency's plan is to increase the number of transitional and supportive housing projects in regions of the state where there are inadequate services.

PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY, AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS, OR ASSETS:

Funds for the transitional housing program has been included in the last six major capital bonding legislation. Demand for monies under this program remains strong. All of the funds appropriated through 2000 in capital bonding bills have been committed.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The Agency has participated in several processes that all lead to this capital request.

The Agency chairs the State Interagency Task Force on Homelessness which is designed to coordinate state homeless programs, provide information to public and private providers of services and housing around the state, and jointly administer the Family Homeless Prevention and Assistance Program. The Task Force has also undertaken an initiative to encourage the development and refinement of regional continuum of care plans.

The U.S. Department of Housing and Urban Development requires the state to engage in a Continuum of Care planning process as part of the funding process for homeless programs. Development of Continuum of Care plans involves the participation of various interest groups and individuals in the community or region. The Interagency Task Force on Homelessness supports the regional Continuum of Care planning in Greater Minnesota by assigning members of the Task Force to work with the Continuum of Care planning committees in each region. The Task Force also provides resources to pay staff in the regions to complete the Continuum of Care plans and sponsored training sessions to provide technical assistance for regional staff.

The Continuum of Care plan assigns relative priority to the different components of the continuum. The most recent regional plans assigned the following priority ranking for transitional housing for families with children: southeast Minnesota – high priority; southwest Minnesota – high priority; central Minnesota – high priority; northwest Minnesota – high priority; west central Minnesota – medium priority; northwest Minnesota – high priority.

During the last two years, MHFA staff has served on the City/County Task Force (Minneapolis/Hennepin) on Homeless both for singles and for families. In April 2000 the Task Force made recommendation regarding homeless single adults and homeless youth. These recommendations were adopted by the City Council and the County Board of Commissioners.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001):

\$11 million has been appropriated for publicly owned transitional housing and battered women's residences and transitional housing since 1990. \$4 million of this amount was appropriated in 1998 from the general fund and \$2 million in 2000 from the General Fund. All of this money has been either disbursed or committed.

This program has funded projects throughout the state. Among the locations of publicly owned transitional housing projects the Agency has funded are: Aitkin, Backus, Bemidji, Blackduck, Bloomington, Brooklyn Park, Caledonia, Fridley, Jordan, La Prairie, Mankota, Minneapolis, Oakdale, Park Rapids, Red Wing, Rochester, and St. Cloud. At least 581 units of publicly owned transitional housing or transitional housing have been or are being developed with the funds made available since 1990.

2002 STATE APPROPRIATION REQUEST: \$19,500,000

AGENCY PROJECT PRIORITY: 1 of 1

PROJECT LOCATION: Minneapolis and St. Cloud

PROJECT DESCRIPTION AND RATIONALE:

The request for \$19.5 million in state funds is to rehabilitate and to construct two developments for transitional and supportive housing for veterans and single adults who are homeless or at risk of becoming homeless under the Minnesota Housing Finance Agency (MHFA) Publicly Owned Transitional Housing Program (POTH). A total of 338 units of housing would be developed with this funding. The POTH 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. 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. Many of the publicly owned transitional housing projects are a partnership between the local jurisdiction that 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.

The Minnesota Department of Veterans Affairs (VA) joins MHFA in making this capital request.

The two developments for which funding is sought are a collaborative partnership between the VA and community groups and are known as the "Veterans and Community Housing Initiative." Both developments would be located on land owned by the U.S. Department of Veterans Affairs; one on the VA Medical Center campus in Minneapolis and the other on the VA Medical Center campus in St. Cloud. The U.S. Department of Veterans Affairs has agreed to lease land on each site to non-profit organizations for the housing developments. The land will be leased at no cost and for long term (at least 35-40 years). Typically, land represents about 6-10% of the total development costs. Approximately one-half of the residents in each development will be veterans and one-half will be other single adults. The siting of the developments will avoid some of the resistance frequently encountered by supportive housing for the homeless.

The VA Medical Centers in both locations are statewide facilities. In FFY 2001 the St. Cloud VA Medical Center served 17,159 distinct veterans. The veterans served came from 84 Minnesota counties as well as other states. In FFY 2001 the Minneapolis VA Medical Center served 59,079 distinct veterans who came from all of

Minnesota's counties as well as other states. The housing developments are expected to serve veterans and other single adults from throughout the state.

The Minneapolis development would provide 218 efficiency apartment units. Eighteen of the units would be located in three existing building which would be completely rehabilitated. Two hundred new units would be constructed in a three-story building. All of the units will have a bathroom, compact kitchen, and a living and sleeping area. The rehabbed units will be 300 square feet and the newly constructed units will be 276 square feet. Surface parking and an outdoor courtyard and open area are proposed for the development. The design of the new building is intended to be compatible with the design and materials of existing buildings on the campus.

The total costs of the Minneapolis development are: \$13,382,419. The ongoing operating costs of the development will be covered by tenant rents. No state funds for ongoing operating costs are anticipated.

In addition to the federal government contribution of the land, the development will leverage other community resources. Supportive services will be coordinated by the Minnesota Assistance Council for Veterans (MAC-V) and provided by MAC-V and other community groups. MAC-V will operate the housing. The development is conveniently located on public transportation routes.

Possible public owners include the Minneapolis Community Development Agency (MCDA) and the Hennepin County HRA. MCDA has served as the public owner for developments funded under the Publicly Owned Transitional Housing Program.

The St. Cloud development will provide 120 units of newly constructed transitional and permanent housing. All of the units will be efficiency apartments with private bathrooms and kitchenettes. The transitional housing will include counseling, recreation, and supportive services spaces as well as a common serving kitchen and dining space.

The total costs for the St. Cloud development are: \$6.1 million. The ongoing operating costs of the development will be covered by tenant rents. No state funds for ongoing operating costs are anticipated.

Case management for the veterans living in the development would be provided by the St. Cloud VAMC. The remaining residents will be referred by the community partners in the collaborative. The MAC-V will operate the permanent housing and the Salvation Army will operate the transitional housing. The development will serve the greater St. Cloud area.

The St. Cloud Housing and Redevelopment Authority (HRA) is a possible public owner; it has served as the public owner for seniors developments funded under the Publicly Owned Transitional Housing Program.

The Minnesota Department of Veterans Affairs has worked closely with MAC-V and is highly supportive of the organization and of the initiative.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

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

OTHER CONSIDERATIONS:

The 2000 Wilder Research Center Minnesota Statewide Survey of Persons Without Permanent Shelter reports a 250% increase in the number of homeless persons between 1991 and 2000. Nearly one-third (31%) of the homeless adults are veterans.

Both of these projects envision a strong connection between housing and necessary supportive services. Supportive housing is an element of a continuum of basic housing needs in Minnesota. Supportive 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, supportive housing needs to aid people in reintegrating into their communities through the development of needed skills and the utilization of existing community resources. Supportive housing serves special populations including persons with disabilities, battered women, and children. At least four studies in the last three years have examined the effectiveness of supportive housing in reducing costs to other systems, including health care, corrections, and chemical dependency services. All of the studies have found significant savings to one or more systems.

In May 1999 the Hennepin County Board and the Minneapolis City Council adopted resolutions establishing the City/County Task Force on Homelessness. The task force included elected officials, staff from metropolitan and state agencies, representatives of shelter providers, advocates, formerly homeless persons, and business and community representatives. A task force subcommittee reported that there are approximately 4,400 single persons in shelter or without housing in the seven-county metropolitan area. Approximately 75% of those persons are in Hennepin County. The task force recommended that the city and county make a long-term commitment to raise funds for the development of 1,850 units of single-room occupancy housing. The capital budget request will assist in meeting this goal.

In 1996, the St. Paul City Council and the Ramsey County Board of Commissioners jointly endorsed a planning process designed to assess the state of affordable housing and the homeless services delivery system in the community and devise a plan to address the gaps identified. Homeless veterans were identified as one of the significant groups of homeless persons. The downsizing of VA facilities and a shift in emphasis from inpatient to outpatient services were cited as creating additional roadblocks for veterans in need of services. The Report and Plan issued in April 1999 recommended that housing and service providers should explore opportunities to partner with veterans service when developing or expanding housing or services programs. The developments proposed for funding with this capital budget request are examples of the recommended partnerships.

The 1987 Stewart B. McKinney Homeless Assistance Act is the principal federal legislation funding housing and services for homeless persons. Communities that apply for McKinney Act funds must undertake a community-based planning process to identify the needs of homeless people and work to develop a comprehensive system of Continuum of Care to meet those needs.

The most recent Continuum of Care plan for Hennepin County (FY 2001) assigned the highest priority to permanent supportive housing. The estimated unmet need for individuals for permanent supportive housing was 3,470 units.

The most recent Continuum of Care plan for the central Minnesota region assigned a high priority to both transitional housing and permanent supportive housing for individuals and estimated the unmet need to be about 153 units of transitional housing and 83 units of permanent supportive housing. Transitional housing for individuals was similarly assigned a high priority and the unmet need was estimated to be about 174 units.

This capital budget request is consistent with the relevant regional Continuum of Care plans and assists with the highest identified regional needs.

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Housing Finance Agency
Publicly Owned Transitional Housing Loans

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition						06/2002	06/2002
Land, Land Easements, Options	\$0	\$63	\$0	\$0	\$63		
Land and Buildings	0	0	0	0	0		
2. Pre-design Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	511	0	0	511	03/2002	04/2002
Contract Documents	0	0	0	0	0		
Construction Administration	0	170	0	0	170		
4. Project Management						04/2002	06/2002
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	2,045	0	0	2,045		
5. Construction Costs						06/2002	08/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	15,070	0	0	15,070		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	754	0	0	754		
Other Costs	0	470	0	0	470		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						08/2003	
Furniture, Fixtures and Equipment	0	8	0	0	8		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	409	0	0	409		
SUBTOTAL: (items 1 – 8)	0	19,500	0	0	19,500		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$19,500	\$0	\$0	\$19,500		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	13,500	19,500	2,500	2,500	38,000
State Funds Subtotal	13,500	19,500	2,500	2,500	38,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	4,612	0	671	671	5,954
Local Government Funds	8,966	0	1,294	1,294	11,554
Private Funds	9,038	0	1,325	1,325	11,688
Other	0	0	0	0	0
TOTAL	36,116	19,500	5,790	5,790	67,196

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Chapter 482, Article 1, Section 23	2,000
Laws 1998, Chapter 404, Section 24 (NB: Genl fund approp-not GO Bonds)	4,000
Laws 1996, Chapter 463, Section 20	2,500
Laws 1994, Chapter 643, Section 16	2,500
Laws 1992, Chapter 558, Section 11	1,000
Laws 1990, Chapter 610, Article 1, Section 26	1,500
TOTAL	13,500

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	19,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This proposal takes advantage of an opportunity to site housing for homeless men, traditionally difficult to site, on the campus of veterans' hospitals in Minneapolis and St. Cloud. The federal government will provide the land for new construction and, in the case of the Minneapolis campus, will provide three existing buildings for rehabilitation into single room occupancy housing.

While the proposal makes good use of existing government land resources, additional leveraging of local resources would greatly strengthen this request. Local jurisdictions should be encouraged to use their financial resources to make this request a reality.

Governor's Recommendation:

The Governor recommends a partial appropriation of \$4.461 million for housing for homeless men at the proposed Minneapolis facility. This appropriation is from general obligation bonding and is contingent upon an \$8.922 million local funding match. Also included are budget planning estimates of \$2.5 million in 2004 and \$2.5 million in 2006 for transitional housing loans that will support the development and construction of transitional housing facilities throughout Minnesota.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	285

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AGENCY CAPITAL BUDGET REQUEST
 Fiscal Years 2002-2007
 Dollars in Thousands (\$137,500 = \$138)

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Mesabi Station	1	\$2,783	\$0	\$0	\$2,783	229	\$0	\$0	\$0
Giants Ridge Sports Dorm Renovation	2	441	0	0	441	250	0	0	0
Giants Ridge Chalet/Winter Sports Operations	3	939	0	0	939	170	0	0	0
Giants Ridge Magic Carpet	4	71	0	0	71	150	0	0	0
Ironworld Library Expansion	5	652	0	0	652	125	0	0	0
Ironworld Interpretive Center Energy Efficiency	6	1,439	0	0	1,439	145	0	0	0
Ironworld Discovery Center Roof Replacement	7	218	0	0	218	155	0	0	0
Ironworld Water and Sewer Upgrade/Extension	8	284	0	0	284	95	0	0	0
Total Project Requests		\$6,827	\$0	\$0	\$6,827		\$0	\$0	\$0

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AGENCY MISSION STATEMENT:

The Iron Range Resources & Rehabilitation Board (IRRRB) adopted the following mission statement in 1992:

First, to be careful custodians of the public money entrusted to us. Second, to enhance the economic vitality of the Taconite Tax Relief Area through value-driven, cost-effective projects, and programs designed for the long-range benefit of the region.

TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:

Closure of the LTV Mining Company at the Aurora/Hoyt Lakes, affecting 1,400 direct employees plus hundreds of others in supporting industries.

Development of 132 miles of paved trail connecting 28 communities, creating the longest paved trail in the United States.

Provides a quality of life amenity for businesses and their employees, as well as a destination attraction.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS IN RELATION TO CAPITAL REQUESTS:

The main mission of the IRRRB is one of economic development and diversification. To that end, the agency is focused on retaining and expanding business, and creating jobs.

PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY, AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS, OR ASSETS:

When complete, the Mesabi Trail will be 132 miles of paved trail connecting 28 communities from Grand Rapids to Ely. To date, approximately 57 miles of trail have been completed. The proposed Mesabi Station will be located at mid-trail and be the main focal point, uniting all communities along the length of the trail, and serving trail users and guests to the area. At this time no facility exists on site.

Notes:

- US Highway 53 Corridor
- \$7.5 million already invested in this trail
- \$1.25 million of state of Minnesota money via IRRRB
- Proportion of non-state funds vs state funds currently in the project
- Statewide impact in terms of marketability throughout U.S. and Canada
- Website "hits"

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

Project priority selection method.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001):

None.

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2002 STATE APPROPRIATION REQUEST: \$2,783,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION: Virginia

PROJECT DESCRIPTION AND RATIONALE:

Mesabi Station will be the central spot on the Mesabi Trail for guest services. Located on the U.S. Highway 53 corridor, it will serve as the central service facility for the entire area, and represents the front door to our communities.

The facility will be designed for recreation, information and commerce. A quality guest experience is the motto. Here guests can park, camp, access the trail on foot or by bike, or wheeled vehicle, and have the best services available.

Mesabi Station is not only a destination; it is also a point of departure out into the land and communities, to discover the treasures of the entire area.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None. The St. Louis and Lake Counties Railroad Authority will assume the operating costs of the facility.

OTHER CONSIDERATIONS:

Overview:

The Mesabi Trail is a true statewide resource and recreational gem. The trail traverses through three counties in Northern Minnesota, stretching from the banks of the Mississippi River to the Boundary Waters Canoe Area Wilderness (BWCAW). This unique trail also ties together for travelers well-known and heavily visited state resources, including the following:

- The Forest History Center in Grand Rapids
- The Chippewa National Forest
- The Superior National Forest
- Scenic State Park
- Hill Annex Mine
- Hull Rust Mine
- Iron World Discovery Center
- Minnesota Museum of Mining
- Giants Ridge Golf and Ski Resort
- Tower-Soudan Underground State Park

- Bear Head State Park
- International Wolf Center
- The US Hockey Hall of Fame
- Hundreds of lakes, rivers, and campgrounds

The Mesabi Trail has quickly won great reviews from bike enthusiasts and publications for its unique design, breathtaking scenery, and cultural features that include the different personalities and features of the 28 communities along its length. The University of Minnesota Landscape Architecture Department has conducted community surveys and produced studies and plans for communities all along the trail which are designed to highlight these features for guests visiting the region. Moreover, the Legislative Commission on Minnesota Resources (LCMR), the Federal Department of Transportation, the Blandin Foundation, Itasca, Lake, and St. Louis Counties, the state of Minnesota, the Minnesota Department of Transportation, and others have all contributed substantial resources to build and fund the Mesabi Trail. Each has recognized the drawing power and statewide support for this trail, which is the longest paved bike trail in the United States.

Trail Heads:

The 132-mile length of the Mesabi Trail necessitates "Trail Heads" at several locations. Four Trail Head sites are being planned for construction at approximately 30 to 40 mile intervals being **Grand Rapids, Iron World (in Chisholm), Virginia and Ely**. Each will be briefly discussed in further detail as follows:

Grand Rapids gateway will serve the Mesabi Trail as the western terminus. This facility is a cooperative effort and combined use with Itasca County Parks, Itasca County Fair and Minnesota Department of Natural Resources Taconite Snowmobile trail. This four-season facility will be constructed in year 2002 with funding from the following sources:

Itasca County Fair Board	\$ 62,896
Blandin Foundation	150,000
Minnesota Department of Natural Resources/National Trails	90,000
Volunteers for the Handicapped	7,215
Multiple Sclerosis Society	10,000
Grand Rapids Township	5,000
State of Minnesota Legislative Commission on Minnesota Resources	135,000
Total	\$460,111

Iron World gateway will serve the Mesabi Trail, Iron World Discovery Center and St. Louis County Fair. This facility will be seasonal and is scheduled for construction in year 2004. A Federal Enhancement grant has been committed by the Mesabi Trail Authority in the amount of \$300,000 to this project. Preliminary design and building function are ongoing.

Virginia gateway or Mesabi Station has been under development for the past 18 months. Letters of support and resolutions from communities, chambers, groups and organizations have been received. The University of Minnesota, Department of Landscape Architecture performed extensive site evaluation and designs for Mesabi Station. In 2001, the LCMR and the Minnesota Legislature, with the support of the Governor, appropriated \$190,000 for site acquisition and design for the Mesabi Station. The legislature heard extensive testimony for the Mesabi Station prior to its appropriation. Land for the Mesabi Station site is in process of being acquired. Mesabi Station design, architecture, and construction documents are presently being prepared in accordance with a state of Minnesota, LCMR grant. The city of Virginia has committed to extend utilities including water, sewer, and power to Mesabi Station site. The St. Louis & Lake Counties Railroad Authority is providing administrative staff, technical, and project support.

Resources committed for Mesabi Station are as follows:

University of Minnesota; preliminary designs and site evaluation	\$ 25,000
City of Virginia; utility extensions	150,000
Virginia Public Utilities, power extensions	50,000
St. Louis and Lake Counties, administrative and tech support	150,000
Iron Trail Visitors Bureau, promotion and advertising	25,000
State of Minnesota/Commission on Minnesota Resources, design, and architecture	150,000
St. Louis County, construction grant	100,000
Federal TEA-21, Enhancement, construction grant	400,000
Total	\$1,050,000

Ely gateway will be the easterly terminus of the Mesabi Trail. No work has yet begun on Ely facility.

Additionally, another gateway is being considered using existing resources and facilities at Giants Ridge Golf and Ski resort, operated by the IRRRB.

Other state involvement:

Since its inception in 1995, the Mesabi Trail (which is under the jurisdiction of the St. Louis/Lake/Itasca Regional Railroad Authorities) has worked with and gained support from a wide variety of public and private sources. It is important to outline some of these agencies:

- Minnesota Office of Tourism. This agency has reviewed and supported the development of the Mesabi Trail. In fact, it highlighted the Mesabi Trail in recent publications and the staff of the Mesabi Trail has met with and informed the Tourism staff about the plans for Mesabi Station and our bond request.

- Minnesota Department of Natural Resources. In the mid-80's, the DNR considered building the Mesabi Trail as a state trail, but declined due to the difficulties in obtaining easements. This difficulty has been overcome and the trail constructed, but the DNR has remained involved from helping to fund the gateway to the Trail in Grand Rapids to helping to secure easements and land acquisition for Mesabi Station (which is going to be located on DNR land).
- Minnesota Department of Trade and Economic Development. In our effort to inform and gain support for Mesabi Station, Commissioner Yanisch has reviewed the plans for the Mesabi Station with our staff.
- Iron Range Resources and Rehabilitation Agency. The IRRRB has dedicated \$1.25 million for construction of the Mesabi Trail and is the lead agency sponsoring the bonding request for Mesabi Station.
- Minnesota Department of Transportation. The MnDOT has reviewed and approved many of the plans for construction of the Mesabi Trail and is currently building an additional turn lane off of U.S. Highway 53 to help with the traffic load associated with the Mesabi Station and the Mine View in the Sky.
- Arrowhead Regional Development Commission. ARDC is the lead agency heading up the Mesabi Trail digitized mapping project and global positioning survey.
- University of Minnesota. The U of M Landscape Architecture Department has played several key roles in the planning and development of the Mesabi Trail and Mesabi Station.
- University of Minnesota. The U of M Agriculture Extension has been approached to help the Mesabi Trail Authority reach out to local communities to develop their tourism potential. This project is just beginning.
- Legislative Commission on Minnesota Resources. The LCMR has funding the development of the Trail and has recently appropriated money with the Governor and the Legislature to acquire the land and pay for the preliminary design of Mesabi Station.

These items are meant to show that the Mesabi Trail has done years worth of background work to promote the development and use of the Mesabi Trail by all of the citizens of Minnesota and our guests from across the U.S.

Summary:

The Mesabi Trail is receiving substantial use and interest is growing in this truly statewide asset. Consider the following:

- During June, July, and August, over 110,000 web site hits were received at the Mesabi Trail web site. This site is new and achieved widespread use from around the state and country with little promotion of the site.
- Trail counters indicated year 2001 use would be approximately 100,000 users.

- Various foundations, state, local, and federal governments, and other supporters have contributed over \$7 million to build the Mesabi Trail.
- Local property tax payers in the three area counties, and 28 communities along the trail are paying for various maintenance, upkeep, construction, and administrative/technical support of the Trail.
- A trail pass user fee has been established with the proceeds being dedicated to a long-term fund for trail repair and repaving.

Finally, the Mesabi Trail is located in a region that is not sharing in the widespread economic prosperity of most of the Minnesota population. The long-term decline of the taconite and timber industries has increased the focus on the economic potential of the tourism industry. The Mesabi Trail is the most recent and most important statewide resource to be added to the area, supplementing the BWCAW, the Voyageurs National Park, and other attractions. A full use and unique Mesabi Station is essential to a safe, quality guest experience for the hundreds of thousands of visitors who will be enjoying themselves along the full 132-mile length of the Trail.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition						07/2002	06/2004
Land, Land Easements, Options	\$40	\$0	\$0	\$0	\$40		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	60	0	0	0	60	07/2001	06/2004
3. Design Fees							
Schematic	35	7	0	0	42	07/2001	06/2004
Design Development	35	7	0	0	42	07/2001	06/2004
Contract Documents	20	63	0	0	83	07/2001	06/2004
Construction Administration	0	42	0	0	42	07/2002	06/2004
4. Project Management						07/2002	06/2004
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	10	0	0	10		
Commissioning	0	5	0	0	5		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	06/2004
Site & Building Preparation	0	50	0	0	50		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,687	0	0	2,687		
Infrastructure/Roads/Utilities	0	90	0	0	90		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	134	0	0	134		
Other Costs	0	18	0	0	18		
6. One Percent for Art	0	27	0	0	27		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2002	06/2004
Furniture, Fixtures and Equipment	0	223	0	0	223		
Telecommunications (voice & data)	0	40	0	0	40		
Security Equipment	0	25	0	0	25		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	190	3,428	0	0	3,618		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$190	\$3,428	\$0	\$0	\$3,618		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,783	0	0	2,783
Minnesota Resources	190	0	0	0	190
State Funds Subtotal	190	2,783	0	0	2,973
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	400	0	0	400
Local Government Funds	0	245	0	0	245
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	190	3,428	0	0	3,618

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
2001 LCMR	190
TOTAL	190

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	2,783	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Without approved Predesign document, an assessment of this request cannot be made.

Department of Finance Analysis:

The request proposes a building, which at approximately 24,000 square feet, is larger than the typical trail head constructed by the DNR, for example. DNR trailhead facilities typically only incorporate restrooms, parking, picnic tables and information kiosks. This request greatly expands on that concept. The project narrative does not specify what types of uses will be incorporated into the trailhead.

Eight separate entities have contributed to the construction of the trail including the University of Minnesota, the state of Minnesota, and St. Louis and Lake Counties. The St. Louis and Lake Counties Railroad Authority will pay the operating costs associated with Mesabi Station. Three additional trailheads are planned for the trail. In 2001, 100,000 users were expected to utilize the trail.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	19
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	229

2002 STATE APPROPRIATION REQUEST: \$441,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION: Biwabik, Giants Ridge Golf & Ski Resort

PROJECT DESCRIPTION AND RATIONALE:

The project calls for an upgrade in the Sports Dorm facility. All of the upgrades are necessary to bring the facility up to code and safety standards. This is particularly important given the number of children that the facility houses throughout a 12-month period. This renovation will bring the building to a level needed in order to accommodate the existing winter and summer business, as well as the additional impending business of the Summer Boy Scouts Program.

History – The Sports Dorm is a 24 room dormitory style-lodging unit located at the base of the ski hill. Each of the 24 rooms had beds and 1 bathroom, therefore a 96 person sleeping capacity. The Sports Dorm was built 17 years ago in 1984. Since that time, it has had little, if any building improvements made in order to keep the Dorm functioning correctly and efficiently enough to meet the usage loads.

Between 1984 and 2000, the Sports Dorm is the most highly used and popular lodging facility on the resort complex. For the resort, the Sports Dorm:

- Serves as a meeting space for groups up to 60
- Accommodates overnight groups in summer and winter including elder hostels, church groups, and school groups.
- A Nordic training center, but also:
- Handles overflow of main chalet
- Has become the official stopover for Boy Scout troops on their way to Ely Northern Tier High Adventure (approximately 5,000 Scouts per summer.)

Given this high usage and traffic flow of this building, coupled with lack of funding available in the past for building maintenance and upgrades, the Sports Dorm is in desperate need of the proposed renovations. The Sports Dorm is filled to capacity with lodging and special events groups throughout the entire winter. It is beginning to realize the same capacity loads in the summer with the Boy Scouts program. If these renovations are not made, the resort runs the risk of losing all of this much-needed year-round revenue which enables the entire resort to be more financially self-sufficient.

Project Renovations –

- Replace 15 year-old roof (currently leaks)

- Renovate 24 rooms and bathrooms (many bathrooms sinks and fixtures leak and are causing damage to walls.)
- Renovate kitchen
- Renovate laundry room
- Replace carpeting;
- Renovate and repair sauna (15 years old and is need of new equipment and repairs to keep sauna operational.)
- Install fire sprinkler system (needed to make building safe.)
- Replace furniture (purchased 15 years ago, and was used when acquired at that time)
- Install window coverings
- Replace windows and doors to make them more efficient, therefore reducing heating bills in winter and cooling bills in summer.)
- Replace mattresses in 96 beds.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

If these renovations are not accepted in the bonding process, Giants Ridge will not be able to complete the project on its own, and if the proposed renovation project is not completed in the Sports Dorm, the resort will suffer the following results:

- Usage and business will decline, therefore drastically reducing the amount of revenue generated by the resort.
- A decrease in tourism in the area will reduce which not only impacts the resort but surrounding hotels, restaurants, gas stations, etc.
- Decreased lodging at The Lodge at Giants Ridge. Many of the parents of the youth groups involved with racing at Giants Ridge stay overnight at The Lodge & Villas (on-site lodging at Giants Ridge). If the Sports Dorm were to lose any of these groups, the two lodging properties would suffer as well.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	3	0	0	3	07/2002	10/2002
Design Development	0	1	0	0	1	07/2002	10/2002
Contract Documents	0	3	0	0	3	07/2002	10/2002
Construction Administration	0	11	0	0	11	07/2002	10/2002
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	10/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	153	0	0	153		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	39	0	0	39		
Other Costs	0	150	0	0	150		
6. One Percent for Art	0	2	0	0	2		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2002	10/2002
Furniture, Fixtures and Equipment	0	79	0	0	79		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	441	0	0	441		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$441	\$0	\$0	\$441		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	441	0	0	441
State Funds Subtotal	0	441	0	0	441
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	441	0	0	441

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	441	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
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Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

While this project may be providing for code compliance and safety concerns, the cost information supplied falls outside allowable thresholds and cannot be adequately evaluated in order to support the project.

Department of Finance Analysis:

This project will make the sports dorm more functional, safe, and efficient while improving the comfort of its tenants.

Historically, projects for Giants Ridge would likely be evaluated and funded directly by IRRRB rather than seek state bond funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	250

2002 STATE APPROPRIATION REQUEST: \$939,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION: Biwabik, Giants Ridge Golf & Ski Resort

PROJECT DESCRIPTION AND RATIONALE:

The project request calls for an expansion of the chalet and winter sports operations. This request is not only important for streamlining guest services, but more importantly, for safety and occupancy issues. On weekends and event days, the chalet exceeds maximum occupancy levels. This problem will continue to increase and manifest as Giants Ridge continues to grow in popularity and demand. The proposed expansion would provide a safer recreational environment for guests and state of Minnesota staff. This renovation will expand and upgrade the Winter Sports Operations Complex at Giants Ridge Golf & Ski Resort, bringing the complex to a level needed in order to accommodate the existing winter business, as well as complete with other midwest and west winter sports resorts in the nation.

The overall, comprehensive project is divided into four separate areas:

1. Bar Deck – Wind Shield Heated Deck Protection
2. Ticketing, Ski School, Rental – Ski Mall Phase 1
3. Locker Room, Ski Shop, Mall – Ski Mall Phase 2
4. Shopping and Picnic Basket Area – Ski Mall Phase 3

Bar Deck – Windshield Heated Deck Protection – The current chalet's food and beverage operations consists of indoor seating for about 200 and an outside (uncovered) deck that seats about 50. As Giants Ridge welcomes 120,000 skier visits per season, the resort has simply outgrown the size of the chalet. In addition, the busiest days at Giants Ridge are the warmer days which skiers prefer sitting outside on the deck at the base of the ski hill. (This is a common practice in other western resorts.) However, the deck at Giants Ridge is small with very limited seating and does not have any wind shield protection. The project request would most efficiently utilize the outdoors of the chalet and allow skiers to sit outside on both warm and colder days. The existing deck would be expanded and vertical Plexiglas walls would be built around the expanded deck. These walls would serve as a wind barrier, and the area around the walls would be heated, providing an important guest service of outdoor seating. This new deck would also be utilized in the summer with weddings, banquets, etc.

(The three chalet renovations below propose a reconfiguration and expansion of the chalet-referred to as Ski Mall-to allow for much needed centralization of operations to accommodate guest needs and services.)

Ticketing, Ski School (Ski Mall Phase 1) – Currently, the set-up for the report's lift ticket sales, ski school and rentals are spread out and is confusing to the guest. This project request will allow these three important profit centers to be centrally located within the chalet, side-by-side. A common problem that occurs everyday, all day is that skiers stand in line at the Rental Shop first, and when they get to the head of the line, they learn that they must go to the ticket counter first to purchase their lift ticket and rentals, and bring their receipt back to the Rental Shop to get their equipment. Extensive signage is in place to try to prevent this from happening, however, as with most vacationers and tourists, they are just that, on vacation – and most don't pay attention to signage. This problem creates confusion and aggravation for the guest. It is their first impression of the resort and does not get their ski trip off to a good start. As at Giants Ridge and any resort, only 15% of people who ski at any resort actually return. Giants Ridge wants to create the very best service and convenience for guests to retain that 15%.

A new ski school expansion would accomplish the following: 1) A computer hooked up to the ski school front desk to check lessons sold; 2) Employee area with storage for ski school equipment; and 3) Ski School Director's office.

Locker Room, Children's Area/Children's Rental (Ski Mall Phase 2) – The lockers at Giants Ridge are now in two locations: the chalet and the Burnt Onion (building shared by ski hill maintenance and racers.) This project request reconfigures the chalet, putting all of the lockers in on central location and would accomplish the following: 1) double number of lockers, which are already in demand and 2) free up more space in the Burnt Onion for racers, special events and ski maintenance. As well as convenience for our guests and racers, the lockers are a significant source of revenue and if the number of lockers could double, so could the revenue.

The chalet reconfiguration, as just mentioned, would also create room for a children's play area and children's rental area. One of the primary problems at Giants Ridge is the high number of children and the need to provide them with their own area. An expansion and reconfiguration would accomplish the following: 1) a space large enough for 30 children and staff with a sink and facilities to make hot chocolate and popcorn; 2) the bathrooms would be in close proximity to this area and 3) a separate sales and rental area for children. As with any industry, the children are the future. If Giants Ridge can give children an excellent ski experience, they will return as adult skiers.

Shopping and Picnic Area (Ski Mall Phase 3) – This phase of the project entails building an addition to the chalet with shops to handle demand for shopping. One of the most popular pastimes in America by vacationers is shopping. This addition would allow for numerous retail outlets (food, gifts, etc.) that would increase revenues.

This phase also creates a separate picnic area for skiers. Many skiers bring their own food and beverage, (common at any ski resort). Currently, these picnickers use the chalet tables that paying customers would otherwise use simply because there is not a separate picnic area for them. Creating a separate picnic area would increase existing food and beverage sales because it would free up tables for paying customers.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The entire above project request will produce a better guest experience, better guest service and increased revenues. If these renovations and expansions are not accepted in the bonding process, Giants Ridge will not be able to complete the project on its own. And, if the proposed renovation project is not completed in the chalet, the resort and surrounding area and businesses will suffer a decrease in tourism and consequent superior skiing, snow grooming, lodging facilities, special events, etc. But so will many other area resorts. The way in which Giants Ridge can set itself apart regionally from other resorts is through guest services. This project request would allow this.

Giants Ridge was just ranked the Number One ski area in Minnesota and in the top five in the Midwest. The resort has proved that it can compete regionally, but it could begin to compete nationally if this project request was granted. It enables the resort to operate as many of the ski areas in the West do.

All of this created more revenue for the Iron Range Resources and Rehabilitation (IRRRB) agency, the state of Minnesota, and the local communities and businesses.

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

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	5	0	0	5	07/2002	11/2002
Design Development	0	34	0	0	34	07/2002	11/2002
Contract Documents	0	7	0	0	7	07/2002	11/2002
Construction Administration	0	0	0	0	0		
4. Project Management						07/2002	11/2002
State Staff Project Management	0	3	0	0	3		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	1	0	0	1		
5. Construction Costs						07/2002	11/2002
Site & Building Preparation	0	20	0	0	20		
Demolition/Decommissioning	0	26	0	0	26		
Construction	0	697	0	0	697		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	65	0	0	65		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	7	0	0	7		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2002	11/2002
Furniture, Fixtures and Equipment	0	40	0	0	40		
Telecommunications (voice & data)	0	33	0	0	33		
Security Equipment	0	1	0	0	1		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	0	939	0	0	939		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$939	\$0	\$0	\$939		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	939	0	0	939
Public Facilities Authority	0	0	0	0	0
State Funds Subtotal	0	939	0	0	939
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	939	0	0	939

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	939	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Without the submission of Predesign prior to the request an accurate assessment of the project cannot be made.

Department of Finance Analysis:

The proposed improvements in the bar deck, ticketing area of Ski School, locker room, children's area, and picnic areas would improve the attractiveness and efficiency of the ski resort.

Historically, projects for Giants Ridge would likely be evaluated and funded directly by the IRRRB rather than seek state bond funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	170

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2002 STATE APPROPRIATION REQUEST: \$71,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION: Biwabik, Giants Ridge Golf & Ski Resort

PROJECT DESCRIPTION AND RATIONALE:

This project requires purchasing of equipment only, there is no construction or expansion of buildings. The equipment is Magic Carpet – a motorized carpet/conveyor belt system used to transport the very young, beginners, and handicapped to the top of the Bunny Hill, or beginners area.

Beginners & Youngsters – Survey data proves that most of the skiers at Giants Ridge are families – many with small children. In order to retain these children as continued patrons into adulthood, Giants Ridge must cater to this market. With the Magic Carpet, the resort would be able to enhance its ski school and instruction for youngsters. When giving lessons to youngsters and beginners, a big hurdle for them is maintaining stamina because so much energy is spent on getting from the bottom of the Bunny Hill to the top. (Giants Ridge does have a J-Bar on the Bunny Hill, however even this can be intimidating to youngsters and beginners.)

Handicapped – Giants Ridge has played an important role in providing recreational experiences for the mentally and physically challenged in the communities of northeastern Minnesota. Since 1988 and every year thereafter, the resort hosts the Special Olympics, where 200 plus individuals attend and compete in Alpine skiing, Nordic skiing, snowshoeing, and speed skating events. The participants range in ages from 10 to 60 years old. It is a two-day event with competitions throughout the duration of the days, and a dinner and dance is held on evening at The Lodge at Giants Ridge, the resort's on-sit lodging/banquet facility.

In addition to Special Olympics, Giants Ridge welcomes a group, Association of Retarded Citizens (ARC), once per week throughout the four-month winter sports season. This group has been visiting the resort since 1985. Each week, 10 to 30 individuals visit Giants Ridge to alpine and cross-country ski. At the end of each winter sports season, Giants Ridge hosts an "end-of-year" party for ARC to celebrate their accomplishments, improvements, and skills.

Along the same lines of ARC, Giants Ridge's Winter Sports Director works closely with Camp Courage, a group located in Duluth, Minnesota, that is also committed to enhancing the recreational experiences of people with physical and mental challenges.

It is the intent and goal of Giants Ridge to continue its involvement in hosting events and activities that aid in the mobility, socialization, independence, and community integration of those with physical and mental challenges.

It can continue doing this with a Magic Carpet. As with beginners and youngsters, a Magic Carpet would allow the handicapped full access to the Bunny Hill and ski instruction.

To date, there is not a resort or ski hill in the state of Minnesota that is home to a Magic Carpet. Because of the commitment Giants Ridge has demonstrated to citizens with physical and mental challenges throughout the past seventeen years, it is only fitting that the resort would be the new next home to Magic Carpet. This piece of equipment will allow the resort to continue to strengthen its commitment to attract citizens who have mental and physical challenges.

The Magic Carpet would be located adjacent to the Ski Hill's "Bunny or Beginner's Hill." This is a highly visible area. It is the belief of Giants Ridge that citizens with physical and mental challenges be fully integrated with the community/society. The resort continues to demonstrate this belief by the events hosted, the programs in place, and the staff time donated to continue to improve and enhance the involvement of the programs designed to benefit the physically and mentally challenged.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The Magic Carpet cannot be purchased with the resort's current financial budgets. If this project request were granted, Giants Ridge would be able to staff and maintain the equipment existing staff, so there would be little impact on the resort's operating budget.

Because this equipment will allow the resort to service more beginners, more youngsters, and more physically and mentally challenged, Magic Carpet will produce a better guest experience, better guest service and increased revenues.

Note: Giants Ridge applied for a grant to fund this project through the U.S. Department of Education in early 2001, but was declined.

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Pre-design Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2002	08/2002
Furniture, Fixtures and Equipment	0	71	0	0	71		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	71	0	0	71		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$71	\$0	\$0	\$71		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	71	0	0	71
State Funds Subtotal	0	71	0	0	71
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	71	0	0	71

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	71	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request is for a Magic Carpet which is a motorized carpet/conveyor belt system used to transport young skiers and disabled skiers to the top of the Bunny Hill. Giants Ridge would be the first resort or ski hill in Minnesota to use a Magic Carpet.

Historically, projects for Giants Ridge would likely be evaluated and funded directly by the IRRRB rather than seek state bond funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	150

2002 STATE APPROPRIATION REQUEST: \$652,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION: Ironworld Discovery Center - Chisholm

PROJECT DESCRIPTION AND RATIONALE:

Ironworld Discovery Center Library Expansion

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The Iron Range Research Center (IRRC) at Ironworld serves over 6,000 on-site users each year. The existing library and archives completed in 1977, total approximately 10,000 square feet. A 2,400 square foot expansion area to the north of the building was intended to be part of initial construction but was eliminated as a cost savings measure. This addition would increase the size of the public space by 85%, providing space to meet long-term IRRC service needs for public collections and seating of all types. Due to a shortage of space on the main floor, many public collection resources are stored temporarily in the archive and are not readily accessible to the staff or public. Over the last 21 years, the collections of the facility have grown exponentially. Without effective space utilization the IRRC's service objectives, security, and long-range plans are compromised. A 2,200 square foot addition to the west of the building creates a central entrance point to this history building, servicing customer traffic flow to both the museum and library areas of the facility.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	6	0	0	6	10/2001	03/2003
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	42	0	0	42	10/2001	03/2003
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2001	03/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	598	0	0	598		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	6	0	0	6		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	652	0	0	652		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$652	\$0	\$0	\$652		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	652	0	0	652
State Funds Subtotal	0	652	0	0	652
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	652	0	0	652

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	652	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Without the submission of Predesign prior to the request an accurate assessment of the project cannot be made.

Department of Finance Analysis:

This request will provide a 2,400 square foot addition to the Iron Range Research Center creating additional space for storage of resources and a central entrance point to the library and museum.

Historically, projects for Ironworld would likely be evaluated and funded directly by IRRRB rather than seek state bond funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	125

2002 STATE APPROPRIATION REQUEST: \$1,439,000

AGENCY PROJECT PRIORITY: 6 of 8

PROJECT LOCATION: Ironworld Discovery Center - Chisholm

PROJECT DESCRIPTION AND RATIONALE:

Ironworld Discovery Center Interpretive Center Energy Efficiency

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Lighting and mechanical upgrades in the Interpretive Center are part of a master renovation plan to update Ironworld exhibits for presentation in a museum quality environment. In addition to improving the environment for artifacts and people, the installation of energy efficient systems will yield operational cost savings over time. Built in 1977, the Interpretive Center acts as Ironworld's primary history building housing the Iron Range Research Center and the Interpretive Center exhibit program. Over 35,000 people visit Ironworld Discovery Center each year, touring the exhibits and taking part in various cultural events. Original HVAC systems and lighting do not meet conservation standards or energy efficiency objectives.

OTHER CONSIDERATIONS:

An energy audit is in process at this time.

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

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Fax: (218) 254-4938
Email: Marianne.bouska@ironworld.com

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	13	0	0	13	10/2002	06/2003
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	93	0	0	93	10/2002	06/2003
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2002	06/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,320	0	0	1,320		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	13	0	0	13		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	0	1,439	0	0	1,439		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$1,439	\$0	\$0	\$1,439		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,439	0	0	1,439
State Funds Subtotal	0	1,439	0	0	1,439
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,439	0	0	1,439

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,439	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Without the submission of Predesign prior to the request an accurate assessment of the project cannot be made.

Department of Finance Analysis:

This request seeks to improve the efficiency of lighting and mechanical systems at the Ironworld Interpretive Center. An estimate of expected operating costs savings would strengthen this request.

Historically, projects for Ironworld would likely be evaluated and funded directly by the IRRRB rather than seek state bond funding.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	20
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	145

2002 STATE APPROPRIATION REQUEST: \$218,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION: Ironworld Discovery Center - Chisholm

PROJECT DESCRIPTION AND RATIONALE:

Ironworld Discovery Center Roof Replacement

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Roof replacement projects are slated for the outdoor amphitheater and two heated buildings, administration and the history building. Hypalon (plastic) membrane on the amphitheater roof is worn thin and brittle. Patches have failed and peeled creating additional leaks in the seating area. Other flat roofs on the Ironworld campus employ a ballast system. Rock has shifted and insulation has warped and broken, compromising roof integrity. Fully adhered EPDM systems are recommended for replacement of the ballast systems. All existing roof systems are original and between 15 and 21 years old.

OTHER CONSIDERATIONS:

Membrane shrinkage has caused cracks in the surface material and leaks have been addressed with patches. Overall degradation of material warrants complete replacement at this time for asset preservation.

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2002	10/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	216	0	0	216		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	2	0	0	2		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	218	0	0	218		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$218	\$0	\$0	\$218		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	218	0	0	218
State Funds Subtotal	0	218	0	0	218
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	218	0	0	218

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	218	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

While this project may be providing for a repair and replacement concern the information supplied cannot be adequately evaluated in order to support the project.

Department of Finance Analysis:

This asset preservation project would replace the roof on the outdoor theater and several buildings.

Historically, projects for Ironworld would likely be evaluated and funded directly by the IRRRB rather than seek state bond funding.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	60
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	155

2002 STATE APPROPRIATION REQUEST: \$284,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION: Ironworld Discovery Center - Chisholm

PROJECT DESCRIPTION AND RATIONALE:

Ironworld Discovery Center Water and Sewer Upgrade/Extension

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Water and sewer upgrades expand our service capacity through long and short-term lease relationships. Infrastructure is needed to provide fundamental services for outdoor expo's and other venue events. Current four-inch water lines provide inadequate water pressure for service throughout the Ironworld park and grounds. Line extensions will branch from an upgraded 8" system in the park to serve our expansion parking lots and the facility needs of a new property tenant, the St. Louis County Fair Association.

OTHER CONSIDERATIONS:

Pending engineering review, sewer line replacement is also budgeted for here.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0	10/2002	05/2003
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	11	0	0	11	10/2002	05/2003
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2002	05/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	270	0	0	270		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	3	0	0	3		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	0	284	0	0	284		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$284	\$0	\$0	\$284		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	284	0	0	284
State Funds Subtotal	0	284	0	0	284
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	284	0	0	284

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	284	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

While this project may be providing for a repair and replacement concern the information supplied cannot be adequately evaluated in order to support the project.

Department of Finance Analysis:

This project would expand service capacity for water lines. Additional pressure is needed to ensure that multiple outdoor events involving water have adequate water capacity and pressure.

Historically, projects for Ironworld would likely be evaluated and funded by the IRRRB rather than seek state bond funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor suggests that this and other capital requests from IRRRB be evaluated, prioritized, and considered for funding from internal IRRRB funding sources.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	95

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Asset Preservation - Historic Sites Network	1	\$5,545	\$4,035	\$4,140	\$13,720	450	\$1,500	\$1,500	\$1,500
County and Local Historic Preservation Grants	2	3,000	2,000	2,000	7,000	385	0	0	0
State Capitol 2005 Furnishings Project	3	550	0	700	1,250	290	0	0	0
Sibley Historic Site Preservation	4	542	1,000	0	1,542	265	0	0	0
Kelley Farm Historic Site Land Acquisition	5	655	0	0	655	125	0	0	0
Historic Fort Snelling Site Improvements	6	500	4,600	0	5,100	220	0	0	0
Heritage Trails	7	384	250	250	884	135	0	0	0
Historic Sites Network Master Plan	8	500	500	0	1,000	125	0	0	0
Improve Collections Storage Facilities		0	2,000	500	2,500		0	0	0
Kelley Farm Maintenance Building		0	600	0	600		0	0	0
St Anthony Falls Heritage Zone Implementation		0	0	2,000	2,000		0	0	0
History Center Parking Ramp		0	0	1,000	1,000		0	0	0
Split Rock Barn Reconstruction		0	0	500	500		0	0	0
Total Project Requests		\$11,676	\$14,985	\$11,090	\$37,751		\$1,500	\$1,500	\$1,500

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AGENCY MISSION STATEMENT:

The Minnesota Historical Society (MHS) is the oldest educational/cultural institution in the state, having been chartered by the first legislature of the Minnesota Territory in 1849.

The mission of the MHS is to foster among people an awareness of Minnesota history so that they may draw strength and perspective from the past and find purpose for the future.

This mission is carried out by providing opportunities for people of all ages to learn about the history of Minnesota; collecting and caring for materials that document human life in Minnesota, making them known and accessible to people in Minnesota and beyond; and encouraging and doing research in Minnesota history.

The MHS is governed by an executive council of 30 members responsible for establishing major policies and monitoring the quality of its programs and services. The council also performs duties mandated by the legislature under M.S. Chapter 138 and various session laws.

TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:

- *Asset Preservation.* Historic resources are like natural resources in that if lost they cannot be replaced. Absent a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The society's 32 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.
- *Historic sites* are recognized by statute as important public resources worth preserving. The "Minnesota Historic Sites Act" (M.S 138.661-138.669), confers upon the MHS the control and responsibility for preserving, developing, interpreting and maintaining the sites for public use and benefit.
- *Public Demand and Attendance.* The state historic sites network is in its third decade of heavy use by patrons. Since the early 1980s when the society's budget was reduced by more than \$2.1 million as a result of a downturn in state resources, the upkeep and repair of the 115 structures at the 32 state historic sites have suffered. Recent operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still

has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 visitors for over a decade) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Renewed marketing efforts have helped with overall historic sites attendance. However, this increased use will also increase wear and tear on sites facilities.

Historic Sites Attendance

Fiscal Year		Fiscal Year	
1989	630,374	1996	672,030
1990	673,950	1997	691,856
1991	670,628	1998	695,759
1992	574,535	1999	741,276
1993	577,000	2000	662,705
1994	545,929	2001	702,579
1995	566,997	2002(est)	700,000

- *The Changing Nature of Education.* Education is no longer seen solely as a classroom-based function. Now, and into the next century, education will be less defined by formal structure; learning will be recognized as a life-long activity that will take place in many non-traditional settings. The state's historic sites and the Minnesota History Center are places where citizens will actively practice this evolving educational philosophy and learn about our common history. For example, twice as many people are doing research in the History Center than did in the old facility. The new information technologies will enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with a connection to the Internet to access the vast resources contained within the MHS.
- *Heritage Tourism and Economic Impact.* Visiting historic sites is one of the primary reasons that tourists travel in Minnesota and across the nation. A recent survey by the Travel Industry Association of American found that 46% of U.S. adult travelers included a cultural arts, or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey.
- In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism. The Minnesota Office of Tourism estimates that tourism is a \$10 billion industry in Minnesota. Heritage tourism plays a significant part in this important element of our state's economy. Minnesota's Historic Sites Network draws 40% of its visitors from out-of-state.

- *Leveraged Funding Through Partnerships.* State funds can often be leveraged far beyond the initial appropriation. For instance, TEA-21 (the federal Transportation Equity Act for the 21st Century) provides four federal dollars for each state dollar. Similarly, small grants to local historical organizations not only generate matching funds, but also result in substantial volunteer work and commitment by groups of dedicated citizens. The society's Development Office constantly seeks funding from corporations, foundations, estates, and individuals to further its mission, capitalize on the programmatic benefits, and further leverage state funds.
- *Acquisition of New Sites.* During the 1996-97 biennium, title to the Sibley historic site was transferred to the state of Minnesota under the management of the Historical Society. This site has not yet been subject to the master planning process and the total extent of needed funding is unknown. We know that nearly \$2 million will be needed to stabilize and preserve the structures at the Sibley site. \$500,000 of this amount was appropriated in the 1994 capital bonding bill. Volunteers have operated the Sibley historic site for the past 80 years with only minimal interpretation and related operating costs. An appropriate level of operating costs, estimated to be \$250,000 per year, will be included in subsequent budget requests.
- *State and Federal Policies.* CAPRA funds administered by the Department of Administration apply only to state-owned buildings. However, 14 of the sites in the network are owned exclusively by the society, and are not eligible for CAPRA funding. The society receives direct appropriations for repair and replacement for buildings under its ownership. Additionally, the 1990 Americans With Disabilities Act (ADA) requires facility and program adaptations.
- *Diversity.* The society recognizes the importance of properly reflecting the role and contributions of the state's diverse population in its sites and exhibits. For example, operating and interpreting sites that describe the Native American experience (Fort Snelling, Lower Sioux Agency, Grand Mound, Mille Lacs) are essential if we are to accurately and completely portray Minnesota's past.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS IN RELATION TO CAPITAL REQUESTS:

In 1996 the MHS engaged in a comprehensive strategic planning process. With the assistance of an internationally known consultant in the museum/arts field the society's executive council established institutional priorities and programmatic emphasis. Four overriding goals were identified:

- Rethink and revitalize the state's historic sites network.

- Serve larger audiences, especially families, senior citizens, and school children with programs and services of the highest quality.
- Increase services to people living beyond the Twin Cities metropolitan area.
- Expand services to Minnesota's elementary and secondary schools.

These broad-based, institution-level goals are the basis on which this capital request is based. Additional initiatives incorporated into this capital request are listed below and augment the four major goals that resulted from the strategic planning process.

- *Preserve Existing Assets While Completing Site Development* This initiative is to increase the preservation and use of existing capital assets while continuing to strive toward completion of those sites that are not yet fully developed. Development of the state's historic sites system first began in 1965.
- *Increase Public Access.* The society's strategic plan addresses the need to develop programs for the increasingly diverse audiences the society anticipates serving in the next few decades. This initiative also relates to user safety and comfort by addressing structural needs and ADA related improvements.
- *Leverage Non-State Funding.* This initiative recognizes the inherent benefits of developing all appropriate sources of support and revenue. A key element in this request is that the state should take advantage of federal matching opportunities for the St. Anthony Falls and North West Company Fur Post projects, as well as matching opportunities through the local grant program.
- *Prior Legislative Commitment.* The society has made a commitment to historic sites and resources that are a part of legislative action such as the Historic Sites Act of 1965 and the Historic Sites Act of 1993, Heritage Preservation Zone legislation, or the Outdoor Recreation Act of 1975. The society has tried to reflect the intent of such legislation.

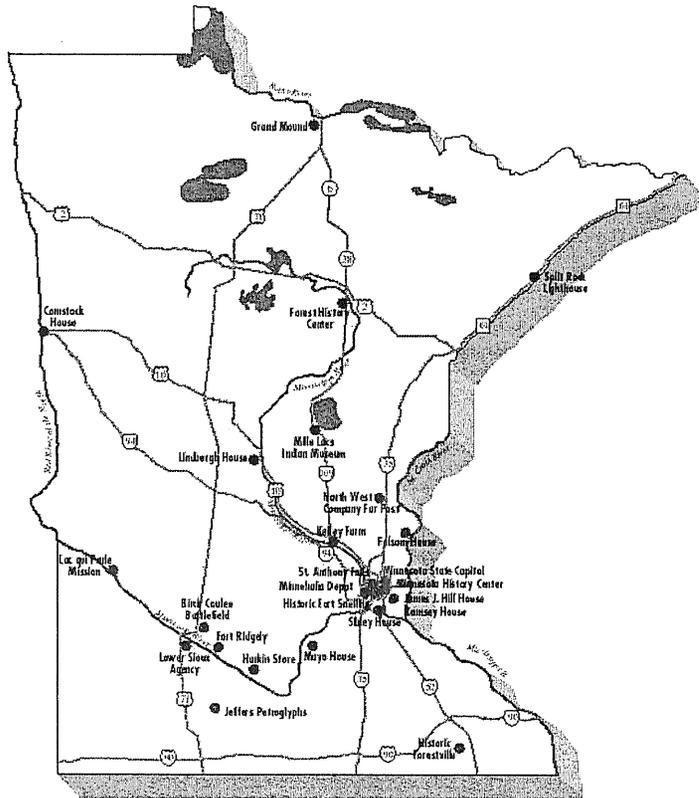
PROVIDE A SELF-ASSESSMENT OF THE CONDITION, SUITABILITY, AND FUNCTIONALITY OF PRESENT FACILITIES, CAPITAL PROJECTS, OR ASSETS:

The Historical Society estimates the total scope of its deferred maintenance/asset preservation/capital improvement need for the next six years to be approximately \$37 million, including restoration of facilities and updating and replacement of obsolete and worn out exhibits.

Historic Site Facilities

Since the enactment in 1965 of the state's historic sites program, the society has pursued a planned, progressive approach to acquiring, developing, interpreting and

preserving historic sites. The society owns or administers a network of 32 sites, comprising 115 significant historical structures, totaling 437,977 square feet of interior space. Most of these structures were built in the 19th Century.



Historic Sites Network

The very nature of 115 varied facilities, most of which are over 100 years old, makes it impossible to provide a single assessment of "physical condition, suitability and functionality" of the historic sites network, which includes many of the state's oldest and most fragile structures.

The historic relevance and importance of the state's historic sites coupled with their educational value cannot be disputed but century old buildings are in need of varying but substantive levels of stabilization, restoration and preservation. Every component of the historic sites network is part of the capital iceberg. In constant need of

cosmetic/surface attention (paint, windows, carpeting), many components of their infrastructure (roofs, foundations, support members, access and egress routes, utilities) are in need of immediate attention. Without that attention, these historic resources will deteriorate beyond repair.

Preserving historic facilities that contain unique and expensive architectural features or time-specific construction techniques (Hill House copper gutters, log structures, capitol furnishings and artworks) require capital funds that are greater than the need of contemporary buildings.

Exhibits and Artifacts

In addition to the buildings and landscapes of the historic sites themselves, exhibits form the core of the educational program at historic sites. The steady stream of patrons who visit the historic sites take a toll on structures, exhibits, audio-visual equipment and artifacts. Exhibits require periodic restoration and refurbishing to keep them presentable for public use. If they are not regularly refurbished, they become dirty, damaged, and unsightly. New technologies and contemporary design concepts have made older exhibits outdated and unappealing. As society and the attitudes of its people change, so do views of the past. New social sensitivities and different perspectives arise causing exhibits to become intellectually obsolete. Original exhibits containing over 19,300 artifacts are now long overdue for replacement:

Historic Sites Exhibits (\$ in 000s)

Site	Exhibit Condition	Age of Exhibit	SQ. Feet	Est Cost to Refurbish
Forest History Center	Poor	21 yrs	6,135	\$1,840
Fort Ridgely	Poor	27 yrs	2,496	900
Grand Mound	Poor	25 yrs	2,683	900
Fort Snelling:				
History Center	Fair	7 yrs	7,175	2,153
Long Barracks	Poor	26 yrs	4,280	1,284
Officers Qtrs	Poor	20 yrs	2,461	738
Hospital Building	Fair	16 yrs	799	240
Jeffers Petroglyphs-Spring '99	Excellent	3 yrs	1,500	0
Lac Qui Parle Mission	Poor	19 yrs	840	250
Lindbergh House-Summer '02	Excellent	0 yrs	3,466	0
Lower Sioux Agency-Spring '00	Excellent	2 yrs	2,220	0
Mille Lacs (New in 5/96)	Excellent	5 yrs	6,500	0
North West Co. Fur Post:				
Existing Fur Post	Poor	32 yrs	201	50
New Visitors Center	Pending		2,083	0
Oliver Kelley Farm	Poor	20 yrs	3,200	1,200
Split Rock Lighthouse	Good	16 yrs	4,500	1,315

Alexander Ramsey House	Fair	29 yrs	1,707	512
Upper Sioux Agency		30 yrs	1,100	330
TOTAL			53,346	\$11,683

Markers and Monuments

The overall condition of the 170 state markers and 29 monuments is fair. Markers require maintenance and upkeep including preservation coating of bronze markers, casting of new markers, and foundation stabilization. Most urgently in need of ongoing maintenance and repair are the 29 state monuments; several of these large stone structures require tuck-pointing, replacement of granite blocks, and foundation stabilization. Sixty-five markers are at highway and interstate rest areas. Hundreds of thousands of people use these rest areas, and pause to read these markers. In this way, travelers from other states and countries, as well as citizens of Minnesota, learn about the state's rich historic heritage. Funding for monuments and markers is included in the preservation and repair request.

Minnesota History Center

The 1992 opening of the History Center, with 427,000 square feet on nine acres of land in the Capitol Complex provided Minnesotans with an appropriate facility to showcase, preserve, and use the state's historic resources. Attendance at the History Center has exceeded initial projections by about 40%. Since opening, nearly 3 million individuals have visited the History Center.

The center provides state of the art museum exhibits, demonstrations, workshops, lectures, and seminars designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for 110,000 school children each year are further enriched by hands-on activities in specially designed classrooms.

In the Library, visitors enjoy access to the State Archives and to the manuscript, newspaper, audio-visual, map, art, and artifact collections. Environmentally controlled storage facilities enable staff to care for and preserve the collection of over 1 million artifacts (including 950,000 archaeological artifacts and 250,000 historical artifacts). New information technologies will allow the society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 10,000 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction within the expansion space will be included in a future capital budget.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

The process the society's management team used to develop these requests began with the identification of all appropriate needs by staff, including Historic Sites Division restoration and construction staff. A series of meetings was held with staff to further develop this information. These needs were then put in priority order by the society's management team and reviewed and approved by the Society's Executive Council.

AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001):

During the past six years, the MHS has completed a number of significant projects. The construction management of these projects is done by society staff, board-designated committees, and professional construction management firms with appropriate assistance from the state departments of Finance and Administration.

Significant Projects Completed:

- Planning for the North West Company Fur Post, including site improvements and visitor center (6/93). Funding for this project was provided through Legislative Commission on Minnesota Resources funds (\$250,000) and through state bond proceeds (1994 - \$310,000). Construction is currently underway on the visitor center at this site with expected completion dates of summer 2002 for the building and summer 2003 for the exhibitions.
- Minnesota History Center and Exhibits Project. Opened 10/92. Total project cost: \$81 million, including a private funds match of \$19.1 million.
- Mille Lacs Indian Museum and Ayer Trading Post. Opened 6/96 and 5/95 respectively. Included state bond funding of \$4 million, \$1 million from EDA, and \$1.3 million private funds.
- Jeffers Petroglyphs Visitor Center. Opened Spring 1999. Total project cost: \$825,000.
- Various asset preservation projects at historic sites - 1994-1998. Funding \$6.625 million.
- Mill City Museum, Minneapolis. Construction is currently underway, with an expected opening date of late 2002-early 2003.

2002 STATE APPROPRIATION REQUEST: \$5,545,000

AGENCY PROJECT PRIORITY: 1 of 8

PROJECT LOCATION: Multiple Sites - Statewide

PROJECT DESCRIPTION AND RATIONALE:

The Minnesota Historical Society (MHS) is seeking \$5.545 million for the preservation and restoration of more than eight existing historic sites, and historical artifacts and monuments located statewide. This request is for work that is critical to the preservation and maintenance of the state's historic sites and artifacts. It includes preservation, restoration, reconstruction, and maintenance of exhibits, collections, buildings, building systems, landscapes, 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 over 15 million visitors in three decades, deferred maintenance, changes in preservation and life/safety regulations, environmental changes and the aging of the building materials and systems.

These highly significant historic buildings, artifacts and landscapes require specialized preservation and maintenance practices and technologies not typical of contemporary buildings. Historic buildings and artifacts are non-renewable social and material culture resources that require a high standard of care. Many of these buildings were built with materials intended for private family homes; they are now exposed to visitation on the scale of public buildings with greater loads and accelerated wear. Project cost estimates are determined through historic structures reports for each individual project. The MHS Historic Sites Division's restoration manager, in consultation with expert historical architects, undertakes this process.

These asset preservation needs cannot be met by the current level of repair and replacement funding from the society's operating budget. Action must be taken to preserve these buildings as examples for future study of building practices, land use and social history.

Historic buildings and landscapes contribute to the educational program of the statewide historic sites network and are a significant state investment. Historic sites need skilled care and planned maintenance. Historic building materials and assemblies need to be maintained for as long as possible and when repair or replacement becomes necessary the work must be carefully researched, planned and executed by skilled tradespersons with exacting attention to historic details, materials and methods. As a learning resource for the student of Minnesota history, architecture or building trades, this work must meet or exceed the preservation standards set by state and federal agencies and professional organizations. To assure the health and safety and access of visitors and staff, the society must remain vigilant in the maintenance of the historic sites network.

**INVENTORY OF ASSET PRESERVATION NEEDS FOR 2002 (TOTAL = \$5,545)
PRIORITY LISTING**

<u>SITE</u>	<u>PROJECT CONTENT</u>	<u>COST (IN \$000)</u>
Forest History Center	Permanent exhibit replacement	\$1,500,000
Multiple Locations	Collections Storage Improvements	210,000
LeDuc House	Exterior and interior stabilization	1,055,000
Hill House	Roof, gutter/downspout, soffits and fascia repair and replacement	800,000
Fort Snelling	Structure stabilization and repair	475,000
Folsom House	Building Repair and stabilization	325,000
Monuments & Markers	Repair	50,000
Statewide	Roof replacement	270,000
Historic Forestville	Structural stabilization & interior restoration	270,000
Split Rock Lighthouse	Barn stabilization & exterior building preservation	270,000
Comstock House	Restore barn and house exterior	320,000
Total		\$5,545,000

To accomplish the goals established by the long-range plan (see Strategic Planning Summary) part of the society's strategy is to invest a significant portion of available resources into assets that are currently being used by the public than in new facilities that significantly increase operating costs. All of the sites in this project are a part of the statewide historic site network as defined in M.S. Chapter 138.661, and have strong local and regional support from the areas in which they are located.

The historic buildings, artifacts and landscapes within the Historic Sites Network include sites that are of state and national significance. They fulfill the society's mission to collect and preserve evidence of human culture in Minnesota and provide unique tools for the teaching of Minnesota history in all its academic, technological, trade and social diversity. Failure to maintain these historic treasures will result in irreversible loss of material and intellectual culture.

IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

OTHER CONSIDERATIONS:

- These asset preservation requests will allow the society to maintain its strong network of historic structures. Major repairs and construction work was performed at the historic sites 20-30 years ago. The life cycle of that work has been exceeded and a reasonable standard of care requires that the needs be addressed.

- Many of the MHS's sites are not state-owned, and therefore not eligible for CAPRA funding. The capital budget is the primary source of funding for preservation needs of these irreplaceable resources.
- The society's current repair and replacement budgets are inadequate to meet asset preservation needs within the state network of historic sites. An additional \$8.175 million is needed throughout the year 2007 (see table). (This figure could increase as additional problems are discovered, the buildings increase in age, the required skills and materials become more and more difficult to find, and preservation technology continues research and discovery of new materials and methods to preserve historic structures.
- Nearly 50,000 artifacts are associated with historic sites. Of these, nearly 20% are stored in substandard storage conditions (outbuildings, attics, bureau drawers, closets, etc.) Consulting services are needed to design improved storage conditions, preferably in regional storage facilities for most efficient and cost effective management. The storage facility at 1500 Mississippi Street will also be re-designed to expand and improve storage capability.
- Fort Snelling structural stabilization and repair funds will be invested in two original lookout towers, one of which offers a commanding view of the confluence of the Mississippi and Minnesota Rivers. These towers will be closed to the public in 2002 due to concerns over structural integrity and visitor safety.

Kelley Farm	Permanent exhibit replacement	1,250,000
Split Rock Lighthouse	Restore dwelling #2 to Coast Guard era	320,000
Grand Mound	Permanent exhibit replacement	935,000
Split Rock Lighthouse	Exhibit upgrade to fog signal building and trails	320,000
Fort Snelling	Structural stabilization and repair	320,000
Ramsey House	Carriage House building renovation	320,000
Statewide	Roof Replacement	550,000
Monuments & Markers	Repair	<u>125,000</u>
	Subtotal for 2006	\$4,140,000
	Total for 2004 and 2006	\$8,175,000

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

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Additional Asset Preservation Needs in 2004 and 2006 (Total = \$8.175)

<u>SITE</u>	<u>PROJECT CONTENT</u>	<u>COST (IN \$000)</u>
Fort Ridgely	Permanent exhibit & markers replacement	\$920,000
Hill House	Interior room restoration & exterior stabilization including roof, verandah, gate and fences, and gate house	740,000
Lac Qui Parle Mission	Permanent exhibit replacement	210,000
Split Rock Lighthouse	Stabilize/repair dwelling #3, move caretaker's residence in dwelling #2 to dwelling #3	475,000
Statewide	Roof replacement	550,000
Harkin Store	Building repair and stabilization	320,000
Monuments & Markers	Repair	125,000
Ramsey House	Interior Rehabilitation	375,000
Mille Lacs Indian Museum	Interior & exterior stabilization of Ayers House, cabins, Trading Post	<u>320,000</u>
	Subtotal for 2004	\$4,035,000

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management						07/2002	12/2004
State Staff Project Management	0	245	210	165	620		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	12/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	8,375	5,300	3,825	3,975	21,475		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2002	06/2005
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	8,375	5,545	4,035	4,140	22,095		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$8,375	\$5,545	\$4,035	\$4,140	\$22,095		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	8,375	5,545	4,035	4,140	22,095
State Funds Subtotal	8,375	5,545	4,035	4,140	22,095
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	8,375	5,545	4,035	4,140	22,095

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws, 2000, Chapter 492, Article 1, Section 24, Subdivision 2	1,750
Laws, 1998, Chapter 404, Section 25, Subdivision 2	1,500
Laws, 1996, Chapter 463, Section 22, Subdivision 2	3,000
Laws, 1994, Chapter 643, Section 19, Subdivision 2-3	2,125
TOTAL	8,375

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	5,545	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

Admin policy is to support the appropriation of funds for asset preservation as a means of ensuring appropriate stewardship of current state owned facilities.

Department of Finance Analysis:

This proposal seeks to preserve and enhance deteriorating state owned historic sites. This is the fifth biennial request; each has been funded at a level less than what was requested. According to the state accounting system as of 11-30-01, the entire \$1,750,000 million appropriated in the 2000 capital bonding bill for asset preservation funds is unspent or unencumbered. Of the \$1.5 million appropriated in 1998, over \$900,000 remains to be spent.

Governor's Recommendation:

The Governor recommends general obligation bonding of \$1.5 million for this request as part of his statewide asset preservation and facility repair initiative. Also included are budget planning estimates of \$1.5 million in 2004 and \$1.5 million in 2006.

To encourage rapid expenditure of these capital funds for immediate economic stimulus, the Governor recommends a sunset date of 6-30-2004 for the 2002 appropriation. Any portion of these funds not spent or encumbered by that date should be cancelled.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	450

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2002 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 2 of 8

PROJECT LOCATION: Multiple Locations - Statewide

PROJECT DESCRIPTION AND RATIONALE:

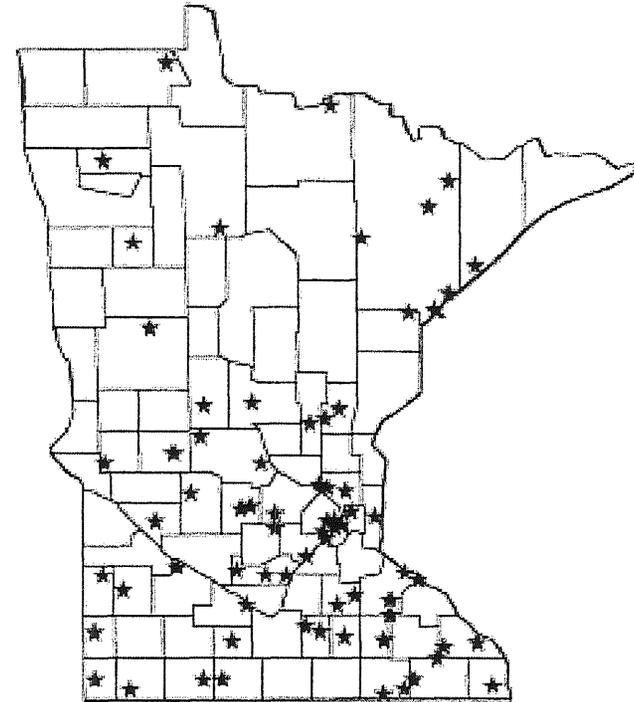
This project provides funding, on a competitive matching basis, for county and local historic preservation projects. By all standards, this project provides the best possible return on the state's investment. The funds dedicated to this preservation project are allocated to local and county organizations through the society's grant-in-aid process. Recipients of county and local preservation grants are required to fully match state funds

Grant-in-aid funds are made available on a local match basis to preserve historic assets. This program is one of the most successful of its type with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Funds appropriated between 1994 and 2000 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

This project has the effect of reducing the state's overall share of investment in preserving historic resources while fulfilling the state's statutory commitment to preserving elements of the state's inventory of historic resources (M.S. 138.665). Some states, for example, attempt to preserve 125+ historic sites at the state level. In Minnesota, we have limited the state's historic sites network to 32 sites, allowing the society to concentrate on its mission of interpreting historic sites of statewide significance. Minnesota's grant-in-aid program, initiated in 1969, encourages local organizations to take on such preservation projects rather than depend on the state to fund both their capital and operating costs.

Since 1969 more than 1,000 capital and operating grants have been awarded to qualified historical organizations in all 87 counties resulting in the preservation of the evidence of Minnesota's past. In the most recent rounds of grants, the society's Grant-in-Aid program has assisted to preserve and make accessible such projects as the Pine Island City Hall, the New Ulm Post Office, the Washington County Courthouse, the Koochiching County Courthouse, the Hubbard House in Mankato, the Glensheen Mansion in Duluth, the Universal Laboratories Building in Dassel, Hibbing High School Auditorium, the Paramount Theater in St. Cloud, and the Thief River Falls Depot.

Bond Funded Grants 1994 - 2000



From the financial perspective, 1994, 1996, 1998, and 2000 appropriations totaling \$2.725 million, will leverage at least an equal amount in local match funding, as well as countless hours of volunteer effort. Additionally, this project helps to fulfill two goals identified in the society's long-range strategic plan: serving larger audiences, and increasing its services outside the metropolitan area.

In 1998, Congress reauthorized transportation funding as the Transportation Equity Act for the 21st Century (TEA-21), replacing the former transportation act, ISTEA. As with ISTEA, TEA-21 provides funding for historic preservation projects through the enhancement program. The society's grant criteria allows funding for local matches to TEA-21 dollars, should local historical organizations need assistance.

Other accomplishments include:

- Grants for historic preservation have stimulated local economies. The nearly \$3 million in state funds have been more than doubled by local matches used to implement projects, and quadrupled in the case of ISTEA grants. Tourists coming to visit these historic resources bring new dollars to Minnesota communities.
- Professional standards and expertise were increased among staff and volunteers at county and local historical organizations receiving grants because of the technical assistance that accompanies them.
- Many projects made possible by these grants enabled communities, most commonly through county and local governments and historical organizations, to reach out beyond their traditional constituencies and attract new audiences, including significant new volunteer activities.

In summary, this grants program has enabled many organizations throughout the state to preserve significant historic places and other priceless evidence of the past at very modest cost to the state. The funding requested in this project would also be an investment by the state to assure that the maximum amount of available federal dollars can be applied to Minnesota's historic preservation projects. Failure to do so could result in the loss of a significant amount of federal funds.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The funding of this program will not impact operating budgets.

OTHER CONSIDERATIONS:

- Grants to preserve the evidence of Minnesota's past have been and will be used to make a wide variety of historic resources available to the public. Examples include preservation of the Edna G. Tugboat in Two Harbors, and Alberta Teacherage in Stevens County. Over the eight-year history of the bond-funded grant program, the Society has received nearly \$5.8 million in requests for \$2.725 million available. For the most recent grant rounds, applications exceeded funds available by nearly 3:1. This clearly demonstrates the statewide needs for historic preservation funding as well as the ability and willingness of local groups to leverage state dollars.
- The society is proposing that 50% of this request (or \$1.5 million) be from the bond proceeds fund, in order to meet the historic preservation needs of public entities. The balance of this request (or \$1.5 million) would be from the General Fund to assist with preservation of historic structures on the National Register of

Historic Places owned by county and local historical societies and other groups maintaining historic buildings for the benefit of the public.

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	5,450	6,000	4,000	4,000	19,450		
SUBTOTAL: (items 1 – 8)	5,450	6,000	4,000	4,000	19,450		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$5,450	\$6,000	\$4,000	\$4,000	\$19,450		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,725	1,500	1,000	1,000	6,225
General Fund Projects	0	1,500	1,000	1,000	3,500
State Funds Subtotal	2,725	3,000	2,000	2,000	9,725
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	2,725	3,000	2,000	2,000	9,725
Other	0	0	0	0	0
TOTAL	5,450	6,000	4,000	4,000	19,450

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws, 2000, Chapter 492, Article 1, Section 24, Subdivision 5	500
Laws, 1998, Chapter 404, Section 25, Subdivision 3	975
Laws, 1996, Chapter 463, Section 22, Subdivision 4	750
Laws, 1994, Chapter 643, Section 19, Subdivision 4	500
TOTAL	2,725

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request is a continuation of a program that has been funded for the past four biennia. It provides state dollars for the repair and maintenance of local historic sites. The grants are matched on a one-to-one basis.

Of the \$500,000 appropriated in 2000 for historic preservation grants, none of it has yet been spent. Of the \$1.15 million appropriated in 1998, over \$500,000 remains to be spent as of November 2001.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	385

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2002 STATE APPROPRIATION REQUEST: \$550,000

AGENCY PROJECT PRIORITY: 3 of 8

PROJECT LOCATION: Capitol Building - St. Paul - Ramsey County

PROJECT DESCRIPTION AND RATIONALE:

This project addresses critical needs of works of art, furnishings, and visitor service amenities in the Minnesota State Capitol in time for the building's centennial in 2005. In priority order, the project includes: 1) completing a comprehensive furnishings plan and beginning its implementation (\$50,000); 2) review, conservation, and re-location of the existing Governors' portraits (\$45,000); 3) conducting a conservation survey of works of art and historical furnishings that are on the inventory--which includes chairs, desks, tables and sofas--and then treating, moving, and storing the objects according to the survey results (\$316,000); 4) continuing restoration of lighting in the governor's reception room area and office (\$69,000); 5) designing and building a new information desk for the first floor of the Capitol (\$60,000); 6) conservation treatment for the Capitol's busts, plaques and statues (\$10,000).

The funding in this cycle will not complete all object treatments in the Capitol, but will cover the most visible and at-risk items in time for the Capitol Centennial in 2005. Further restoration work will be requested in the 2006 capital budget cycle.

1) Furnishings plan. A comprehensive furnishings plan for the public and ceremonial spaces in the Capitol is only partially complete. This plan provides the historical research and documentation necessary to make restoration and maintenance decisions about Capitol spaces. The report documents window treatments, floor coverings, furniture and lighting. To complete the plan for the entire building, this project will work on the Senate Chamber and Retiring Room, the House Chamber and Retiring Room, the former Governor's Dining Room, and the former Supreme Court Justice's Dining Room.

2) Governors' Portraits. Under the current portrait layout, there is no room for a portrait of Governor Ventura's successor. The new exhibit plan will make new space available to hang future Governors' portraits, and will require relocation of each portrait, assessing and treating the portraits and frames, writing additional biographies, and producing new plaques. Both this project and a capital budget request of the Capitol Area Architectural and Planning Board (CAAPB) to restore the public corridors of the Capitol before the centennial will require that the portraits be removed, stored, and reinstalled. The Society and CAAPB will coordinate these projects to assure that the portraits are moved only once.

3) Furnishings. Over 800 of the original 1,600 pieces of 1905 Capitol furniture designed or selected by architect Cass Gilbert are extant. This useable collection of historic furniture, if restored, would enhance the appearance of the public and

ceremonial spaces as well as office spaces for the Capitol centennial. Approximately 400 pieces of furniture are in daily use in public spaces of the Capitol; other pieces are used in offices, and many pieces are in storage due to poor condition. This project would include assessing the condition of the furniture, followed by implementing the repair on a prioritized basis and placing them for use. It will also include the reproduction or purchase of pieces as recommended for public spaces by the furnishings plan.

4) Lighting. Lighting in the governor's public and ceremonial areas has not kept pace with the functions of the spaces. Furthermore, lighting on the historic works of art produces glare that impedes visitors' view of the paintings. The project will include surveying lighting on the paintings, identifying the needs for general and task lighting, and implementing solutions that will balance preservation and conservation needs with the needs of the occupants of the spaces.

5) Information desk. The information desk on the first floor of the Capitol is 40 years old, no longer supports the work done at the desk, and is an inappropriate design for the public corridor. This project will include designing and building a new desk and small retail kiosk to better serve visitors to the Capitol and improve the appearance at the main front entrance for 2005.

6) Busts, plaques, statues. This project will implement a conservation assessment and treatment of these artworks, as well as recommendations for ongoing maintenance.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

OTHER CONSIDERATIONS:

As provided in M. S. Chapter 138.67- 138. 69, the Minnesota Historical Society has responsibility to preserve artwork in the State Capitol. Works of art as defined by statute include "paintings, portraits, mural decorations, stained glass, statues and busts, bas-relief, ornaments, furniture, plaques, and any other article or structure of a permanent character intended for decoration or commemoration placed in the Capitol in 1905 or placed subsequently for historic purposes or decoration."

The 100th anniversary of the Minnesota State Capitol will be celebrated in 2005. The Minnesota Historical Society has a representative on the Governor's 2005 Capitol Centennial Commission, and plans to take a leadership role in shaping events for this occasion. The Minnesota Historical Society, the CAAPB, and Department of Administration are cooperating to prepare the building for its centennial celebration and to complete restoration plans. For instance, the Society also cooperated with these agencies to produce the 2001 Predesign Study, which is another component of planning for the Capitol centennial.

Approximately 250,000 people visit the Capitol each year. The Information Desk alone fields over 40,000 questions annually. This traffic results in heavy use and deterioration of the furnishings in the public corridors and other high traffic areas like the Governor's Reception Room and the Supreme Court Chamber.

Without funding for this project, the furniture will continue to deteriorate to a point where significant items will no longer be salvageable. Funds provided for this request will ensure that restoration and conservation measures on all furnishings will be in accord with standards set by the American Institute for Conservation of Historical and Artistic Works and will enable the Minnesota Historical Society to meet its statutory responsibilities. The conservation and preservation of these works of art and furnishings is essential for the integrity of the Capitol building and its public areas.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/0002	12/0004
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	550	0	700	1,250		
SUBTOTAL: (items 1 – 8)	0	550	0	700	1,250		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$550	\$0	\$700	\$1,250		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
General Fund Projects	0	550	0	700	1,250
State Funds Subtotal	0	550	0	700	1,250
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	550	0	700	1,250

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Capital Area Architectural and Planning Board (CAAPB) Review:

11/20/01

The CAAPB is both supportive and fully prepared to coordinate all efforts relative to the restoration and relocation of the Governor's portraits in a chronological, sequential order that will better utilize the available space in the Capitol Building.

Part of the CAAPB's second capital budget request reflects this coordination and would result in the preparation of a majority of the building's public spaces for the 2005 Centennial Celebration.

Likewise, the CAAPB also welcomes all suggested lighting improvements, the redesign of an information desk, and the conservation of existing artwork and furniture in the Capitol Building. This request must be fully funded now if the state wishes to have the Capitol Building looking its best for its Centennial.

09/10/01

The CAAPB supports this request and its major impact on the public's historical experience of the Capitol Building, as restoration preparations for the 2005 Centennial Celebration are being developed.

Department of Finance Analysis:

The Minnesota Historical Society, Capitol Area Architectural and Planning Board, and Department of Administration are cooperating to prepare the State Capitol for its 100th anniversary in 2005.

The agency has re-prioritized its requests in order to give this project a higher priority.

Governor's Recommendation:

As this is a General Fund request at a time of General Fund deficits, the Governor does not recommend capital funding for this request. This request should be re-submitted for consideration in 2003 as a biennial budget request for repair and replacement funding.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
Total	700 Maximum	290

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2002 STATE APPROPRIATION REQUEST: \$542,000

AGENCY PROJECT PRIORITY: 4 of 8

PROJECT LOCATION: Mendota - Dakota County

PROJECT DESCRIPTION AND RATIONALE:

The request for 2002 includes two primary goals: maintenance of historic structures and completion of design and planning studies for projects that will be implemented in 2004. This request continues work initiated by the Minnesota Legislature in 1994 and is sequenced over two capital budget cycles. The total request is intended to prepare the Sibley House historic site for full inclusion in the state network.

The 2002 request has as its first priority implementing several deferred maintenance projects, including roof replacement on four structures, restoration of the historic gutters, well house structural repairs, stone wall re-pointing and window repairs. The second aspect of this project will be to design solutions for several site needs: restoration designs for each building; a comprehensive security design and implementation; and a study of possible flood prevention program measures for the entire site. These plans will then be implemented with the funding to be requested in 2004.

The 1994 capital project completed extensive historical and archaeological investigation of the property and repaired foundations, porches, and other exterior features. Much more remains to be done to preserve these significant historic structures for the enjoyment of future generations.

Several of the oldest remaining structures in the state are located in Mendota: the Sibley, Faribault, and Dupuis Houses. The preservation and interpretation of this historic place located across the river from Historic Fort Snelling is essential. Only the Commanding Officer's House at Historic Fort Snelling is older than the house built by Henry Sibley in the 1830s when he arrived in what is now the town of Mendota. This was once the important center of fur trade activity just prior to the establishment of Minnesota Territory. Later, the Sibley House became the center of Minnesota government, when Henry Sibley became the state's first governor and conducted state business from his home.

At the beginning of the twentieth century, the site had fallen into serious disrepair. The Minnesota Chapter of the Daughters of the American Revolution (DAR) saw the Sibley House as Minnesota's own Mount Vernon, and dedicated themselves to saving the property, restoring it, and opening it for public tours, through the work of the DAR affiliate, the Sibley House Association (SHA). By the end of the twentieth century, members of the DAR and SHA continued to serve on the governing board of the site, but were unable to gather sufficient resources to maintain and operate it. The state of Minnesota recognized this dilemma and acted to save this important

historic resource. In 1996, the SHA transferred ownership of the site to the state of Minnesota, under the care of the Minnesota Historical Society (MHS).

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

In 1994, the legislature provided \$500,000 to stabilize and repair buildings at the Sibley House site and conduct an archaeological study of the property. In making the appropriation, the legislature stipulated that the funding was available "only after the Sibley House Association has conveyed the Sibley House to the state, to be under the general administration and control of the Minnesota Historical Society."

Since the ownership transfer, the Society has maintained a management agreement with the SHA for daily site operations and to assist in the management of collections and buildings. Originally set to expire in 2001, the management agreement has been extended through December 2003. However, the SHA has indicated that further extensions will not be possible. In FY 2004, the Minnesota Historical Society must meet the state of Minnesota's original intent and assume full management responsibility for the site.

To date, the major impediment to incorporating this site into the statewide network has been inadequate operating costs. The SHA operates the site with only \$88,000 of state operating support. In recent years, they have been forced to reduce operations and public hours to manage within these means. Further, the SHA has been augmenting the budget with a dwindling cash reserve, which will be spent completely within four years. For MHS to operate a restored and invigorated program within state salary guidelines, an additional \$175,000 (\$263,000 total) will be needed annually in state support.

OTHER CONSIDERATIONS:

The proximity of the Sibley House and Historic Fort Snelling—both in space and time—makes it obvious that the two sites will be closely associated in operations. For instance, while it may not be possible to recreate the ferry service that once connected these sites, some regular form of transportation and program coordination between the two would enhance the visitor experience to both sites. With the dramatic changes that are envisioned for Fort Snelling in the next several years, the time is right to move forward with Sibley Historic Site as well.

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Preesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						09/0002	03/0004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	250	0	0	250		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	500	250	1,000	0	1,750		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	500	500	1,000	0	2,000		
9. Inflation							
Midpoint of Construction		07/2003					
Inflation Multiplier		8.30%	0.00%	0.00%			
Inflation Cost		42	0	0	42		
GRAND TOTAL	\$500	\$542	\$1,000	\$0	\$2,042		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	542	1,000	0	2,042
State Funds Subtotal	500	542	1,000	0	2,042
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	500	542	1,000	0	2,042

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	291	291	291
Other Program Related Expenses	0	59	59	59
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	350	350	350
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	350	350	350
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws, 1994, Chapter 643, Section 19, Subdivision 10	500
TOTAL	500

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	542	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request primarily will result in roof replacement and some flood prevention measures for the site. When the Daughters of the American Revolution cease operating the site in December 2003, the Historical Society will be responsible for additional operating costs.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	40
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	265

2002 STATE APPROPRIATION REQUEST: \$655,000

AGENCY PROJECT PRIORITY: 5 of 8

PROJECT LOCATION: Elk River - Sherburne County

PROJECT DESCRIPTION AND RATIONALE:

The Minnesota Historical Society proposes to acquire land or interest in land—approximately 50 acres— adjacent to the Oliver Kelley Farm historic site to protect historic resources, minimize impacts on the environment, and enhance the educational history programs.

This National Historic Landmark site is run as an 1860s era working farm that helps Minnesotans remain connected to their agricultural heritage. The site is increasingly surrounded by commercial and residential development along the U. S. Highway 10 corridor. Land directly adjacent to the farm is still used for agricultural purposes, but the development pressure is intense. Preservation of the surrounding land in its current state will shield the historic farmstead from new developments, while also preserving green space and wildlife habitat in an area with increasing development pressure.

This project will be a key component in the protection and preservation of the Oliver Kelley Farm historic site. To maintain the integrity of the living history program and the historic resources of the site, we must build a strong buffer between the property and current land uses. The farm is no longer part of a larger agricultural landscape; rather it is increasingly an island of green amidst commercial development.

This project continues work done with previous projects funded by the Legislative Commission on Minnesota Resources (LCMR). In FY 1996-97 the site was part of a Heritage Trails Project that encompassed several sites. At the Kelley Farm, the trail showcases the three landscapes found at the site—prairie, woodland, and farmland. The prairie portion of this trail comes close to the current property line and would benefit the most from this buffer zone.

Further, the Minnesota Historical Society is currently managing an LCMR Project [M.L. 1999, Chap. 231, Sec. 16, Subd. 5(b)] for land acquisition that is undertaking the preparatory work for this project. The dollar amounts shown in this request are based on comparable nearby land values, but a formal appraisal will be done prior to launching this project.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

OTHER CONSIDERATIONS:

The adjacent property being considered is part of a 250-300 acre lot owned by a single landowner. The total property value is estimated to be about \$4.5 million. This project includes coordination with other public and private entities to keep the entire property intact as green space.

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition						07/0002	07/0004
Land, Land Easements, Options	\$0	\$655	\$0	\$0	\$655		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	5	0	0	0	5		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	5	655	0	0	660		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$5	\$655	\$0	\$0	\$660		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	655	0	0	655
State Funds Subtotal	0	655	0	0	655
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	5	0	0	0	5
TOTAL	5	655	0	0	660

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	655	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Pre-design Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request proposes purchasing 50 acres to buffer the site from development. To what degree nearby development will impact the daily operations of the farm is unknown.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	125

2002 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 6 of 8

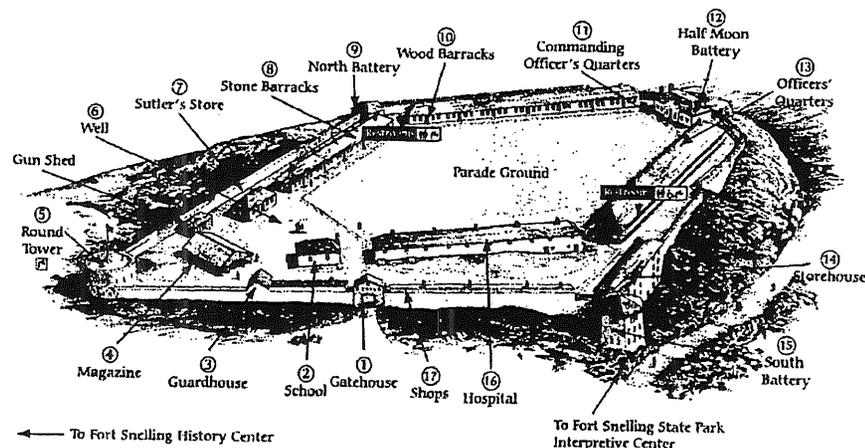
PROJECT LOCATION: Fort Snelling Unorganized Twp- Hennepin County

PROJECT DESCRIPTION AND RATIONALE:

\$400,000 of this request will be used to design a variety of construction projects needed for a major redevelopment and renewal of Historic Fort Snelling. The remaining \$100,000 will expand restrooms in the current visitor center. This work will prepare Historic Fort Snelling for a comprehensive redevelopment of the site that will be requested in 2004. In order to meet the needs of the site for the next 30 years, improvements and changes to nearly all of the site's buildings are necessary for modern visitor needs and historical accuracy.

Project History:

Historic Fort Snelling is located near Minneapolis and St. Paul, at the junction of the Minnesota and Mississippi Rivers. The site is Minnesota's first National Historic Landmark, the highest distinction given by the federal government. Fort Snelling was the governmental administrative center of this region from 1819 until statehood in 1858, and was an active army post until 1946. The original fort site was restored and opened to the public in 1965. A modern visitor center was completed in 1983.



After more than 35 years and 3.5 million visitors, it is time to renew the historic fort and reinvent a visitor experience that will resonate for Minnesotans and their visitors. Buildings and grounds are showing signs of heavy visitor use. Attendance has not

kept pace with the remarkable growth in the Twin Cities area, calling for a need to reposition the fort as an attraction to meet the recreational needs of people today and in the future.

To this end, in 1996 the Minnesota Historical Society completed a self-study of Historic Fort Snelling with a planning grant from the National Endowment for the Humanities. The study was initiated to develop solutions for improved visitor services and increase attendance at this premier historic site. The study produced a blueprint for change, including modifications to the appearance of historic buildings, production of new films and exhibits, expanded interpretive programs (including school services, group tours, and programs for adults and senior citizens) and improved customer service (including accessibility, food service, retail programs, etc.).

Project Overview:

Fort Snelling sits at a crossroads—both in geography and time. The new experiences to be developed for Fort Snelling will connect visitors to these two concepts in a way that helps them understand their place in the continuing sweep of change in this place we call Minnesota.

The geographic crossroads results from the Fort's placement at the confluence of the region's two major waterways—a transportation hub then and now. Long before United States expansion into the area, people met here to live, socialize and to do business. These activities expanded when the fort was built. Even today, the planes that fly overhead are a daily reminder that this place is the primary entry and exit point for citizens and visitors of the state.

Fort Snelling as a crossroads in time will be a key component of the new site experience. Since reconstruction of the fort 35 years ago, it has been frozen in time to 1827—the date that the original fort was completed and the last year that its namesake Josiah Snelling lived there. The revised living history program will push interpretation forward one decade to a more crucial period in the state's history, when the direction of the region's development was shifted—setting the stage for the state we know today.

Historical characters and buildings will now represent the late 1830s, the time when the U. S. government chose a significant new approach to developing this region. Originally built to restrict Euro-American settlement and foster the fur trade, the fort was about to become the mediator in a rich mix of diverse cultures and interests. The Dakota and Ojibwe people of the region would experience a dramatic change in their land. In a remarkably short period of time, the area went from being a distant trading outpost to the next growing territory of the expanding country.

Fort Snelling will again become a busy and wildly diverse place, as historical characters strive to make sense of this new world. Indians will be coping with new

waves of settlers moving in on the heels of recent treaties, and everyone in the fur trade will be figuring out what to do as that industry changes. Dred and Harriet Scott will be among the African-American slaves working at the fort, forming the basis for their later court battle for freedom. Army personnel will be learning how to enforce new laws, while their families will be welcoming new friendly faces to their wilderness.

The excitement and energy level will not be limited to historical reenactments, however. Today's visitors want a more varied experience than simply "walking back in time," and other eras of the site offer equally compelling stories. Therefore, modern-dress interpreters, new exhibit techniques, and multi-media presentations will be woven into the site experience. When weary of the heat and dust of frontier life, visitors will be able to pause in a cool building to learn about Minnesota's contribution to the Civil War, and then see how Fort Snelling supported their grandparents' efforts during World War II. Or, they can imagine the coming fall by getting a taste of the Minnesota State Fair held on Fort Snelling's parade ground in 1860.

In addition to the historical dramas played out at the site, new visitor amenities will be developed. Better signs will help visitors find their way into and around the site. New admission counters will avoid long lines on busy summer days, and new restrooms will ensure a comfortable visit. A modest food service operation will encourage visitors to spend a longer part of the day at the site, and an expanded gift shop will give them opportunities to purchase a memento of their experience. Finally, the Society hopes to partner with the Office of Tourism to create a new Travel Information Center so that travelers fresh off an airplane can finish planning their trips around the state.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Inevitably, a change of this magnitude will require additional dollars in the site's operating budget. Fort Snelling sits in the middle of the metro area, but in order for it to compete for the scarce leisure time of Minnesotans it must deliver services comparable to similar attractions, and it must raise its visibility in the market. Hence, new ongoing investment in building materials, historical program materials, and intensive marketing will be required.

Furthermore, the delivery of these diverse and creative programs and services is labor intensive. New staff members will include a volunteer coordinator, program manager, increased interpretive staffing, and maintenance staff. These positions will be added in FY 2006, once the 2002 and 2004 capital projects have created a core mass of new development.

The Minnesota Historical Society will pursue several avenues to make this new operation possible. In addition to state operating support, some new revenue from increased visitation will off-set increased operational costs, and the volunteer program will be expanded even further to bolster the human capacity to serve visitors.

OTHER CONSIDERATIONS:

Historic Fort Snelling serves about 90,000 visitors per year. At its peak in the late 1970s, the Fort served over 150,000 visitors annually. A prime motivation for this redevelopment is to realize the higher potential of this site to serve visitors, given its statewide significance and prime location. With a combination of marketing and enhanced programs, this site should be able to at least double its annual attendance.

The project has been developed to provide improved connection to and more shared programs with the adjacent Fort Snelling State Park. Plans for historic fort redevelopment have been coordinated with park staff and are consistent with goals of the new Fort Snelling State Park Master Plan.

This new direction for Fort Snelling encompasses the Sibley Historic Site in nearby Mendota, which was acquired by the state in 1996. The historical link between these two sites will be remade with new coordinated programs that show how residents on each side of the river depended upon one another for their livelihood.

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AGENCY CAPITAL BUDGET REQUEST
 Fiscal Years 2002-2007
 Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	60	0	0	60	08/0002	11/0002
Design Development	0	120	0	0	120	12/0002	04/0003
Contract Documents	0	220	0	0	220	05/0003	10/0003
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/0003	03/0004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	100	0	0	100		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	4,600	0	4,600		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	0	500	4,600	0	5,100		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$500	\$4,600	\$0	\$5,100		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	4,600	0	5,100
State Funds Subtotal	0	500	4,600	0	5,100
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	4,600	0	5,100

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	503	503
Other Program Related Expenses	0	0	244	244
Building Operating Expenses	0	0	52	52
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	799	799
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	799	799
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

The future request of \$4,600,000 would benefit from a predesign. Without the completion of predesign an analysis is not possible. Admin recommends the funding of Pre-design with funding for Design and Construction to follow in the next biennia.

Department of Finance Analysis:

This 2001 request is for the design costs associated with a proposed 2004 \$4.6 million construction request. The site improvements will result in significant increases in operating costs for the site.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	220

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2002 STATE APPROPRIATION REQUEST: \$384,000

AGENCY PROJECT PRIORITY: 7 of 8

PROJECT LOCATION: Multiple Sites - Statewide

PROJECT DESCRIPTION AND RATIONALE:

This is a multi-year effort to develop trail systems at historic sites throughout the state. The project requested for 2002 will design and construct a 1.25-mile trail including approximately 20 interpretive markers at Ft. Ridgely state historic site, which is located seven miles south of Fairfax, Minnesota in Ft. Ridgely State Park.

The Minnesota Historical Society operates a network of state historic sites that help visitors experience "history where it happened." These sites help to convey a wide variety of historical themes ranging from history of the lumbering industry to life in a turn-of-the-century village. While many of these sites interpret a particular part of Minnesota history through exhibits at a visitor center or historic house, often where history happened was outside, near or at a natural feature, or archaeological site.

Since 1995 the Minnesota Historical Society has been developing trails at historic sites to expand opportunities for visitor use, appreciation, and enjoyment of the state's cultural resources. The purpose of this request is to expand the Heritage Trail system to a number of historic sites, including Fort Ridgely (2002-2003), the Forest History Center (2004-2005), and the Upper Sioux Agency (2006-2007), in order to more fully explain, through trails and interpretive markers, how events affected the people associated with these sites.

Trails at Fort Ridgely will immerse visitors into the life of a frontier fort of the mid-nineteenth century. Through narrative, photographs, and artist sketches, visitors will discover the stories of people who lived and worked at this place, which was established in 1852 as a means to keep the peace while new settlers flooded over lands formerly controlled by Dakota Indians. Fort Ridgely became a training ground for Civil War volunteers and withstood several attacks during the U. S. – Dakota war of 1862.

Twice during that six-week conflict, Dakota soldiers attacked the fort. The tenacity of the fort defenders, along with the artillery pieces stationed there, prevented the Dakota from overtaking the fort. The Dakota felt that the fort was the key to controlling the Minnesota River valley during the war. Dakota losses at Fort Ridgely contributed to a quick conclusion to the conflict.

The fort originally consisted of 15 buildings on 40 acres of land. Today, six original foundations have been excavated and stabilized, and visitors can see the reconstructed and restored commissary building and one of the powder magazines.

The current interpretive markers are nearly 20 years old, and no formal interpretive trail exists to help visitors better understand and appreciate the site. The new eight foot wide Americans with Disabilities Act accessible trail will start at the reconstructed commissary and guide visitors around the original main fort complex. It will then extend into areas of the fort administered by the state park in order to more fully explain the events of the battles of 1862. Approximately twenty markers will be installed along the trail to provide more information on the fort buildings, fort life, and the human drama that unfolded during the U. S. – Dakota War of 1862.

Please refer to the Strategic Planning Summary for details about the Society's long-range plan.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The project will add a small amount for maintenance to the operating budget.

OTHER CONSIDERATIONS:

This request reflects the Society's effort to interpret Minnesota's history at the maximum level within available resources. The Heritage Trail system will have only minimal operating cost increases. The development of Heritage Trails will fulfill the public's desire to enjoy outdoor recreation, while simultaneously serving an educational function.

Since 1995 the Minnesota Historical Society has managed four grants totaling \$884,000 from the Legislative Commission on Minnesota Resources to develop or enhance trails at seven historic sites. These trails have significantly expanded public access to the properties, and have been very positively received.

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	2	0	0	2	09/0002	12/0003
Design Development	0	10	0	0	10	01/0003	03/0003
Contract Documents	0	14	0	0	14	04/0003	06/0003
Construction Administration	0	0	0	0	0		
4. Project Management						09/0002	07/0004
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	95	0	0	95		
5. Construction Costs						07/0003	07/0004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	229	0	0	229		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	250	250	500		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	0	350	250	250	850		
9. Inflation							
Midpoint of Construction		11/2003					
Inflation Multiplier		9.80%	0.00%	0.00%			
Inflation Cost		34	0	0	34		
GRAND TOTAL	\$0	\$384	\$250	\$250	\$884		

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	384	250	250	884
State Funds Subtotal	0	384	250	250	884
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	384	250	250	884

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	384	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

The Minnesota Historical Society has confirmed that any additional maintenance required for these markers will be absorbed by existing maintenance staff.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	135

2002 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 8 of 8

PROJECT LOCATION: Multiple Sites - Statewide

PROJECT DESCRIPTION AND RATIONALE:

This project seeks a total of \$1 million from state general funds to update master plans within the Historic Sites Network. The project is requested to be implemented over four years with funding from the 2002 and 2004 capital budget sessions.

Funding requested in 2002 includes a staff project position to update master plans and support for architectural and engineering consulting and contract historians. Funding requested in 2004 extends the planning position but shifts attentions to collections and interpretive plan reviews.

In 2000, the Minnesota Historical Society (MHS) celebrated the 35th anniversary of the passage of the Historic Sites Act of 1965 by the Minnesota Legislature. (M.S. 138.661 – 138.6691.) During this 35-year period, a number of sites have been developed, and others added to the state's Historic Site Network. Master plans have been completed as required by the Outdoor Recreation Act of 1975 but should be updated for the network as a whole. Because most sites in the network were acquired in the early 1970s the plans developed for the sites reflect the thinking of the 1970s and focused on development rather than long-term maintenance. In updating the plans, the society will incorporate the current financial circumstances as well as new ideas about what to preserve and how best to do it.

At this juncture, it is appropriate for MHS to continue its planning process by taking a longer term look at: the network itself, appropriate plans for future development, a continued effort at "melting the capital deferred maintenance iceberg," and ultimately, the best way to serve the citizens of the state.

One of four major goals adopted in the MHS's strategic plan is to rethink and revitalize the state's Historic Sites Network. Funding this request would enable the society to better plan for and anticipate its capital and operating needs over the next 10 years as they affect the larger segment of the society's capital assets.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

None.

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

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Minnesota Historical Society
History Center
345 Kellogg Boulevard
St. Paul, MN 55102
Phone: (651) 297-8085
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E-mail: david.kelliher@mnhs.org

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management						07/0002	06/0004
State Staff Project Management	0	110	120	0	230		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	390	380	0	770		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	0	500	500	0	1,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$500	\$500	\$0	\$1,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
General Fund Projects	0	500	500	0	1,000
State Funds Subtotal	0	500	500	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	500	0	1,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request will update the current master plan and evaluate new sites that are not yet included in that plan. The request is not bond-eligible so therefore is a General Fund request that could be included as a new initiative in the operating budget process.

Governor's Recommendation:

As this is a General Fund request at a time of General Fund deficits, the Governor does not recommend capital funding for this request. This request should be re-submitted for consideration in 2003 as an agency biennial budget initiative.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	0
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	20
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
Total	700 Maximum	125

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Redevelopment Grant Program	1	\$10,000	\$10,000	\$10,000	\$30,000	390	\$10,000	\$10,000	\$10,000
State Matching Funds	2	16,000	16,000	16,000	48,000	436	16,000	16,000	16,000
Wastewater Infrastructure Fund	3	30,600	30,600	30,600	91,800	378	4,080	4,080	4,080
Clean Water Partnership	4	3,000	3,000	3,000	9,000	255	0	0	0
Total Project Requests		\$59,600	\$59,600	\$59,600	\$178,800		\$30,080	\$30,080	\$30,080

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AGENCY MISSION STATEMENT:

The statutory mission of the Department of Trade and Economic Development (DTED) is to employ all available state government resources to facilitate an economic environment that produces net new job growth in excess of the national average and to increase nonresident and resident tourism revenues. DTED envisions that this mission will be accomplished through business marketing, finance and technical assistance, through community development finance and technical assistance, through the expansion of foreign direct investment and exportation of Minnesota products, and through expanded workforce development and training activities.

The mission of the Business and Community Development Division is to market all of DTED's programs to business and community customers; work with companies to expand in, or re-locate into, Minnesota; finance business expansions; finance improvements in communities including infrastructure, housing and commercial rehabilitation, new housing, environmental cleanup, and redevelopment of industrial land; provide information and consultation to small businesses; and assist communities and development organizations with strengthened capacity to undertake development.

Programs:

The Redevelopment Grant program is a statewide program administered under the Business and Community Development Division of DTED. The program offers grants to local development authorities to assist with costs related to redeveloping old, industrial, residential or commercial properties under M.S. 116J.561 - 116J.567

The Minnesota Public Facilities Authority (PFA) is an interagency organization established under M.S. 446A. Its primary mission is to manage three revolving funds (Water Pollution Control Revolving Fund, Drinking Water Revolving Fund and the Transportation Revolving Loan Fund) and other assistance programs to provide low cost financing to state agencies and local government to improve infrastructure related to water quality, drinking water, and transportation.

The PFA is governed by a board consisting of Commissioners from the Minnesota Pollution Control Agency (MPCA), departments of Agriculture, Finance, Health (MDH), Transportation (MnDOT), and DTED. DTED's Commissioner, serves as chair of the PFA, is responsible for the staffing and administration of the PFA program.

Summary of Programs and Services provided by the PFA:

Clean Water. In conjunction with MPCA, the PFA manages the very successful Water Pollution Control Revolving Fund (or Clean Water SRF), which provides low interest loans to municipalities for wastewater projects. The MPCA prioritizes the projects, conducts technical and environmental reviews, issues permits and inspects construction. The Clean Water SRF also provides funds to state agencies for nonpoint source loan programs.

Wastewater Infrastructure Fund. The Wastewater Infrastructure Fund Program (WIF) provides grant funding to communities that are unable to finance projects solely through loans. For communities eligible to receive grants from the U. S. Department of Agriculture Rural Development (RD), the WIF matches RD grants on a 50/50 basis. Communities not eligible for RD grants may receive grants based on the funding criteria in M.S. section 446A.072.

Drinking Water. PFA manages the Drinking Water Revolving Fund (DWRP or Drinking Water SRF) in conjunction with the MDH, which provides similar service as MPCA. The DWRP provides low interest loans to municipalities for drinking water projects and also funds a variety of technical services (operator certification, technical assistance to small communities, capacity development and wellhead protection).

Transportation. PFA manages the Transportation Revolving Loan Fund (TRLF) in partnership with MnDOT. The TRLF provides below market rate loans for transportation related projects.

Revenue Bonding Authority. The PFA is authorized to sell \$850 million in revenue bonds. For both the Drinking Water and Clean Water SRFs the Authority has AAA/AAA/Aaa rated open bond pools. The TRLF is a closed pool in which specific projects incorporated into a single bond issue.

TRENDS, POLICIES AND OTHER ISSUES AFFECTING THE DEMAND FOR SERVICES, FACILITIES, OR CAPITAL PROGRAMS:

The Redevelopment Grant Program provides gap financing to local governments and local development agencies to recycle obsolete or abandoned properties for new industrial, commercial and residential uses. The program's goal is to assist in the recycling of land, provide an incentive to develop on in-fill sites and to assist in the revitalization and blight removal of the developed cores. The program is delivered via competitive grant cycles. DTED objectively weighs the costs and benefits of every proposal before grant awards are made. To date, the program has been over-subscribed, reinforcing the need for the gap financing this program provides.

Because the cost of developing on formerly used sites is very high, developers target vacant agricultural land for new subdivisions, industrial parks and commercial centers. This trend has resulted in significant sprawl. The affect has been a negative impact on the tax base and development prospects in the developed areas of our Metro and Greater Minnesota cities. Job creation, housing development, and necessary tax base revitalization in our cities is jeopardized by development sprawling outward. The Redevelopment Grant Program provides financing to level the playing field between formerly used sites and vacant land, providing an incentive for the development community to recycle in-fill sites.

Because of property tax reform adopted in the 2001 legislature, up to \$100 million currently utilized by local TIF districts may not be available to fund redevelopment and other projects. Development projects, particularly redevelopment projects would be affected. A multi-agency team made up of staff from DTED, Finance, Revenue, and the Metropolitan Council reviewed the impacts of property tax reform on local development when evaluating this request.

Clean Water

The MPCA estimates that projects needed to maintain and improve wastewater treatment throughout the state over the next five years will exceed \$1.8 billion. These needs are being driven by three key factors: 1) increased population and economic growth statewide has placed many systems at their maximum capacity; 2) systems built with state and federal grants 20-30 years ago are reaching the end of their design lives and need major rehabilitation; and 3) more stringent state and local requirements for individual septic systems have generated a critical and growing demand for municipal wastewater service in many unsewered communities and lakeshore areas.

The Clean Water SRF program is primary source of funding for municipal wastewater projects and it is expected to receive federal funding (\$24,750,000 annually) through federal fiscal year (FFY) 2005. States are required to provide a \$1 state match for every \$5 of federal funding.

The WIF program provides grants to help small communities deal with the high cost of wastewater construction. WIF makes up about 10% of the total state assistance for wastewater, but the demand has been growing significantly in the past four years as communities try to resolve problems with septic systems.

Drinking Water

The 1999 EPA Drinking Water Infrastructure Needs Survey identifies a total of \$3.1 billion in public drinking water system improvement needs in Minnesota over the next 20 years. Threats to drinking water can come from contamination such as bacteria, viruses or nitrates from animal or human activities, naturally occurring inorganic chemicals such as arsenic, or radioactive elements such as radon.

The Drinking Water SRF is expected to receive federal funding (\$15,500,000 annually) through FFY 2005. States are required to provide a \$1 state match for every \$5 of federal funding.

Transportation

The U. S. Department of Transportation authorized State Infrastructure Banks (SIBS) to generate new and innovative ways to reduce transportation infrastructure costs and leverage other funds. Through three rounds of applications demand has grown with each round, with \$81 million in approved projects and \$30 million pending approval by the PFA.

DESCRIBE THE AGENCY'S LONG-RANGE STRATEGIC GOALS IN RELATION TO CAPITAL REQUESTS:

The department has primary leadership on five Big Plan initiatives;

- The Best Climate to Grow Business
- Commercialization of New Technologies
- Improving the Competitive Position of Rural Minnesota
- Trade. Tapping the World's Interest in Minnesota
- Jesse "The Tourism Governor" Ventura: Promoting Minnesota, Promoting the Industry

Business and Community Development Division's Goals:

- Facilitate and invest in the creation of high quality jobs, added tax base, and housing opportunities.
- Facilitate and invest in the redevelopment of blighted, obsolete properties to create public benefits of increased taxes, jobs, and housing opportunities and to prevent sprawl.
- Promote Minnesota as an excellent business location.
- Remove government impediments to doing business in Minnesota.
- Provide technical assistance to small businesses and entrepreneurs.
- Deliver our programs and services efficiently and cost-effectively.

Provide a self-assessment of the condition, suitability and functionality of present facilities, capital projects or assets: This request is for programs to assist communities with infrastructure and redevelopment activities. DTED does not own or operate facilities covered by this request.

The PFA remains committed to maintaining its excellent bond ratings (AAA/AAA/Aaa) and recognition in the marketplace thereby allowing it to borrow funds as cheaply as possible to finance vital infrastructure. In addition, the PFA remains committed to obtaining federal funds and state matching funds in a timely manner to be able to address current high priority needs while attempting to build

the capacity to address future high priority needs. The PFA will match appropriations for Agriculture's Best Management Practices program and MPCAs Clean Water Partnership programs dollar for dollar using recycled loan repayments. Possible long-term solutions to the imbalance between growing demand and limited lending capacity of the fund could include: 1) increasing the amount of dollars deposited into the funds; 2) reducing the interest rate subsidies; 3) scaling back on the number and dollar amount of projects financed with the SRF; and 4) reducing the amount of funding directed to the non-point source SRF programs.

Critical water infrastructure, transportation capacity and redevelopment activities are essential for vital, healthy communities. The Big Plan stresses the importance of improving the competitive position of rural Minnesota. The programs are popular throughout Minnesota communities because they protect the environment and public health of the community, and provide the infrastructure capacity and development land necessary for growth.

AGENCY PROCESS USED TO ARRIVE AT THESE CAPITAL REQUESTS:

To determine the amount of this capital request for the Redevelopment Grant Program, DTED considered grant requests from past funding cycles. A need has been demonstrated in past grant applications for the use of bond proceeds to finance costs such as public infrastructure to help support new primarily private development.

Agency capital budget projects during the last six years (1996 - 2001): To date, DTED has completed six funding rounds for the Program. DTED received a total of 95 applications requesting nearly \$38 million. DTED has awarded a total of 43 grants which are expected to create a \$9.5 million tax base increase, 7,386 jobs, and 1,172 new housing units. Approximately 50 of the 95 applications received would be eligible for bond proceeds. All Program funds have been committed to projects.

For the state match funding and WIF programs, DTED sought and obtained input from the MPCA, MDH, USDA Rural Development, U.S. Environmental Protection Agency and Congressional staff (on future federal appropriation for SRF programs). The state match amounts requested were calculated using the historic funding levels for the SRF programs and the state's estimated share of future federal appropriations based on EPA's needs surveys. WIF is an estimate of what will be needed to match Rural Development in 2002 and 2003 with funds to be able to one or two additional high priority projects not eligible for RD Funding. The capital budget request was presented to the PFA Board at a publicly held meeting on 6-4-01.

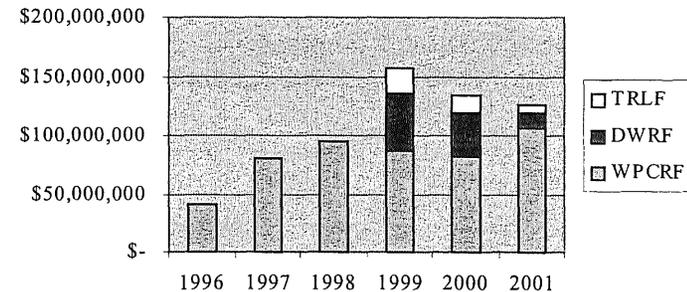
AGENCY CAPITAL BUDGET PROJECTS DURING THE LAST SIX YEARS (1996-2001):

The PFA made its first loan in July of 1989 and since has provided over a billion dollars of financing to local governments throughout the state for wastewater,

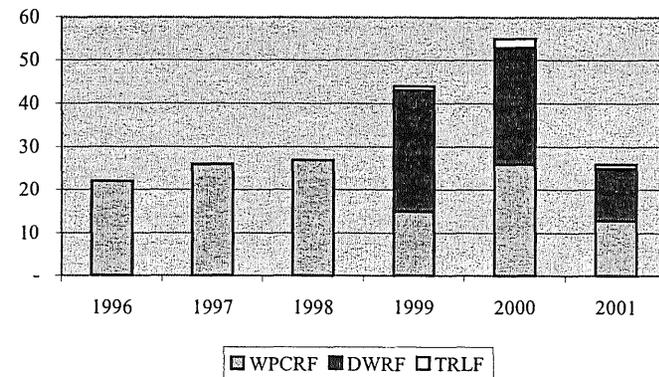
drinking water, roads, bridges and transit projects. From FY 1996 through 2001, the PFA has provided \$505 million in loans for wastewater infrastructure, \$65 million for non-point source loan programs, \$102 million for drinking water infrastructure, \$62 million in wastewater grants, and approved \$81 million in transportation projects.

**Loans By State Fiscal Year
1996-2001 (as of 5/24/01)**

\$ Amount of Loans by Fiscal Year, 1996-2001



Number of Loans by Fiscal Year, 1996-2001



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2002 STATE APPROPRIATION REQUEST: \$10,000,000

AGENCY PROJECT PRIORITY: 1 of 4

PROJECT LOCATION: Statewide

PROJECT DESCRIPTION AND RATIONALE:

The Department of Trade and Economic Development (DTED) requests \$10 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 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 will deliver the Program to Greater Minnesota communities on a competitive basis. A similar program, to be administered by the Metropolitan Council, is proposed for metro area communities.

The redevelopment of previously developed land is critical to maintaining healthy, vital communities as outlined in the Governor's Big Plan. Left to their own devices, businesses and housing developers will usually 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 will use state funds to clear previous development, install updated infrastructure and stimulate private reinvestment in existing Greater Minnesota neighborhoods and communities. Recycling existing properties relieves development pressure on the urban fringe and provides downtown enhancements that will revitalize town centers. The Redevelopment Grant Program is a fundamental part of the Administration's Smart Growth initiative.

A previous version of the Redevelopment Grant Program was created in statute by the 1998 legislature at 116J .561 to 116J .567. The Program assisted both Metro and Greater Minnesota communities. The program received a General Fund appropriation of \$4 million in 1999 and a \$3 million General Fund appropriation in 2000. \$6 million in General Fund money was appropriation by the 2000 legislature for 2001. To date, DTED has completed six funding rounds. For the six rounds, DTED received 95 applications requesting nearly \$38 million. DTED was able to award 43 grants.

The Redevelopment Program outlined in this proposal is significantly different from the previous program. The new program will still recycle previously developed properties for new industrial, commercial or residential uses. The selection criteria, however, will incorporate statewide smart growth principles. The new Redevelopment Program criterion will focus on compact development, mixed-use development. Public participation, integration of public investments, conservation of natural resources, providing development choices and local accountability.

The Department is recommending the use of a Redevelopment Advisory Board to assist the Commissioner of Trade and Economic Development with the administration of the program.

Because of the significant change in focus of the new Redevelopment Program, the Department of Trade and Economic Development recommends repealing Minnesota Statutes 116J.561 -116J.567 and creating a new program statute.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

DTED currently employs Redevelopment Program administrative staff. Existing staff would need to be retained to administer the Program. Non-bond fund would be required for this activity. All operation and maintenance activities will be conducted by the local communities.

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

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Minnesota Department of Trade and Economic Development
500 Metro Square Building
121 – 7th Place East
St. Paul, MN 55101
Phone: (651) 297-3172
Fax: (651) 296-5287
E-mail: louis.jambois@state.mn.us

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/0002	07/0007
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	26,000	20,000	20,000	20,000	86,000		
SUBTOTAL: (items 1 – 8)	26,000	20,000	20,000	20,000	86,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$26,000	\$20,000	\$20,000	\$20,000	\$86,000		

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	10,000	10,000	30,000
General	13,000	0	0	0	13,000
State Funds Subtotal	13,000	10,000	10,000	10,000	43,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	13,000	10,000	10,000	10,000	43,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	26,000	20,000	20,000	20,000	86,000

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	80	80	80	80
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	80	80	80	80
Revenue Offsets	0	0	0	0
TOTAL CHANGES	80	80	80	80
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
2000, 492, 22, 5	6,000
1999, 223, 2, 2	3,000
1998, 404, 23, 2	4,000
TOTAL	13,000

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This program was created in 1998 and has received a total of \$13 million in General Fund appropriation since its creation. The program has served as an important tool in facilitating redevelopment aimed at job growth and efficient land use. The program would provide a stronger focus if the criteria for selecting projects were modified to ensure that funding is directed at activities where there is a clear state government role. Such criteria might include ties to the creation of affordable housing, job creation in parts of the state that have suffered significant job loss, and clean up of contaminated land. The program could be further focused if it is directed to the needs of greater Minnesota.

Governor's Recommendation:

The Governor recommends \$10 million for redevelopment activities in greater Minnesota. This appropriation is from general obligation bond funds. Allocation of the funds will be made by the department based upon recommendation of an advisory panel that includes broad representation from members around the state. Also included are budget planning estimates of \$10 million in 2004 and \$10 million in 2006.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	100
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	390

2002 STATE APPROPRIATION REQUEST: \$16,000,000

AGENCY PROJECT PRIORITY: 2 of 4

PROJECT LOCATION: Statewide

PROJECT DESCRIPTION:

State Matching Funds for U.S. Environmental Protection Agency (EPA) Capitalization Grants

The Public Facilities Authority (PFA) is seeking \$16 million in state funds to match expected EPA funds for federal FY 2003-04 at the rate of 1:5 for the Water Pollution Control Revolving Fund (Clean Water SRF) and the Drinking Water Revolving Fund (Drinking Water SRF). These funds will be used to leverage PFA revenue bonds to provide low interest loans for drinking water and wastewater projects

In addition to financing municipal wastewater projects the Clean Water SRF has also provided funding for the nonpoint source pollution control programs, including the Department of Agriculture's Best Management Practices Loan Program and Minnesota Pollution Control Agency's (MPCAs) Clean Water Partnership Loan Program. The federal capitalization grants for Drinking Water will be used primarily for loans with a small amount being deposited in the debt service reserve fund to back the PFAs Revenue Bonds for drinking water projects. In both programs, the state matching funds are used only for municipal/publicly owned improvements.

2002 Legislative Session Request (\$ in thousands): \$16,000

FY	Clean Water		Drinking Water	
	Fed. Cap. Grant	State Match	Fed. Cap. Grant	State Match
2003	\$24,500	\$4,900	\$15,500	\$3,100
2004	24,500	<u>4,900</u>	15,500	<u>3,100</u>
Total		\$9,800		\$6,200

PROJECT DESCRIPTION AND RATIONALE:

Drinking water and wastewater facilities are essential infrastructure that not only protects the environment and public health but also allows communities to build a healthy and competitive economic climate conducive to growth and expansion opportunities to develop quality jobs. The PFA recognizes the fact that environmental infrastructure must accommodate the expansion needs of businesses and communities throughout the state while preserving environmental quality.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

PFA operates on federal administrative funds and special revenues generated from fees on loan payments and provides for costs incurred by the Department of Trade and Economic Development (DTED), MPCA, and the Department of Health.

OTHER CONSIDERATIONS:

Low-cost financing under the PFAs 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 2001, the PFA has made below market rate loans in excess of \$1 billion which will result in interest savings to local tax and rate payers of over \$300 million compared to market rate financing.

Every \$1 of state match generates \$5 of federal funds which combined, have been leveraged more than two to one through the issuance of revenue bonds issued by the PFA. The interest rate savings from reduced debt service costs have saved local tax- and ratepayers more than \$3 for every \$1 of state matching funds. It should be noted that every dollar spent on municipal water and wastewater construction generates 4.6 cents in General Fund revenues directly from the income tax, corporate income tax, and sales tax.

The Drinking Water SRF and Clean Water SRF loans are the primary source of financial assistance for these projects in the state. An average of \$129 million in loans per year were made from FY 1999 through FY 2001 and the demand continues to grow.

Demand for the Clean Water SRF is outpacing the fund's capacity to meet all funding requests due to two related factors. First, the demand for municipal wastewater improvements continues to grow, driven by economic growth in the state, the need to replace aging facilities and more stringent regulation of individual septic systems. Second, there has been a large demand to address non-point source pollution problems in the state and to use the resources of the Clean Water SRF as a mechanism to finance nonpoint source programs. Since 1995, the PFA has provided over \$65 million to fund nonpoint source loan programs.

Drinking Water demand has always been much larger than the fund has assets available, so financing has been limited to the higher priority projects since the very beginning.

Both the PFAs Clean Water and Drinking Water SRFs have shown considerable financial strength to finance municipal water and wastewater projects. The AAA/AAA /Aaa ratings from Standard and Poors Rating Group, Fitch I.C.B.A., Inc., and Moody's Investor Services of the PFAs Water Pollution Control Revolving Fund Bond Pool reflects its financial strength, the credit quality of Minnesota communities and the sound financial management of the program.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	06/2007
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	1,255,983	186,000	186,000	186,000	1,813,983		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	1,255,983	186,000	186,000	186,000	1,813,983		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$1,255,983	\$186,000	\$186,000	\$186,000	\$1,813,983		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	53,393	16,000	16,000	16,000	101,393
G.O. Bonds/Transp	0	0	0	0	0
General Fund Projects	13,500	0	0	0	13,500
General	13,444	0	0	0	13,444
Infrastructure Dev	15,600	0	0	0	15,600
State Funds Subtotal	95,937	16,000	16,000	16,000	143,937
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	395,333	80,000	80,000	80,000	635,333
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	764,713	90,000	90,000	90,000	1,034,713
TOTAL	1,255,983	186,000	186,000	186,000	1,813,983

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
2000, Chapter 492, Section 22, Subd 02	12,893
1999, Chapter 240, Section 06, Subd 02	2,200
1998, Chapter 404, Section 09, Subd 02	15,000
1998, Chapter 404, Section 09, Subd 08	9,000
1997, Chapter 200, Section 02, Subd 02	4,444
1996, Chapter 463, Section 10	4,000
1994, Chapter 643, Section 25	13,400
1993, Chapter 373, Section 10	4,000
1992, Chapter 558, Section 15	7,500
1990, Chapter 610, Section 21	15,600
TOTAL	95,937

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	16,000	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This program continues to leverage federal dollars to help communities afford improvements to drinking water and wastewater systems. It has demonstrated superb financial management practices and retains the highest rating by private rating agencies. Approximately 55% of funding serves residents of the metropolitan area, the remainder of funding serves residents of greater Minnesota.

Governor's Recommendation:

The Governor recommends general obligation bonding of \$16 million for this project. This appropriation is from general obligation bond funds. Also included are budget planning estimates of \$16 million in 2004 and \$16 million in 2006.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	75
User and Non-State Financing	0-100	91
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	436

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2002 STATE APPROPRIATION REQUEST: \$30,600,000

AGENCY PROJECT PRIORITY: 3 of 4

PROJECT LOCATION: Statewide

PROJECT DESCRIPTION:

Wastewater Infrastructure Fund (WIF) monies are used as grants to supplement loans from the Water Pollution Control Revolving Fund (Clean Water SRF), and to match grant assistance provided by U.S. Department of Agriculture (USDA) Rural Development for high cost projects. The first priority for the requested funds would be to match grants from Rural Development's FY 2002 funds which would be committed starting in October 2001.

For USDA Rural Development projects, the WIF program provides 50% of the grant eligible amount determined by Rural Development. Rural Development's grant calculations are determined by first looking at the amount of debt service and operation and maintenance costs a city can afford to pay based on a figure of 1.7% of its median household income, with the total grant then providing for 100% of construction costs above that level. Separate WIF grants to supplement Water Pollution Control Revolving Fund loans are also based on ability to pay, with the grant amount set at 80% of the construction costs above a level of \$25 per month or 1.4% of annual median household income, whichever is greater, for debt service and operation and maintenance costs.

As of the end of FY 2001, the Public Facilities Authority (PFA) has awarded or committed WIF grants to 59 projects for \$68.5 million. PFA expects to commit the remaining available balance of \$13.9 million to projects by 12-1-01.

PROJECT DESCRIPTION AND RATIONALE:

WIF funds are directed to the highest priority projects that need grant assistance to remain affordable based on their environmental and public health needs as determined by the Minnesota Pollution Control Agency (MPCA). The WIF program gives small communities the opportunity to share in the benefits of a growing economy by addressing their wastewater problems while keeping costs affordable for their residents.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The Authority is requesting general fund appropriations for the cost of the MPCAs administration of the WIF program. The amount requested for MPCA administration is 2% of the WIF request for FY 2002-03. The MPCA provides substantial oversight, including technical and environmental review, prioritizing projects, and permitting.

OTHER CONSIDERATIONS:

The WIF program was designed to be a gap-financing tool used in conjunction with the Water Pollution Control Revolving Fund and the USDAs Rural Development grant program for wastewater. Communities are required to seek grant assistance from other sources before becoming eligible for either WIF or the USDA Rural Development grant program. The unique state/federal partnership with Rural Development was designed to coordinate assistance to communities to keep the systems affordable, as well as make it easier for many of the smaller communities to access funding.

This program has generated a substantial interest in small rural communities and lakeshore areas currently using individual septic systems. To keep the housing stock marketable in areas with failing septic systems, this program is essential due to the high cost of providing sewer service in unsewered communities. To make these dollars stretch the furthest and to the most-needy communities, the PFA will be making a number of policy recommendations in its required WIF report.

The WIF program requires communities that receive WIF assistance to set aside a minimum of \$.10 per 1,000 gallons in a system replacement fund to reduce future reliance on the state for grants when the system needs major rehabilitation or replacement.

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AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	06/2007
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	82,312	80,600	80,600	80,600	324,112		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	82,312	80,600	80,600	80,600	324,112		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$82,312	\$80,600	\$80,600	\$80,600	\$324,112		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	72,222	30,000	30,000	30,000	162,222
General Fund Projects	8,990	600	600	600	10,790
Infrastructure Dev	1,100	0	0	0	1,100
State Funds Subtotal	82,312	30,600	30,600	30,600	174,112
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	20,000	20,000	20,000	60,000
Local Government Funds	0	30,000	30,000	30,000	90,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	82,312	80,600	80,600	80,600	324,112

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	600	600	600	600
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	600	600	600	600
Revenue Offsets	0	0	0	0
TOTAL CHANGES	600	600	600	600
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
2000 492 01 022 003	18,000
1999 240 01 006 003	20,500
1998 404 00 009 003	15,300
1997 246 01 005	7,000
1996 463 01 010 003	17,500
1990 610 01 021	1,082
1989 300 01 017	390
1987 400 01 007 000	2,540
TOTAL	82,312

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This grant program utilizes funding for communities with failing septic systems or that have no sewer systems. The prioritization process for use of these funds has sometimes pitted small communities against lakeshore homeowners. A priority system which values communities over individuals better fits the strategic mission of the agency and its goals of promoting economic growth. The drinking water and wastewater revolving loan funds leverage significantly more dollars and should be a higher priority than the grant program. Approximately 80% of funding serves residents of greater Minnesota.

Governor's Recommendation:

The Governor recommends general obligation bonding of \$4 million for the wastewater infrastructure fund with an \$80,000 general fund appropriation to administer the program. Also included are budget planning estimates of \$4.08 million in 2004 and \$4.08 million in 2006.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	58
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	378

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2002 STATE APPROPRIATION REQUEST: \$3,000,000

AGENCY PROJECT PRIORITY: 4 of 4

PROJECT LOCATION: Statewide

PROJECT DESCRIPTION AND RATIONALE:

The Clean Water Partnership (CWP) program offers low-interest loans to supplement CWP grants. 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). These 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, on-the-ground activities; it 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 to the area each year.

The Minnesota Pollution Control Agency (MPCA) has received a total of \$21.3 million from the Public Facilities Authority for the CWP Loan Program. This includes \$5 million in 1995, \$7 million in 1996, \$4.3 million in 1997, \$3 million in 1999, \$2 million in 2001, all of this, which has been awarded to projects.

Non-point source pollution is now the most significant type of water pollution and is becoming a major focus of agency 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 STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

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

OTHER CONSIDERATIONS:

During the 2000 legislative session \$2 million in bond money was appropriated to the CWP loan program. The MPCA makes these funds available to local units of government, which sponsor CWP projects, most of which are on privately owned land. The CWP loan funds from the 2000 legislative session and this request must be authorized from General Fund appropriation.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	06/2007
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	23,296	3,000	3,000	3,000	32,296		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 - 8)	23,296	3,000	3,000	3,000	32,296		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$23,296	\$3,000	\$3,000	\$3,000	\$32,296		

AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007
Dollars in Thousands (\$137,500 = \$138)

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,000	0	0	0	2,000
General Fund Projects	0	3,000	3,000	3,000	9,000
Public Facilities Authority	21,296	0	0	0	21,296
State Funds Subtotal	23,296	3,000	3,000	3,000	32,296
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	23,296	3,000	3,000	3,000	32,296

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
2000, Chapter 492, Section 22, Subd 04	2,000
TOTAL	2,000

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (by Legislature)
No	MS 16B.335 (2): Other Projects (require legislative notification)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
No	MS 16A.695: Public Ownership Required (as per Finance Dept.)
No	MS 16A.695: Use Agreement Required (as per Finance Dept)
No	MS 16A.695: Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	Project Cancellation in 2007 (as per Finance Dept)

Department of Administration Analysis:

NA

Department of Finance Analysis:

This program received \$2 million in general obligation bond funding in 2000 to fund "best management practices" to help prevent water pollution in a variety of ways. Bond funds can only be used to pay for publicly-owned facilities. Because clean water partnership funds are spent on non-publicly owned facilities, 2002 funding is requested from the General Fund to allow the program to continue. Before 2000, this program was funded by the PFA granting part of its federal funding to the MPCA. Approximately 60% of funding serves residents of greater Minnesota.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. However, the Governor recommends that the 2000 appropriation be amended to switch funding from general obligation bonding to the General Fund in order to provide funding for this program.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	25
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
Total	700 Maximum	255

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Minnesota strategic capital
. budget plan