

BONDING 2006(add 000 to each number)

| Project | Fund | Request | Governor | |
|---------|--|----------------|----------------|----------------|
| | | Total | State | State |
| | | Project | Share | Share |
| 1 | U of M | | | |
| 2 | | | | |
| 3 | HEAPR | 80,000 | 80,000 | 40,000 |
| 4 | Carlson School of Mgmt Expansion | 39,900 | 26,600 | 26,600 |
| 5 | Duluth Labovitz School of Bus & Infrastructure | 23,000 | 15,333 | 15,333 |
| 6 | Science Teaching & Student Services | 62,000 | 41,334 | 41,334 |
| 7 | Medical Research Bldg/Infrastructure Ph 1 | 60,000 | 40,000 | 4,346 |
| 8 | Regional Centers & Stations | 4,200 | 2,800 | 0 |
| 9 | Bond | 269,100 | 206,067 | 127,613 |
| 10 | | | | |
| 11 | MnSCU | | | |
| 12 | | | | |
| 13 | HEAPR* | GO | 110,000 | 20,000 |
| 14 | MSU Mankato - New Science/Trafton Renov | | 32,900 | 21,944 |
| 15 | St Cloud SU - Math & Science Add & Renov | | 14,000 | 9,338 |
| 16 | Century CTC New Scienc/Library | | 19,900 | 13,273 |
| 17 | Fondulac TCC - Library & Cultural Addition | | 12,390 | 8,264 |
| 18 | MSU - Moorhead - MacLean Renovation | | 9,680 | 6,457 |
| 19 | Mpls CTC - Health & Science Renovation | | 18,874 | 12,589 |
| 20 | St Paul - Transp & Applied Tech Lab | | 3,000 | 2,000 |
| 21 | Bemidji SU - Sattgast Science Add & Renov | | 700 | 467 |
| 22 | MSC-SETC Red Wing - LRC & Student Servs | | 4,855 | 3,238 |
| 23 | Normandale CC - Classroom Renov & Add | | 5,125 | 3,418 |
| 24 | Inver Hills CC - Classroom Add & Renov | | 700 | 467 |
| 25 | St Cloud SU - Riverview Hall Renov | | 4,500 | 3,000 |
| 26 | Winona SU - Maxwell Hall Renov | | 11,186 | 7,461 |
| 27 | Systemwide Science Lab & Workforce | | 5,140 | 3,428 |
| 28 | Systemwide Demolition | GO | 1,660 | 0 |
| 29 | Systemwide Property Acquisition | | 11,440 | 7,630 |
| 30 | North Hennepin - Bus & Tech Add & Renov | | 700 | 467 |
| 31 | Northland CTC - E Grand Forks - Nurs & Lib | | 600 | 400 |
| 32 | MSU Moorhead - Lommen Hall Add & Renov | | 600 | 400 |
| 33 | Lake Superior CTC - Health & Science | | 840 | 560 |
| 34 | Metropolitan SU - Smart Classroom Center | | 4,880 | 3,255 |
| 35 | Alexandria TC - Law Enforcement Center | | 840 | 560 |
| 36 | Metro/MCTC - Co-Located Law Enforcement | | 700 | 467 |
| 37 | NHED Mesabi - Eveleth - Industrial Shop | | 4,300 | 2,868 |
| 38 | Southwest MSU - Science & HRI Lab Renov | | 500 | 334 |
| 39 | Winona SU - Memorial Hall Expansion & Ren | | 400 | 267 |
| 40 | Project totals | | 280,410 | 101,732 |
| 41 | | GO/UF | 56,049 | 40,798 |
| 42 | | Bond | 224,361 | 101,732 |
| 43 | | | | |
| 44 | Total Project/Recommendations | | 280,410 | 142,530 |
| 45 | | | | |
| 46 | | | | |
| 47 | | | | |
| 48 | | | | |

| | Project | Request | Governor |
|-----|--|----------------|---------------|
| 49 | Education | | |
| 50 | | | |
| 51 | Nett Lake Facility Construction | 10,698 | 0 |
| 52 | Red Lake School - Capital Loan | 55,383 | 10,000 |
| 53 | Duluth Grant School | 1,634 | 0 |
| 54 | Osseo - NW Hennepin Regional Family Cntr | 1,500 | 0 |
| 55 | Library Capital Improvement Grants | 2,000 | 0 |
| 56 | Bond | 71,215 | 10,000 |
| 57 | | | |
| 58 | Minnesota State Academies | | |
| 59 | | | |
| 60 | Asset Preservation | 4,509 | 2,509 |
| 61 | MSAD Frechette Renovation | 5,557 | 5,557 |
| 62 | Roads & Parking | 1,525 | 0 |
| 63 | Bond | 11,591 | 8,066 |
| 64 | | | |
| 65 | Perpich Arts Center | | |
| 66 | | | |
| 67 | Asset Preservation | 1,051 | 1,051 |
| 68 | Bond | 1,051 | 1,051 |
| 69 | | | |
| 70 | DNR | | |
| 71 | | | |
| 72 | Flood Hazard Mitigation Grants | 12,000 | 9,000 |
| 73 | Dam Repair and Removal | 2,000 | 2,000 |
| 74 | Wildlife Area Acquisition & Improvement | 20,000 | 15,000 |
| 75 | Forestland Conservation Esements | 10,000 | 10,000 |
| 76 | State Parks - Rehab & Restoration | 10,000 | 3,000 |
| 77 | State Parks - Bldg Rehab | 10,000 | 3,000 |
| 78 | Fisheries | 6,000 | 4,000 |
| 79 | Reforestation of State Lands | 6,000 | 4,000 |
| 80 | State Forest Land Acquisition | 6,000 | 4,000 |
| 81 | State Parks - Land Acquisition | 6,000 | 2,000 |
| 82 | SNA's Acquisition & Dev | 5,000 | 3,000 |
| 83 | Water Access Acquis & Dev & Fishing Piers | 5,000 | 3,000 |
| 84 | State Trail Acquisition & Rehab Iniatiative-DNR Request 5 Mill | 32,110 | 2,000 |
| 85 | Safe Harbors | 3,000 | 0 |
| 86 | Stream Restoration | 2,000 | 2,000 |
| 87 | Local Community Grants | 2,000 | 0 |
| 88 | Native Prairie | 1,000 | 1,000 |
| 89 | Waterfowl Habitat Structures | 1,000 | 1,000 |
| 90 | Fish Hatcheries | 1,000 | 1,000 |
| 91 | Metro Greenways & Natural Areas | 1,000 | 0 |
| 92 | Statewide Asset Preservation | 3,000 | 2,000 |
| 93 | Buying Out Trust Fund Lands | 5,000 | 1,000 |
| 94 | Forest Roads & Bridges | 2,000 | 0 |
| 95 | Field Office Consolidation & Improvements | 3,000 | 0 |
| 96 | Big Bog Recreation Area | 1,600 | 0 |
| 97 | Off-Road Vehicle Recreation Area | UF | 1,500 |
| 98 | Camper Cabins - Senate GO | UF | 2,000 |
| 99 | Total | 159,210 | 75,500 |
| 100 | UF | 3,500 | 3,500 |
| 101 | Bond | 155,710 | 72,000 |

| Project | | Request | Governor |
|---------|--|---------------|---------------|
| 102 | | | |
| 103 | Pollution Control Agency | | |
| 104 | | | |
| 105 | Closed Landfill Bonding | 33,500 | 7,150 |
| 106 | Capital Assistance Program | 42,200 | 4,000 |
| 107 | Bond | 75,700 | 11,150 |
| 108 | | | |
| 109 | Water & Soil Resources Board | | |
| 110 | | | |
| 111 | RIM Reserve & CREP II | 25,400 | 25,400 |
| 112 | RIM Reserve & CREP II | GF 4,750 | 4,750 |
| 113 | Local Govt Road Wetland Replacement | 3,500 | 3,500 |
| 114 | Local Govt Road Wetland Replacement | GF 700 | 700 |
| 115 | Streambank, Lakeshore, Erosion Control | 5,000 | 0 |
| 116 | Streambank, Lakeshore, Erosion Control | GF 260 | 0 |
| 117 | Study Area II-MN River Basin Projects | 500 | 0 |
| 118 | Army Compatible Use Buffer | 500 | 0 |
| 119 | Grass Lake | 2,200 | 0 |
| 120 | Total | 42,810 | 34,350 |
| 121 | GF | 5,710 | 5,450 |
| 122 | Bond | 37,100 | 28,900 |
| 123 | | | |
| 124 | Agriculture | | |
| 125 | | | |
| 126 | Joint Biosafety Lab Facilities | 1,500 | 1,500 |
| 127 | Municipal Reforestation | 20,000 | 0 |
| 128 | Bond | 21,500 | 1,500 |
| 129 | | | |
| 130 | Zoological Gardens | | |
| 131 | | | |
| 132 | Asset Preservation | 10,000 | 8,000 |
| 133 | Zoo Master Plan Design/Construction | 16,000 | 13,000 |
| 134 | Bond | 26,000 | 21,000 |
| 135 | | | |
| 136 | Administration | | |
| 137 | | | |
| 138 | DOT Exterior | THB 10,161 | 10,161 |
| 139 | Statewide CAPRA | 5,000 | 5,000 |
| 140 | Asset Preservation - Admin Properties | 5,862 | 5,862 |
| 141 | Asset Preservation | GF 330 | 330 |
| 142 | Long Range Commuting Plan(Parking Fund) | OTH 0 | 0 |
| 143 | Long Range Commuting Plan | GF 150 | 0 |
| 144 | Lease Savings Opportunitites | 4,642 | 0 |
| 145 | Lease Savings Opportunitites | GF 420 | 0 |
| 146 | Agency Relocation | GF 500 | 200 |
| 147 | New State Office Bldg Predesign & Design | 3,000 | 0 |
| 148 | Stassen/Freeman Tunnel | 2,482 | 0 |
| 149 | Workers Memorial Design and Construct | 400 | 0 |
| 150 | Total | 32,947 | 21,553 |
| 151 | GF | 1,400 | 530 |
| 152 | OTH | 0 | 0 |
| 153 | THB | 10,161 | 10,161 |
| 154 | Bond | 21,386 | 10,862 |

| | Project | Request | Governor |
|-----|--|---------------|----------|
| 155 | | | |
| 156 | CAAPB | | |
| 157 | | | |
| 158 | Capitol Interior Renovation - Phase 1 | 23,485 | 0 |
| 159 | Capitol Interior Renovation - Phase 1 | GF 2,916 | 0 |
| 160 | | Total 26,401 | 0 |
| 161 | | GF 2,916 | 0 |
| 162 | | Bond 23,485 | 0 |
| 163 | | | |
| 164 | Military Affairs | | |
| 165 | | | |
| 166 | Asset Preservation | 5,200 | 5,200 |
| 167 | Facility Life/Safety | 1,000 | 1,000 |
| 168 | Range Lead Abatement & Conversion | 1,029 | 1,029 |
| 169 | Facility ADA Compliance | 1,400 | 1,400 |
| 170 | | Bond 8,629 | 8,629 |
| 171 | | | |
| 172 | Transportation | | |
| 173 | | | |
| 174 | Mankato Headquarters | THB 18,228 | 18,228 |
| 175 | Northstar Commuter Rail | 60,000 | 60,000 |
| 176 | Greater MN Transit | 7,100 | 0 |
| 177 | Hennepin Cnty Lowry Ave Bridge-CSAH #153 | 24,300 | 0 |
| 178 | Local Bridge Replacement | 70,000 | 30,000 |
| 179 | Local Road Improvement | 20,000 | 10,000 |
| 180 | Chaska Truck Station | THB 6,949 | 6,949 |
| 181 | Arden Hills Training Center Addition | THB 4,507 | 0 |
| 182 | Maple Grove/Osseo Truck Station | THB 11,677 | 0 |
| 183 | Rail Service Improvements | 6,000 | 0 |
| 184 | Port Development Assistance | 6,000 | 0 |
| 185 | | Total 234,761 | 125,177 |
| 186 | | THB 41,361 | 25,177 |
| 187 | | Bond 193,400 | 100,000 |
| 188 | | | |
| 189 | Metropolitan Council | | |
| 190 | | | |
| 191 | I-35W Bus Rapid Transit | 8,300 | 8,300 |
| 192 | Central Corridor Transitway-St. Paul to Mpls | 10,000 | 2,500 |
| 193 | Cedar Ave Bus Rapid Transit | 5,000 | 5,000 |
| 194 | Metropolitan Regional Parks | 11,000 | 11,700 |
| 195 | | Total 34,300 | 27,500 |
| 196 | | | |
| 197 | Health | | |
| 198 | | | |
| 199 | Minneapolis/St Paul Water Interconnection | 10,000 | 0 |
| 200 | | Bond 10,000 | 0 |

| Project | Request | Governor |
|---------|--|-----------------------|
| 201 | | |
| 202 | Human Services | |
| 203 | | |
| 204 | Moose Lake - Design/Construct Phase 1 | 44,580 44,580 |
| 205 | Moose Lake - Design Phase 2 | 3,200 3,200 |
| 206 | Systemwide Demolition/Redevelopment | 7,000 7,000 |
| 207 | St Peter - Construct New Program Bldg | 2,500 2,500 |
| 208 | Systemwide - campus Security/Safety | 2,500 2,500 |
| 209 | Systemwide Roof Repair & Replacement | 1,500 1,500 |
| 210 | Systemwide Asset Preservation | 4,000 4,000 |
| 211 | Bond | 65,280 65,280 |
| 212 | | |
| 213 | Veterans Home Board | |
| 214 | | |
| 215 | Asset Preservation | 10,005 6,000 |
| 216 | Mpls Emergency Power | 2,457 2,457 |
| 217 | Mpls Adult Day Care | 2,261 0 |
| 218 | Silver Bay Master Plan Renovation | 4,851 0 |
| 219 | Luverne Dementia Unit/Wander Area | 599 599 |
| 220 | Mpls Dining/Kitchen Renovation | 5,331 5,331 |
| 221 | Fergus Falls Special Care Unit | 7,699 637 |
| 222 | Mpls Phase 2 - Assisted Living Cottage | 20,104 0 |
| 223 | Hastings Supportive Housing | 6,953 0 |
| 224 | Mpls Phase 3 - Skilled Nursing Development | 175 0 |
| 225 | Bond | 60,435 15,024 |
| 226 | | |
| 227 | Corrections | |
| 228 | | |
| 229 | Faribault Expansion - Phase 2 | 27,993 27,993 |
| 230 | Stillwater Seg Unit | 19,580 19,580 |
| 231 | Shakopee Expansion | 5,375 5,375 |
| 232 | Shakopee Fence | 5,899 4,922 |
| 233 | Lino Lakes - Medical Bldg Renovate & Equip | 2,494 2,494 |
| 234 | Asset Preservation | 20,000 10,000 |
| 235 | Red Wiing - Education Bldg | 6,230 0 |
| 236 | Public Safety Training Centers | 1,000 0 |
| 237 | Bond | 88,571 70,364 |
| 238 | | |
| 239 | Employment & Economic Development | |
| 240 | | |
| 241 | Redevelopment Grant Program | 20,000 13,000 |
| 242 | Bioscience Bus Dev Grant Program | 10,000 10,000 |
| 243 | Greater MN Bus Dev Public Infrastructure | 15,000 7,500 |
| 244 | Wastewater Infrastructure | 15,000 15,000 |
| 245 | Wastewater Infrastructure GF | 300 300 |
| 246 | US EPA Drinking Water/Wastewater Cap | 38,800 38,800 |
| 247 | Impaired Waters-Max Daily Load Grants | 35,000 0 |
| 248 | North Mpls WFC Repair | 1,994 600 |
| 249 | Total | 136,094 85,200 |
| 250 | GF | 300 300 |
| 251 | Bond | 135,794 84,900 |
| 252 | | |

| | Project | Request | Governor |
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| 253 | Political Subdivisions | | |
| 254 | | | |
| 255 | Agassiz Recreational Trail Bridges | 648 | 0 |
| 256 | Ah-Gwah-Ching RTC Redevelopment & Reuse Grants | 3,111 | 0 |
| 257 | Aitkin County-Great River Road Paving | 1,750 | 0 |
| 258 | Aitkin County-Long Lake Conservation Cntr-Repairs | 1,000 | 0 |
| 259 | Albert Lea-Sanitary/Storm Sewer Lift Stations | 542 | 0 |
| 260 | Albert Lea-Contaminated Soil/Water Site Cleanup-Matched | 917 | 0 |
| 261 | Albert Lea-Katherine Island Stabilization/Revital | 142 | 0 |
| 262 | Askov Wastewater Treatment Facility | 4,500 | 0 |
| 263 | Anoka Cnty/Lino Lakes I-35 & CSAH 23 Interchange | THB 2,860 | 0 |
| 264 | Austin - Flood Mitigation | 5,704 | 0 |
| 265 | Bemdji - Paul Bunyan Land Acquisition | 2,000 | 0 |
| 266 | Bemdji - Paul Bunyan Trail Improvements & Repairs | 325 | 0 |
| 267 | Bemidji - Paul Bunyan State Trail Bridge Over TH 197 | 500 | 0 |
| 268 | Bemidji - Regional Event Center - Predesign | 3,000 | 3,000 |
| 269 | Big Bog Recreation Area | 1,600 | 0 |
| 270 | Big Stone Nat'l Wildlife Refuge Bike Trail to Ortonville | 226 | 0 |
| 271 | Bioscience Greater Mn Infrastructure Grants | 5,000 | 0 |
| 272 | Bird Island Sewer Separation | 2,900 | 0 |
| 273 | Blooming Prairie Street & Sewer Improvements Grant | 1,500 | 0 |
| 274 | Bloomington Cedar Avenue Old Bridge Trail Connection | 300 | 0 |
| 275 | Bloomington Ski Jump | 550 | 0 |
| 276 | Brainerd RTC Redevelopment & Reuse of Facilities | 1,000 | 0 |
| 277 | Brooten & St. Martin Wastewater Treatment Systems | 3,640 | 0 |
| 278 | Bufflands Trail-Preston to Forestville State Park | 2,900 | 0 |
| 279 | Bufflands Trail-Root River Segment in Houston Cnty | 2,000 | 0 |
| 280 | Burnsville Water Treatment | 3,000 | 0 |
| 281 | Carlton County-St Louis River Trail | 500 | 0 |
| 282 | Carlton City Water Tower | 250 | 0 |
| 283 | Central Iron Range Sanitary Sewer Construction | 20,000 | 0 |
| 284 | Central MN Regional Parks Coordinating Board: | | |
| 285 | Kraemer Lake park site acquisition(Stearns Cnty) | 1,250 | 0 |
| 286 | Xcel Regional Trail design/construction(Sherburne Cnty) | 485 | 0 |
| 287 | River Bluffs Regional Park Improvements(St. Cloud) | 2,200 | 0 |
| 288 | Cloquet Business Park Infrastructure | 1,000 | 0 |
| 289 | Coleraine CSAH 61 and Powell Ave Infrastructure | 515 | 0 |
| 290 | Cold Springs Rocori Trail Connection Improvements | 1,000 | 0 |
| 291 | Cuyana Lakes Trail Acquisition & Developmlent | 1,100 | 0 |
| 292 | Cottage Grove TH 10/61 Corridor Improvements | 1,000 | 0 |
| 293 | Dakota Co - Comm & Public Safety Supt Center | 13,860 | 0 |
| 294 | Dakota Co - Cedar Ave Bus Rapid Transit | 5,000 | 0 |
| 295 | Dakota Co - Empire Township Wetlands Acquisition | 7,000 | 0 |
| 296 | Dakota Co - Affordable Assisted Living Development | 3,100 | 0 |
| 297 | Dakota Co - Regional Travel Demand Study | 200 | 0 |
| 298 | Dakota Co - Brown to Green-Waste Cleanup/Redev | 1,100 | 0 |
| 299 | Dakota Co - Byllesby Dam Improvements/Public Safety | 500 | 0 |
| 300 | Dakota Co - Lebanon Hills Flood Mitigation | 1,500 | 0 |
| 301 | Dakota Co - Robert Street Corridor | 2,000 | 0 |
| 302 | Dawson Community Swimming Pool | 1,285 | 0 |
| 303 | Dayton Land Acquisition I-94/Brockton Ln Interchange | 1,600 | 0 |
| 304 | Delano Flood Hazard Mitigation | 1,200 | 0 |
| 305 | Detroit Lakes Multi-Use Trail to Heartland Trail | 4,620 | 0 |
| 306 | Duluth DECC-Design and Construct New Arena | 33,737 | 0 |

| Project | Request | Governor |
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| 307 Duluth Skyline Parkway Corridor Improvements | 500 | 0 |
| 308 Duluth Bayfront-Public Water Access Improvemnts | 325 | 0 |
| 309 Duluth Lake Superior Zoo-Repairs and Improvements | 200 | 0 |
| 310 Duluth Native American Heritage Center-Predesign/Design | 100 | 0 |
| 311 East Bethel Wastewater Treatment Plant Construction | 5,200 | 0 |
| 312 East Range Sanitary Initiative(Aurora, Hoyt Lakes) | 350 | 0 |
| 313 Ellendale Sewer & Water Infrastructure | 3,000 | 0 |
| 314 Ely Joint Public Works Facility | 1,400 | 0 |
| 315 Eveleth Water Treatment Facility Renovation | 2,200 | 0 |
| 316 Fairmont Southern Minnesota Educational Campus | 528 | 0 |
| 317 Faribault City Water Reclamation Plant | 6,000 | 0 |
| 318 Faribault New National Guard Armory Land Acquisition | 750 | 0 |
| 319 Faribault Safety & Capacity Improvements TH60 | 1,800 | 0 |
| 320 Fergus Falls Prairie Wetlands Environmental Learning Center | 2,500 | 0 |
| 321 Fridley Springbrook Nature Center Redevelop & Expand | 2,500 | 0 |
| 322 Gateway Trail Acq & Dev-Pine Point to O'Brien St Parks | 750 | 0 |
| 323 Glacial Lakes St Trail-Paynesville to Richmond | 1,000 | 0 |
| 324 Gonvick Northern Emergency Training Center | 2,000 | 0 |
| 325 Goodhue Pioneer Trail-Acquisition & Development | 500 | 0 |
| 326 Grand Rapids South Side Fire Hall | 1,111 | 0 |
| 327 Grand Rapids EDA: North Central Res & Tech Lab | 3,000 | 0 |
| 328 Great River Road Restoration Grant-MN Missip Parkway Comm | 3,400 | 0 |
| 329 Hennepin Co Lowry Ave Corridor Improvements-Phase II | 5,000 | 0 |
| 330 Hennepin Co Center for Changing Lives-Affordable Housing | 5,000 | 0 |
| 331 High-speed Rail Line Between St. Paul and Chicago | 10,000 | 0 |
| 332 Houston Cnty Historical Soc Museum Addition-Design/Construct | 500 | 0 |
| 333 International Wolf Center Building Renovations(Ely) | 250 | 0 |
| 334 Inver Grove Hts - Heritage Village Park-Mississippi River | 8,301 | 0 |
| 335 Itasca Co Public Infrastructure - for Mesabi Energy Project | 4,620 | 0 |
| 336 Jackson Cnty Trail Connections-Acquisition & Construction | 413 | 0 |
| 337 Kenyon Embankment Removal Project | 250 | 0 |
| 338 Itasca Co Infrastructure - for Minnesota Steel Plant | 52,000 | 7,000 |
| 339 Kittson Cnty Flood Hazard Mitigation | 159 | 0 |
| 340 Kittson Cnty Local Road Improvements | 1,222 | 0 |
| 341 Kittson Cnty Flood Dike Repairs-St. Vincent | 455 | 0 |
| 342 Koochiching Co Plasma Gasification Clean Energy | 10,000 | 1,000 |
| 343 Lake Avenue Regional Trail-White Bear Lake | 191 | 0 |
| 344 Lake County TH61 - Split Rock River to Silver Bay | 2,416 | 0 |
| 345 Lake County Forest Hwy 11 reconstruction | 348 | 0 |
| 346 Lake County Two Harbors Ped/Bike Trails | 223 | 0 |
| 347 Lake Superior Safe Harbors Improvements | 3,000 | 0 |
| 348 Lake Township Waste Water Treatment Facility | 5,955 | 0 |
| 349 Lewis & Clark Rural Water System-State Match | 3,200 | 0 |
| 350 Little Falls Zoo Improvements | 400 | 0 |
| 351 Luce Line Trail Paving Winsted to Hutchinson | 1,493 | 0 |
| 352 Maplewood Bruentraub Farm | 150 | 0 |
| 353 Marshall-Southwest Regional Multipurpose Event Center | 12,774 | 0 |
| 354 McGregor Reroute Treated Water Discharge | 100 | 0 |
| 355 McLeod Co Glencoe RR Congestion Mitigation | 700 | 0 |
| 356 Mendota Heights Pilot Knob Historic Site, Trail, Overlook | 50 | 0 |
| 357 Mesabi Trail-Boundry Waters Connection | 950 | 0 |
| 358 Met Council Sustainable Energy Center | 3,000 | 0 |
| 359 Midway Township(St Louis Cnty) Sanitary Sewer | 600 | 0 |
| 360 Mill Towns Trail Construction | 4,468 | 0 |

| | Project | Request | Governor |
|-----|---|---------|----------|
| 361 | Mill Towns Trail Links-Cannon Valley & Sakatah Hills Trails | 2,500 | 0 |
| 362 | Mille Lacs/Garison/Kathio Wastewater Collection System | 1,000 | 0 |
| 363 | Mississippi W Reg Park-Cntr Sustainable Energy | 3,000 | 0 |
| 364 | Monson Lake State Park-Construct Utility Hookups | 50 | 0 |
| 365 | Mountain Iron construct Renewable Energy Park | 500 | 0 |
| 366 | Mpls Park Bd- Lake of the Isles | 5,000 | 0 |
| 367 | Mpls Park Bd- Grand Rounds - Parkway Lighting | 1,000 | 0 |
| 368 | Mpls Park Bd- Grand Rounds - Missing Link | 250 | 0 |
| 369 | Mpls Park Bd-East Phillips Cultural & Community Center | 3,500 | 0 |
| 370 | Mpls Park Bd- JD Rivers Urban Ag Center | 2,500 | 0 |
| 371 | Mpls Shubert Theater Construct & Furnish | 15,000 | 0 |
| 372 | Mpls University Research Park Infrast Improvements | 6,640 | 0 |
| 373 | Mpls Heritage Park Redevelopment | 6,000 | 0 |
| 374 | Mpls Cedar Lake Trail Phase 3 Improvements | 1,816 | 0 |
| 375 | Mpls Target Center Debt Relief | 71,000 | 0 |
| 376 | Mpls MacPhail Center Music Bldg Grant(15 mill match) | 5,000 | 0 |
| 377 | Mn River Trail-LacQuiParle-Montevideo Predesign/Design | 125 | 0 |
| 378 | Mn River Trail-Granite Falls/Montevideo Acquisition & Dev | 3,800 | 0 |
| 379 | Mn River Trail-Granite Falls/Upper Sioux Predesign/Design | 125 | 0 |
| 380 | MN Valley Reg Rail Authority - Rehab Rail Line | 4,000 | 0 |
| 381 | New London Dam Repairs & Rehabilitation | 2,000 | 0 |
| 382 | Northshore Trail Development for ATV | 300 | 0 |
| 383 | Oakport Township Flood Mitigation | 13,000 | 0 |
| 384 | Ortonville Bonanza Eduction Center Grant | 300 | 0 |
| 385 | Otter Tail River River Restoration Grant | 320 | 0 |
| 386 | Palisade Wastewater Treatment Expansion | 199 | 0 |
| 387 | Perham Resources Recovery Facility | 3,000 | 0 |
| 388 | Polk County Design & Consturct 10 Ton Road | 250 | 0 |
| 389 | Ramsey Co Central Corridor-Design/Constuction | 50,000 | 0 |
| 390 | Ramsey Co Union Depot Revitalization | 12,500 | 0 |
| 391 | Ramsey Co Rush Line Park & Ride Lots | 1,000 | 0 |
| 392 | Ramsey Co Lower Afton Trail | 321 | 0 |
| 393 | Rapidan Dam GF | 60 | 0 |
| 394 | Red Lake River Corridor/Canoe Access | 910 | 0 |
| 395 | Red Rock Corridor Transitway-Pre Eng/Env Review | 1,000 | 0 |
| 396 | Red Wing Community Arts & Rec Center | 400 | 0 |
| 397 | Redwood Falls Lake Redwood Reservoir Reclamation | 1,600 | 0 |
| 398 | Richfield 17th Ave Pkwy Airport Traffic Mitigation | 4,632 | 0 |
| 399 | Richfield Recreation Asset Replacement | 550 | 0 |
| 400 | Richmond Wastewater Treatment Improvements | 3,966 | 0 |
| 401 | Ridgewater College Renovate Instructional Space | 800 | 0 |
| 402 | Riverland Cmnty Coll-Rehab HVAC, Roof, Labs, Campus | 7,650 | 0 |
| 403 | Rochester Infrastructure-new Bioscience Dev Cntr Grant | 8,000 | 0 |
| 404 | Rochester Regional Pub Safety Training/Rehab-Phase I | 1,771 | 0 |
| 405 | Rochester Volleyball Center Expansion | 3,500 | 0 |
| 406 | Roseville John Rose MN OVAL Improvements | 960 | 0 |
| 407 | Royalton Wastewater Treatment System | 1,530 | 0 |
| 408 | Scott Co Regional Public Safety Training Facility | 4,220 | 0 |
| 409 | Shell Rock Stormwater Flood - Ditch 16(Freeborn Cnty) | 490 | 0 |
| 410 | Shell Rock Stormwater Flood - Pickerel Lake(Freeborn Cnty) | 300 | 0 |
| 411 | Silver Bay Redev of Apartment Complex-Affordable Housing | 170 | 0 |
| 412 | Slayton Regional Event Center | 1,000 | 0 |
| 413 | Soo Line Trail Head Warming House-Bowlus(Morrison Cnty) | 175 | 0 |
| 414 | Soo Line Trail Park & Ride-Little Falls(Morrison Cnty) | 101 | 0 |

| | Project | Request | Governor |
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| 415 | Soo Line Trail Park & Ride, Restroom Facilit(Morrison Cnty) | 125 | 0 |
| 416 | Soo Line Trail Recreation Multiuse Bridge-Over Hghwy 169 | 250 | 0 |
| 417 | South St Paul Port Crosby site closure/redmediation | 4,500 | 0 |
| 418 | St Cloud Civic Center Expansion/Renovation | 10,000 | 0 |
| 419 | St Cloud Regional Airport Property Acquisition | 2,000 | 2,000 |
| 420 | St Cloud Tech College-Purchase Land & Bldg-Science Labs | 3,400 | 0 |
| 421 | St Louis Co NE MN Commuter Rail Initiative | 2,575 | 0 |
| 422 | St Louis Co Infrast for Mesabi Energy Project (LTV site) | 2,310 | 0 |
| 423 | St Louis Park TH7/ Wooddale Intersection Reconstruction | 1,000 | 0 |
| 424 | St Louis River Trail | 500 | 0 |
| 425 | St Michael Improvements Adjacent to TH 241 | 2,605 | 0 |
| 426 | St Paul Asian Community Center | 4,500 | 0 |
| 427 | St Paul Ordway Renovation | 12,000 | 0 |
| 428 | St Paul Pierce Butler Route Extension | 10,000 | 0 |
| 429 | St Paul Great River Park Area Improvements | 12,050 | 0 |
| 430 | St Paul Como Zoo Renovations & Exhibit | 10,000 | 0 |
| 431 | St Paul Union Depot Access Improvements | 7,500 | 0 |
| 432 | St Paul Bioscience Infrastructure Improvements | 3,700 | 0 |
| 433 | Staples US10 and Railroad Tracks Overpass Design/Construct | 700 | 0 |
| 434 | Thomson Light Industrial Park Infrastructure | 400 | 0 |
| 435 | Three Rivers Park - Silver Lake Rec Area Improvements | 2,250 | 0 |
| 436 | Transitional (\$10) & Homeless(\$33) in Housing Finance | 10,000 | 0 |
| 437 | Trunk Highway 610 THB | 110,000 | 0 |
| 438 | Trunk Highway 610 - TH 169 to I94 THB | 6,000 | 0 |
| 439 | Univ of MN Plasma Tech-Biomass Materials | 5,000 | 0 |
| 440 | Verndale Regional Family Resource Center-Design/Construct | 260 | 0 |
| 441 | Virginia Regional Medical Center Helipad | 750 | 0 |
| 442 | Virginia TH 53 Relocation - EIS | 500 | 0 |
| 443 | Wadena Cnty Reg Justice Cntr-Construct 66 Bed Facility | 16,595 | 0 |
| 444 | Walker Area Community Center Grant | 200 | 0 |
| 445 | Washington Co Red Rock Transitway | 1,000 | 0 |
| 446 | Washington Co Rail Authority-High Speed Rail Corridor | 10,000 | 0 |
| 447 | Watkins Infrastructure/Reconstruction | 7,171 | 0 |
| 448 | Wells City Hall-Renovate, Furnish & Equip | 285 | 0 |
| 449 | Western Mesabi Mine Canisteo Outflow | 2,783 | 0 |
| 450 | White - Road/Rec Trail/Multi Use/ Various Connections | 500 | 0 |
| 451 | Wild Rice Watershed District(Clay & Norman Cnties): | | |
| 452 | Upper Felton Flood Water Storage Area | 2,650 | 0 |
| 453 | Wild Rice River Flood Protection | 770 | 0 |
| 454 | Wild Rice River South Branch Acquire Storage Areas | 1,500 | 0 |
| 455 | Willmar new Wastewater Treatment Plant/Upgrades | 4,000 | 0 |
| 456 | Willmar Rice Hosp/UoM Regional Dental Clinic-Construct | 500 | 0 |

| Project | Request | Governor |
|--|----------------|---------------|
| 457 Windom Wastewater Line Extension | 385 | 0 |
| 458 Winnebago Area Museum Native American Artifacts | 524 | 0 |
| 459 Winona Shakespeare Festival Center Predesign | 250 | 0 |
| 460 Woodbury - Radio Drive & I94 Interchange | 15,000 | 0 |
| 461 Workforce Centers(2) Development-Design | 850 | 0 |
| 462 Worthington Infrastructure Replace and Repairs Grant | 300 | 0 |
| 463 Worthington Soil Remediation Grant | 800 | 0 |
| 464 Wrenshall Water Tower/Storage/Improvements | 150 | 0 |
| 465 Wright Cnty-Stanley Eddy Reg Park Land Acquisition | 6,000 | 0 |
| 466 Total | 891,788 | 13,000 |
| 467 GF | 60 | 0 |
| 468 THB | 118,860 | 0 |
| 469 Bond | 772,868 | 13,000 |

| 471 Housing Finance Agency | | |
|--|---------------|---------------|
| 472 | | |
| 473 Permanent Supportive Housing Loans | 33,000 | 25,000 |
| 474 Land Acquisition Revolving Loans | 5,000 | 0 |
| 475 Bond | 38,000 | 25,000 |

| 477 MN Historical Society | | |
|--|---------------|--------------|
| 478 | | |
| 479 Historic Sites Asset Preservation | 5,491 | 4,000 |
| 480 Fort Snelling Revitalization | 22,649 | 1,100 |
| 481 County and Local Preservation Grants | 2,500 | 1,000 |
| 482 History Center Visitor Services | 572 | 572 |
| 483 State Capitol Visitor Services GF | 550 | 0 |
| 484 Kelley Farm Revitalization | 300 | 0 |
| 485 Heritage Trails | 685 | 0 |
| 486 Total | 32,747 | 6,672 |
| 487 GF | 550 | 0 |
| 488 Bond | 32,197 | 6,672 |

| 490 Finance | | |
|------------------------|------------|------------|
| 491 | | |
| 492 Bond Sale Expenses | 886 | 886 |

| 497 Summary | | |
|--|------------------|----------------|
| 498 Totals | 2,556,393 | 897,045 |
| 499 General Fund GF | 10,936 | 6,280 |
| 500 General Obligation Bonds Bond | 2,315,510 | 811,129 |
| 501 General Obligation Bonds-User Financed GO/UF | 59,549 | 44,298 |
| 502 Parking Fund OTH | 0 | 0 |
| 503 Trunk Highway Bonds THB | 170,382 | 35,338 |
| 504 | 2,556,377 | 897,045 |

505

Debt Management Presentation

Prepared by the Minnesota Department of Finance

March 2006

OFFICIAL STATEMENT DATED SEPTEMBER 21, 2005

NEW ISSUE

RATING: Moody's: Aa1
Standard & Poor's: AAA
Fitch's: AAA

In the opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota, bond counsel, according to present federal and Minnesota laws, regulations, rulings and decisions, the interest to be paid on the Bonds is not includable in gross income for federal income tax purposes or in taxable net income of individuals, estates or trusts for Minnesota income tax purposes; is subject to Minnesota franchise taxes imposed on corporations and financial institutions; is not an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers or the Minnesota alternative minimum tax applicable to individuals, estates and trusts; and is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of federal and Minnesota alternative minimum taxes. For a discussion of tax matters see "Tax Exemption and Collateral Tax Matters" herein.

\$557,960,000
STATE OF MINNESOTA

**General Obligation
State Bonds**

Dated: October 1, 2005

Due: October 1, as shown below

| Year | Amount | Interest Rate | Price or Yield | CUSIP 604129 | Year | Amount | Interest Rate | Price or Yield | CUSIP 604129 |
|------|--------------|---------------|----------------|--------------|------|--------------|---------------|----------------|--------------|
| 2006 | \$25,515,000 | 5.00% | 2.80% | AA4 | 2016 | \$27,000,000 | 5.00% | 3.69% | ALO |
| 2007 | \$36,430,000 | 5.00 | 2.88 | AB2 | 2017 | \$18,725,000 | 5.00 | 3.74 | AM8 |
| 2008 | \$38,640,000 | 5.00 | 2.97 | AC0 | 2018 | \$18,725,000 | 5.00 | 3.79 | AN6 |
| 2009 | \$38,630,000 | 5.00 | 3.05 | AD8 | 2019 | \$18,725,000 | 5.00 | 3.84 | AP1 |
| 2010 | \$38,600,000 | 5.00 | 3.13 | AE6 | 2020 | \$18,725,000 | 5.00 | 3.91 | AQ9 |
| 2011 | \$36,560,000 | 5.00 | 3.25 | AF3 | 2021 | \$18,725,000 | 5.00 | 3.96 | AR7 |
| 2012 | \$39,000,000 | 5.00 | 3.37 | AG1 | 2022 | \$18,725,000 | 5.00 | 3.98 | AS5 |
| 2013 | \$36,445,000 | 5.00 | 3.44 | AH9 | 2023 | \$18,725,000 | 5.00 | 4.02 | AT3 |
| 2014 | \$36,370,000 | 5.00 | 3.53 | AJ5 | 2024 | \$18,725,000 | 5.00 | 4.06 | AJ0 |
| 2015 | \$36,245,000 | 5.00 | 3.61 | AK2 | 2025 | \$18,725,000 | 5.00 | 4.10 | AV8 |

(Plus accrued interest from October 1, 2005)

The Bonds comprise \$285,400,000 General Obligation State Various Purpose Bonds, \$111,600,000 General Obligation State Trunk Highway Bonds, and \$160,960,000 General Obligation State Refunding Bonds.

THE BONDS ARE GENERAL OBLIGATIONS OF THE STATE AND THE FULL FAITH AND CREDIT AND TAXING POWERS OF THE STATE ARE IRREVOCABLY PLEDGED FOR THE PAYMENT OF THE BONDS AND INTEREST THEREON WHEN DUE.

The Bonds maturing after October 1, 2015 will be subject to redemption and prepayment by the State as provided herein.

Form and Payment:

The Bonds will be available to the purchasers in book entry form only, and initially will be registered in the name of Cede & Co., nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds.

The Bonds are offered by the State subject to the legal opinions of Dorsey & Whitney LLP, bond counsel, as to the validity of the Bonds and tax exemption, and of the State Attorney General as to the validity of the Bonds. Delivery will be made on or about October 3, 2005.

This cover page contains certain information for quick reference only. It is *not* a summary of this issue or this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Debt Management Policy

The Debt Management Policy was established in 1979. It is an executive policy that is not established in law.

- ✓ Maintain-Regain AAA/Aaa bond ratings
- ✓ Minimize state borrowing costs
- ✓ Provide a reasonable financing capacity within a prudent debt limit

Debt Management Policy Guidelines

| Debt Guidelines | <u>2006-07</u> | <u>2008-09</u> | <u>2010-11</u> |
|---|-----------------------|-----------------------|-----------------------|
| 3 percent General Fund debt service ratio | 2.44% | 2.84% | 2.65% |
| 2.5 percent debt to personal income | 1.84% | 1.88% | 1.68% |
| Debt Retirement Plan | | | |
| 40 percent retired within five years | 40.1% | 40.1% | 40.8% |
| 70 percent retired within ten years | 70.5% | 70.2% | 71.6% |
| February 2006 Forecast Governor's Capital Budget | | | |

Historical Bond Authorizations

| Legislative Session | Total Governor's Recommendation | General Fund | | | | Total Direct Appropriations | Total Capital Budget ⁽²⁾ (All Funding Sources) |
|---------------------|---------------------------------|----------------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|--|
| | | Supported Bonds ⁽¹⁾ | User Financing Supported Bonds | Trunk Highway Supported Bonds | Total Direct Appropriations | | |
| 1983 | 54,203,600 | 112,445,000 | 30,000,000 | 56,000,000 | 10,285,700 | 208,730,700 | |
| 1984 | 132,582,000 | 155,540,000 | 0 | 0 | 33,621,400 | 189,161,400 | |
| 1985 | 374,858,300 | 168,300,000 | 0 | 0 | 24,086,900 | 192,386,900 | |
| 1986 | 0 | 16,000,000 | 70,000,000 | 0 | 100,000 | 86,100,000 | |
| 1987 | 679,244,700 | 469,519,200 | 0 | 0 | 22,670,000 | 492,189,200 | |
| 1988 | 393,911,800 | 8,000,000 | 20,000,000 | 0 | 0 | 28,000,000 | |
| 1989 | 137,474,000 | 170,139,000 | 0 | 0 | 2,103,000 | 172,242,000 | |
| 1990 | 228,130,000 | 307,020,000 | 82,324,000 | 0 | 14,797,000 | 404,141,000 | |
| 1991 | 133,495,000 | 28,000,000 | 220,065,000 | 0 | 3,000,000 | 251,065,000 | |
| 1992 | 223,000,000 | 218,562,667 | 36,317,333 | 0 | 14,002,000 | 268,882,000 | |
| 1993 | 138,699,000 | 64,540,000 | 5,000,000 | 0 | 3,000,000 | 72,540,000 | |
| 1994 | 648,226,000 | 636,699,000 | 74,656,000 | 0 | 28,008,000 | 739,363,000 | |
| 1995 | 5,835,000 | 10,027,000 | 23,773,000 | 0 | 507,000 | 34,307,000 | |
| 1996 | 557,595,000 | 488,056,667 | 81,768,333 | 0 | 44,541,000 | 614,366,000 | |
| 1997 | 0 | 144,930,000 | 0 | 0 | 22,400,000 | 167,330,000 | |
| 1998 | 1,015,988,000 | 483,538,000⁽³⁾ | 25,607,000 | 0 | 501,890,000 | 1,011,035,000 | |
| 1999 | 0 | 115,905,000 ⁽⁴⁾ | 440,000 | 0 | 0 | 116,345,000 | |
| 2000 | 499,638,000 | 467,145,000 | 71,816,000 | 100,100,000 | 186,907,000 | 825,968,000 | |
| 2001 | 575,570,000 | 98,205,000 | 19,000,000 | 0 | 0 | 117,205,000 | |
| 2002 | 844,559,000 | 570,127,000⁽⁵⁾ | 78,700,000 | 10,115,000 | 14,186,000 | 673,128,000 | |
| 2003 | 0 | 189,281,000 | 47,634,000 | 510,510,000 | 0 | 747,425,000 | |
| 2004 | 754,320,000 | 0 | 0 | 0 | 0 | 0 | |
| 2005 | 816,052,000 | 885,892,000 | 77,088,000 | 0 | 0 | 962,980,000 | |
| 2006 | 897,195,000 | 0 | 0 | 0 | 0 | 0 | |

⁽¹⁾ The Ten-year Average used for forecasting debt service is currently \$560 million for even-numbered years and \$135 million for odd-numbered years.

⁽²⁾ Does not include cancellations.

⁽³⁾ Includes \$400 million converted to General Fund cash after the November, 1998 revenue forecast.

⁽⁴⁾ Does not include \$400 million converted from General Fund cash to Bonds originally appropriated in 1998.

⁽⁵⁾ Does not include \$75.12 million converted from General Fund cash to Bonds originally appropriated in 1998, 1999 and 2000. Includes capital appropriations from the 2002 flood bill.

GENERAL OBLIGATION BONDS OUTSTANDING FEBRUARY 1, 2006

| <u>Type</u> | <u>Principal Amount</u> | |
|--------------------------------------|-----------------------------|----------------------|
| Building | 635,295,000 | |
| Transportation | 125,189,000 | |
| Pollution Control | 54,940,000 | |
| Waste Management | 3,300,000 | |
| Refunding Bonds | 674,479,000 | |
| Reinvest in Minnesota | 680,000 | |
| Landfill | 11,735,000 | |
| Infrastructure Development Bonds | 358,821,000 | |
| Various Purpose | <u>1,123,420,000</u> | |
| Total Category 1 | | 2,987,859,000 |
| School Loan | 43,700,000 | |
| School Loan Refunding | 29,325,000 | |
| Municipal Energy Building | 1,495,000 | |
| Rural Farm Authority | 67,600,000 | |
| Game and Fish Building | <u>16,000</u> | |
| Total Category 2 | | 142,136,000 |
| Trunk Highway | 432,725,000 | |
| Trunk Highway Refunding | <u>780,000</u> | |
| Total Category 3 | | 433,505,000 |
| State Sports & Health Club Tax Bonds | | |
| Refunding Bonds | <u>1,945,000</u> | |
| Total Category 4 | | <u>1,945,000</u> |
| Total Outstanding February 1, 2006 | | <u>3,565,445,000</u> |

GENERAL OBLIGATION BONDS AUTHORIZED, ISSUED AND UNISSUED

February 1, 2006

(\$ in Thousands)

| <u>Purpose of Issue</u> | <u>Law Authorizing</u> | <u>Total Authorization</u> ⁽¹⁾⁽²⁾ | <u>Previously Issued</u> | <u>Authorizations Dated February 1, 2006</u> | <u>Remaining Authorization</u> |
|-------------------------|------------------------|--|------------------------------|--|------------------------------------|
| Building | 1990, Ch. 610 | \$270,129.1 | \$270,126.0 | \$0.0 | \$3.1 |
| Building | 1994, Ch. 643 | 523,874.5 | 523,849.0 | 0.0 | \$25.5 |
| Building | 1996, Ch. 463 | 478,672.9 | 478,505.0 | 0.0 | \$167.9 |
| Building | X1997, Ch. 2 | 37,544.5 | 37,525.0 | 0.0 | \$19.5 |
| Building | 1999, Ch. 240 | 439,530.1 | 437,665.0 | 0.0 | \$1,865.1 |
| Trunk Highway | 2000, Ch. 479 | 100,100.0 | 98,850.0 | 0.0 | \$1,250.0 |
| Various Purpose | 2000, Ch. 492 | 528,426.3 | 506,980.0 | 0.0 | \$21,446.3 |
| Various Purpose | X2001, Ch. 12 | 117,205.0 | 112,750.0 | 0.0 | \$4,455.0 |
| Various Purpose | 2002, Ch. 280 | 7,800.0 | 0.0 | 0.0 | \$7,800.0 |
| Various Purpose | 2002, Ch. 374 | 75,120.0 | 69,460.0 | 0.0 | \$5,660.0 |
| Various Purpose | 2002, Ch. 393 | 624,712.0 | 566,545.0 | 0.0 | \$58,167.0 |
| Trunk Highway | X2002, Ch. 1 | 10,115.0 | 10,100.0 | 0.0 | \$15.0 |
| Various Purpose | X2002, Ch. 1 | 16,315.0 | 13,600.0 | 0.0 | \$2,715.0 |
| Trunk Highway | X2003, Ch. 19, Art.3 | 400,400.0 | 259,750.0 | 0.0 | \$140,650.0 |
| Trunk Highway | X2003, Ch. 19, Art.4 | 110,110.0 | 103,500.0 | 0.0 | \$6,610.0 |
| Various Purpose | X2003, Ch. 20 | 236,915.0 | 190,600.0 | 0.0 | \$46,315.0 |
| Various Purpose | 2005, Ch. 20 | 944,980.0 | 214,259.0 | 0.0 | \$730,721.0 |
| Rural Finance Authority | X2005, Ch. 3 | <u>18,000.0</u> | <u>2,500.0</u> | <u>3,000.0</u> | <u>\$12,500.0</u> |
| Totals | | \$4,939,949.6 | \$3,896,564.0 | \$3,000.0 | \$1,040,385.6 |

What Capital Projects Are Eligible For Bond Financing?

Article XI, Section 5, of the Minnesota Constitution states the requirement for incurring public debt (general obligation bonds). Subdivision (a) states “to acquire and to better public lands and buildings and other public improvements of a capital nature, and to provide money to be appropriated or loaned to any agency or political subdivision of the state for such purposes.”

This means that the constitution requires four tests to be met.

- ✓ The project for which the bonds are to be issued must be publicly owned.
- ✓ The project must be a capital expenditure.
- ✓ The project must be a public purpose.
- ✓ The purpose for which bonds are to be issued must be clearly set forth in the law.

Other Constitutional Provisions For Which Debt May Be Issued

- ✓ Repel invasion or suppress insurrection
- ✓ Borrow temporarily
- ✓ Refund outstanding bonds of the state or any of its agencies
- ✓ Establish and maintain highways
- ✓ Promote forestation and prevent and abate forest fires
- ✓ Construct, improve and operate airports and other air navigation facilities
- ✓ Develop the state's agricultural resources by extending credit on real estate
- ✓ Improve and rehabilitate railroad right-of-way and other facilities whether public or private

Bond Ratings

Bonds are rated by three credit rating agencies

- Moody's Investors Service
- Standard and Poor's Corporation
- Fitch Rating Service

A bond credit rating is a measure of risk to investors

- AAA is the highest rating
- D bonds are in default

The higher the credit rating the lower the risk.

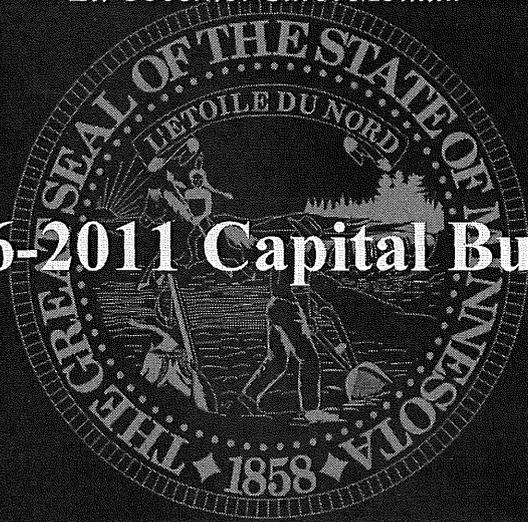
The higher the credit rating the lower the interest rate.

Bond Ratings

| S&P | Moody's | Meaning |
|----------------|----------------|---|
| AAA | Aaa | Best quality, with the smallest risk; issuers exceptionally stable and dependable |
| AA | Aa | High quality, with slightly higher degree of long-term risk |
| A | A | High-medium quality, with many strong attributes, but somewhat vulnerable to changing economic conditions |
| BBB | Baa | Medium quality, currently adequate but perhaps unreliable over long term |
| BB | Ba | Some speculative element, with moderate security but not well safeguarded |
| B | B | Able to pay now but a risk of default in the future |
| CCC | Caa | Poor quality, clear danger of default |
| CC | Ca | Highly speculative quality, often in default |
| C | C | Lowest-rated with poor prospects of repayment though may still be paying |
| * | D | In default |

STATE OF MINNESOTA

*Governor Tim Pawlenty
Lt. Governor Carol Molnau*



2006-2011 Capital Budget



Governor's 2006 Capital Budget

Total Recommendation =

\$897 Million

General Fund G.O. Bonding =

\$811 Million



Capital Budget Challenges

- ✓ *\$963 million capital budget approved last year still in pipeline*
- ✓ *Unbridled appetites - over \$2 billion in new capital requests, nearly half from local units and higher education*
- ✓ *Lack of consensus and consistent criteria on a growing list of "amenities" – regional event centers, arts facilities and stadiums*



A Balanced Approach Guided Capital Budget Decisions

- ✓ *Make selective strategic investments that will yield significant long-term benefits*
- ✓ *Balance regional significance and statewide issues*
- ✓ *Combine new projects with preservation of existing assets*
- ✓ *Recognize fiscal constraints on debt service and operating budget costs*

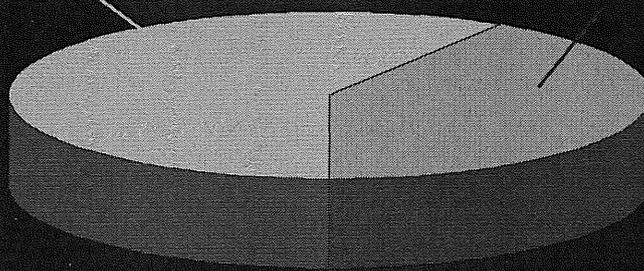


How Projects Are Distributed

(\$ in Millions)

\$538 Million (60%)
Greater Minnesota

\$355 Million (40%)
7-County Metro Area



How Projects Are Funded

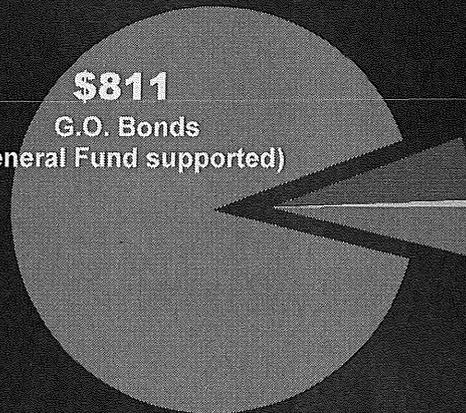
(\$ in Millions)

\$811
G.O. Bonds
(General Fund supported)

\$44
G.O. Bonds
(user financing)

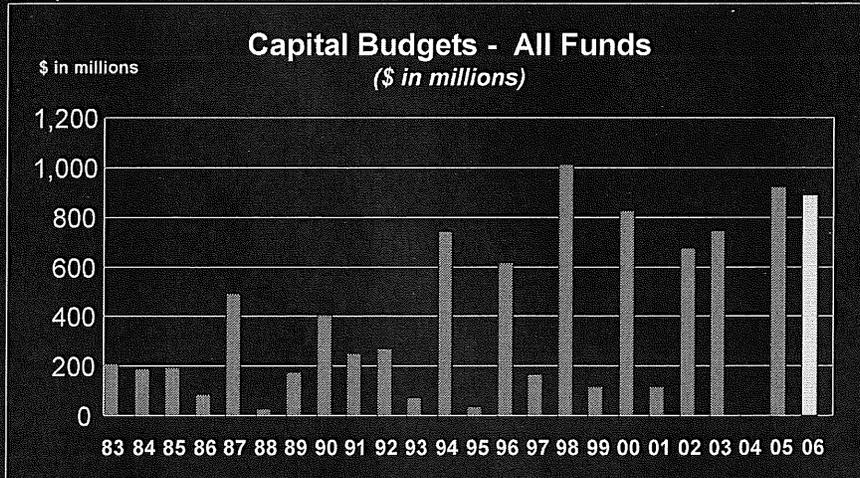
\$6
General Fund

\$35
Trunk Highway
Bonds





Plan Provides a Responsible Level of Capital Spending



Governor Balanced Priority Areas and Needs

| | |
|----------------------------------|--------------|
| ➤ Education (Higher Ed and K-12) | \$289 |
| ➤ Environment and Agriculture | 209 |
| ➤ Transportation | 141 |
| ➤ Health and Human Services | 80 |
| ➤ Criminal Justice | 70 |
| ➤ Economic Development | 63 |
| ➤ State Agencies | 30 |
| ➤ Local Projects | 13 |
| Total Recommendation | \$897 |

*Total does not add due to rounding, bond sale expenses



Higher Education

\$270.1 Million

- ✓ *University of Minnesota - \$127.6M*
 - *Systemwide asset preservation - \$40M*
 - *New facilities for the Carlson School of Management - \$26.6M*
 - *New building for the Labovitz School of Business and Economics (Duluth) - \$15.3M*
 - *New science teaching and student services building (Minneapolis) - \$41.3M*



Higher Education

\$270.1 Million

- ✓ *Minnesota State Colleges and Universities - \$142.5M*
 - *New science addition at Mankato - \$32.9M*
 - *Systemwide asset preservation - \$20M*
 - *Wick Science addition at St. Cloud - \$14M*
 - *Renovation of nursing and allied health training center at Minneapolis campus - \$18.9M*
 - *New Science and library building at Century College - \$19.9M*
 - *Systemwide funding for science lab design and renovation - \$5.1M*



K-12 Education

\$19.2 Million

- ✓ *Department of Education - \$10M*
 - *Improvements to Red Lake school facilities*
- ✓ *Minnesota State Academies - \$8.1M*
 - *Asset preservation - 2.5M*
 - *Renovation of Frechette Hall at the Academy for the Deaf - \$5.6M*
- ✓ *Perpich Center for Arts Education - \$1.1M*
 - *Asset preservation*



Environment and Agriculture

\$209.3 Million

- ✓ *Water Management and Pollution Control*
 - *\$54.1M for drinking water and waste treatment*
 - *\$7.2M to mitigate impact of closed landfills*
 - *\$4M for solid waste resource recovery grants*
- ✓ *Land Preservation and Enhancement*
 - *\$35M to acquire, develop and protect natural habitats*
 - *\$30.2M to BWSR for easements on marginal agricultural lands*
 - *\$4.2M to replace wetlands lost from local government road construction*



Environment and Agriculture

\$209.3 Million

✓ Enhanced Recreational Opportunities

- \$21M to the Minnesota Zoo for Master Plan and asset preservation*
- \$19.7M to DNR and Met Council for state and regional park acquisition and facilities*
- \$9.0M for acquisition and construction of fisheries, fishing piers, and water fowl habitat structures*
- \$2.0M for state trails*

✓ Health and Safety

- \$11M for flood mitigation and dam safety*
- \$1.5M to upgrade ag-public health lab*



Transportation

\$141.0 Million

- ✓ Funding to complete Northstar Commuter Rail line - \$60M*
- ✓ Park and ride facilities at I35W/46th street bus station - \$8.3M*
- ✓ Continue Phase One of Cedar Avenue transitway - \$5M*
- ✓ Central corridor transitway - \$2.5M*



Transportation

\$141.0 Million

- ✓ *Local bridge repair - \$30M*
- ✓ *Local road improvements - \$10M*
- ✓ *New MNDOT district headquarters in Mankato - \$18.2M*
- ✓ *Truck station in Chaska to serve southwest metro - \$6.9M*



Health and Human Services

\$80.3 Million

- ✓ *Sex Offender program at Moose Lake, 400-bed facility - \$44.6M*
- ✓ *Systemwide improvements in Regional Treatment Centers - \$15M*
- ✓ *Systemwide asset preservation in Veterans Homes facilities - \$6M*
- ✓ *Minneapolis Veterans Home kitchen and dining room renovations - \$5.3M*



Criminal Justice

\$70.4 Million

- ✓ *Faribault Correctional Facility expansion and renovation - \$28M*
- ✓ *Stillwater Correctional Facility 150-bed high security unit unit - \$19.6M*
- ✓ *Shakopee Women's Facility bed expansion and security - \$10.3M*
- ✓ *Correctional facilities asset preservation and repairs - \$10M*



Housing and Economic Development

\$62.8 Million

- ✓ *Permanent supportive housing - \$25M*
- ✓ *Redevelopment Grant program to renew old commercial and industrial sites - \$13M*
- ✓ *Bioscience Business Development program, including Rochester development center - \$10M*
- ✓ *Greater Minnesota Business Development Infrastructure Grants - \$7.5M*
- ✓ *Urgent repairs to state and local historic sites - \$6.7M*



State Agencies

\$30.3 Million

- ✓ *Military facility asset preservation, life safety improvements, firing range rehab and ADA projects - \$8.6M*
- ✓ *Replacing structural support exterior of Mn/DOT Building - \$10.2M*
- ✓ *Seven asset preservation projects in capital complex - \$6.2M*



Local Projects

\$13.0 Million

- ✓ *Infrastructure design to support new energy and steel plants in Itasca county - \$7.0M*
- ✓ *St Cloud regional airport - \$2.0M*
- ✓ *Bemidji events center design - \$3.0M*
- ✓ *Renewable Energy Clean Air project in Koochiching county - \$1.0M*



Growing List of Amenity Projects Requires a Different Approach

- ✓ *Increasing amounts of requests for sports, arts, and regional event centers*
- ✓ *Inconsistent approaches leading to unrealistic expectations and potential unfairness*
- ✓ *Lack of consistent criteria is creating uncertainty, not decisions*
- ✓ *Better criteria for evaluating requests will be applied*



Guidelines for Local or Regional Amenity Projects Seeking State Funds

- ✓ *Minimum 50 percent non-state financial support*
- ✓ *Referendum required when local taxes not authorized by current law are used*
- ✓ *Clear regional or statewide significance*
- ✓ *Timely opportunities, ready for development and construction*
- ✓ *Local support formally demonstrated*



*View the detail and additional
information online:*

Visit the web at:

<http://www.finance.state.mn.us>

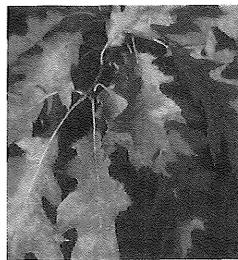
2006–2011 Minnesota Capital Budget



**Presented by
Governor Tim Pawlenty
to the 84th Legislature**



Executive Summary



January 17, 2006



2006 – 2011 Capital Budget

Executive Summary

| | |
|--|----|
| Overview | 3 |
| Higher Education. | 5 |
| K–12 Education. | 6 |
| Environment and Agriculture | 7 |
| Transportation | 8 |
| Health and Human Services | 9 |
| Criminal Justice | 10 |
| Housing and Economic Development | 11 |
| State Agencies | 12 |
| Grants to Political Subdivisions. | 13 |
| | |
| Appendix | |
| Recommendations by Agency, Project and Funding Source | 15 |

This document and the more detailed capital budget materials may be found at the Department of Finance's website: www.finance.state.mn.us.

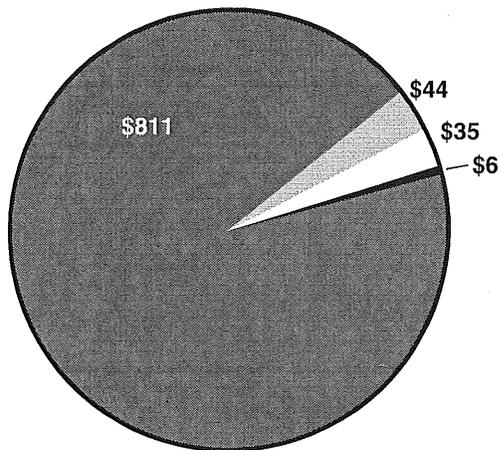
This document is also available in an alternate format.

Overview

The Governor recommends a total capital budget of \$897 million. This includes \$811 million for projects financed with general-fund-supported bonds, \$44 million in user-financed bonding, \$6 million in general funds and \$35 million in trunk highway fund bonds.

The Governor's 2006 capital budget recommendations strike a balance between investing in basic state infrastructure and supporting key strategic initiatives. Investments in our natural resources will preserve Minnesota's environment and recreational opportunities for future generations. Public safety will be protected through the construction of secure facilities to house the most dangerous offenders. Transportation efficiency is enhanced through investments in metro and rural infrastructure. And finally, economic vitality is sustained through support for new ventures in higher education and targeted business development.

Table 1 Governor's 2006 Recommendations all financing sources (\$ in millions)



| | |
|---------------------------------|---------------|
| G.O. Bonds | 811 |
| G.O. Bonds—user financed | 44 |
| General Fund | 6 |
| Trunk Highway Bonds | 35 |
| Total | \$897* |

* Numbers do not equal \$897 due to rounding.

Current Opportunities—Future Costs

As always, a capital budget lays out an important vision and direction for the state, one that goes far beyond the political or programmatic demands of a single legislative session. This long-term benefit is financed by long-term borrowing, ensuring that the cost and benefits of a project are balanced between the taxpayers of today and tomorrow.

As every household knows, buying on credit, particularly when the bills are spread out over many years, can lead to unrealistic appetites. Last year's bonding totaled \$963 million, but since then, another \$2 billion of requests have been submitted. Of the requests, nearly half come from local government and higher education alone—with over \$570 million from local governments, \$206 million from the University of Minnesota and \$281 million from MnSCU.

Table 2 Historical bonding bill funding (\$ in millions)

| | G.O. bonding | All sources |
|---------------------------------------|--------------|-------------|
| 1996 | 488 | 614 |
| 1998 | 484 | 1011 |
| 2000 | 467 | 826 |
| 2002 | 570 | 673 |
| 2005 | 886 | 963 |
| 2006-Governor's recommendation | 811 | 897 |

In the current fiscal year, the state will make debt service payments of \$352 million for the \$3.6 billion in outstanding bonds. In addition, over \$1 billion in previously authorized bonding has not yet been sold. Our debt management guidelines require that we spend no more than 3 percent of our non-dedicated general fund revenues in each biennium to pay for debt. The Governor's recommendations for 2006 stay within these guidelines, and recognize the importance of carefully evaluating both the present and future benefits of capital decisions.

Strategic Investments

The Governor's capital budget recommendations include many proposals that take advantage of current opportunities to continue the state's competitive edge.

Protect Wildlife Habitat. In the face of rapidly disappearing forest and other wildlife habitat, the Governor's budget includes \$35 million to acquire, develop, and protect natural habitats in Minnesota for years to come. This includes \$15 million for wildlife management acquisition and \$10 million for a new plan to work with private parties to obtain permanent easements that preserve large tract forests in northern Minnesota.

Invest in Future Business Strategies. The Governor's budget includes \$10 million to spur cutting-edge bioscience development, \$26.6 million to design and construct new facilities at the University of Minnesota's Carlson School of Management, and \$15.3 million to construct a new building for the Labovitz School of Business and Economics on the University of Minnesota Duluth campus.

Develop Permanent Solutions to Homelessness. Responding to the social and financial costs of chronic homelessness, this budget recommends \$25 million for permanent housing solutions to stabilize households and improve our communities.

Upgrade Agriculture/Public Health Labs. With growing concern over animal-borne diseases such as avian influenza, \$1.5 million is proposed for construction of more secure laboratory facilities to ensure safe testing and research of these highly infectious diseases.

Complete Northstar Commuter Rail. This budget recommends \$60 million to finish work on the Northstar rail line, creating a fast, new transit route in the northwest metropolitan area.

Improve Public Attractions. The Governor recommends \$13 million to spur new exhibits and facilities at the Minnesota Zoo as well as \$1.1 million to begin design work on updated facilities at historic Fort Snelling.

Basic Bricks and Mortar

The capital budget also addresses ongoing building and infrastructure needs so that people can continue to receive the basic services they expect from state government. These projects include:

Minnesota Sex Offender Program Expansion. A total of \$44.6 million is recommended for construction of the first phase of an expansion at Moose Lake, including a 400-bed residential structure with accompanying treatment space for civilly committed individuals. This arrangement provides significantly more beds than earlier plans and allows the departments of Human Services and Corrections to cooperatively manage facility needs.

Stillwater Prison. This \$19.6 million will build a 150-bed high security unit to house extremely high-risk, violent and dangerous offenders.

Faribault Prison Expansion. Recognizing growing prison populations, the Governor's budget includes \$28 million for a net addition of 181 beds. This is in addition to the \$84.8 million, 700-bed expansion funded in the 2005 bonding bill.

Safety. To prevent future flood emergencies, the Governor's budget recommends \$11 million for flood hazard mitigation projects and renovation of hazardous publicly owned dams.

Asset Preservation. The capital budget also includes flexible funding to help address smaller, often routine repair and replacement projects. These recommendations include:

| | |
|---|----------------|
| Administration Asset Preservation Programs | \$10.9 million |
| Corrections Asset Preservation | \$10.0 million |
| Human Services Asset Preservation and Roof Repair | \$5.5 million |
| Military Affairs Asset Preservation, Life Safety and Lead Abatement | \$8.6 million |
| Historic Sites Asset Preservation | \$4.0 million |
| Minnesota State Academies | \$2.5 million |
| Minnesota State Colleges and Universities HEAPR | \$20.0 million |
| State Park Buildings and Infrastructure | \$6.0 million |
| Other DNR Asset Preservation | \$2.0 million |
| Perpich Center for the Arts | \$1.1 million |
| University of Minnesota HEAPR | \$40.0 million |
| Veterans Homes Board | \$6.0 million |
| Minnesota Zoo | \$8.0 million |

Higher Education

The Governor's recommendations for higher education total \$270.1 million in general obligation bonding.

The recommendations reflect the Governor's commitment to support science teaching and other academic priorities at the University of Minnesota (U of M) and the Minnesota State Colleges and Universities (MnSCU).

The Governor recommends \$127.6 million in state bonding for the **University of Minnesota**, with an additional \$43 million investment by the University.

Projects for the University include:

- \$40 million for higher education asset preservation and replacement (HEAPR), to maintain university facilities throughout the state.
- \$26.6 million to design and construct new facilities for the Carlson School of Management on the Minneapolis campus.
- \$15.3 million to construct a new building for the Labovitz School of Business and Economics on the Duluth campus.
- \$41.3 million to design and construct a new Science Teaching and Student Services building on the Minneapolis campus.
- \$4.3 million for predesign and design of a new medical bioscience building on the University's Minneapolis campus.

The Governor recommends \$142.5 million in state bonding for **MnSCU**, with MnSCU responsible for \$40.8 million of this amount.

Key MnSCU projects include:

- \$32.9 million to design and construct a new science addition to Trafton Hall on the Minnesota State Mankato campus.
- \$14 million to design and construct a new addition to the Wick Science Building on St. Cloud State University's campus.
- \$19.9 million for a new science and library building at Century College.

- \$18.9 million to renovate a nursing and allied health training center and to create a science lab and classroom facility at the Minneapolis Community and Technical College campus.
- \$5.1 million to design and renovate science labs and applied technology labs at 10 smaller campuses systemwide.
- \$11.2 million to renovate Winona State University's Maxwell Hall.
- \$20 million for higher education asset preservation and replacement (HEAPR), to maintain MnSCU facilities across the state.

U of M at a glance

- The U of M has four campuses, one collaborative center, seven research and outreach centers, and 18 extension offices.
- The U of M has 811 buildings, encompassing 28.5 million square feet.
- Two-thirds of the buildings are on the U of M Twin Cities campus.

MnSCU at a glance

- MnSCU has 32 institutions on 53 campuses.
- MnSCU has 800 buildings, encompassing 24 million square feet.
- The average age of MnSCU buildings is 34 years.

K-12 Education

The Governor's recommendations for K-12 Education total \$19.2 million in general obligation bonding.

These recommendations reflect the unique role that the state plays in helping to finance school facilities in certain circumstances. While most districts fund their facilities through a combination of local property tax proceeds and state aid through the debt service equalization program, a few districts do not have an adequate property tax base to utilize this program. The Governor's recommendations reflect the need for the state to play a primary role in financing those facilities. Similarly, the Minnesota State Academies for the Deaf and the Blind in Faribault and the Perpich Center for Arts Education in Golden Valley are funded solely through state appropriations, with the state therefore responsible for maintaining those facilities.

Projects for K-12 Education include:

- \$8.1 million for the Minnesota State Academies, including \$2.5 million for asset preservation and \$5.6 million for renovation of Frechette Hall on the campus of the Academy for the Deaf.
- \$1.1 million for asset preservation at the Perpich Center for Arts Education.
- \$10 million for additional improvements to the Red Lake school district facilities. During the 2005 session, \$18 million was appropriated for construction and renovation of the Red Lake Middle School and the Red Lake High School.

K-12 Education *at a glance*

- The Minnesota State Academies have 15 main buildings totaling 388,921 square feet. Two of the buildings are on the National Register of Historic Places.
- The Perpich Center for Arts Education has five buildings totaling 185,039 square feet.

Environment and Agriculture

The Governor's recommendations for Environment, Natural Resources and Agriculture total \$203.6 million in general obligation bonding and \$5.8 million in other sources for a total of \$209.3 million.

These recommendations reflect the Governor's commitment to preserve, protect and enhance the state's natural resources and to provide outdoor recreation opportunities that foster appreciation for and stewardship of the environment.

Key projects include:

Water Management and Pollution Control

- \$54.1 million to the Public Facilities Authority for loans and grants to local units of government for drinking water and wastewater treatment facility improvements.
- \$7.2 million to the Pollution Control Agency (PCA) to mitigate the environmental impacts of closed landfills.
- \$4 million to PCA for solid waste capital assistance grants to local units of government to construct solid waste resource recovery facilities as an alternative to landfill disposal.

Land Preservation and Enhancement

- \$35 million to the Department of Natural Resources (DNR) for funds to acquire, develop and protect fish, wildlife and plant habitats in Minnesota.
- \$30.2 million to the Board of Water and Soil Resources (BWSR) to acquire easements on marginal agricultural lands for habitat and water quality improvement.
- \$4.2 million to replace wetlands lost as a result of local government road construction.

Enhanced Recreational Opportunities

- \$21 million to the Minnesota Zoo (\$13 million to implement their current master plan and \$8 million for asset preservation).
- \$19.7 million to the DNR and the Metropolitan Council for state and regional park acquisition and facilities improvement.

- \$9 million for acquisition and construction of fisheries, fishing piers and water fowl habitat structures to support sustainable hunting and fishing opportunities.
- \$2 million for state trails.
- \$2 million in user-financed bonds to construct camper cabins in state parks.
- \$1.5 million in user-financed bonds to acquire and construct an off-highway vehicle recreation area in southern Minnesota.

Health and Safety

- \$11 million for constructing flood hazard mitigation projects and renovating hazardous publicly owned dams.
- \$1.5 million to upgrade the agriculture/public health laboratory building to ensure that scientists can safely test for infectious diseases of zoonotic origin (animal-borne that can transfer to humans) such as avian influenza.

Environment and Agriculture *at a glance*

- The state is responsible for ongoing maintenance of 112 closed landfill sites statewide.
- Over 1 million acres of sensitive lands have been preserved for wildlife management and species preservation.
- The state's 68 parks hosted more than 8 million visitors in 2004.
- The state operates and maintains 1,100 miles of state trails.
- The Minnesota Zoo has over 1 million visitors annually.
- There are 800 publicly owned dams in the state.

Transportation

The Governor's recommendations for transportation total \$115.8 million in general obligation bonding and \$25.2 million in trunk highway bonding for a total recommendation of \$141.0 million.

These recommendations reflect the Governor's commitment to improve Minnesota's highway systems and transit facilities.

Key projects include:

- \$60 million to complete funding for the Northstar Commuter rail line.
- \$8.3 million for construction of Park and Ride and passenger facilities at the I35W/46th Street in-line bus station for the I-35W Bus Rapid Transitway.
- \$5 million to continue work on Phase 1 of the Cedar Avenue Transitway.
- \$2.5 million for the Central Corridor transitway.
- \$30 million to replace or rehabilitate deficient local bridges throughout the state.
- \$10 million to assist cities, counties and townships with local road improvements.
- \$18.2 million in Trunk Highway bonding for construction of a new district headquarters in Mankato to improve highway construction and maintenance.
- \$6.9 million in Trunk Highway bonding for construction of a new truck station in Chaska to serve TH212 and other highways in the southwest metro.

Transportation *at a glance*

- Minnesota's Trunk Highway system is about 12,000 miles.
- The entire road system in the state consists of 130,000 miles.
- Almost 5,500 local bridges have been improved with state bonding funds since 1977.
- The Hiawatha LRT line provided 7.1 million rides in its first full year of operation.

Health and Human Services

The Governor's recommendations include \$65.3 million for the Department of Human Services facilities and \$15.0 million for Veterans Homes facilities, for a total recommendation of \$80.3 million.

These recommendations reflect the Governor's emphasis on ensuring public safety by addressing the rising number of civilly committed sex offenders. Due to the unanticipated population growth in the Minnesota Sex Offender Program and at the Minnesota Security Hospital, new resources are recommended to add residential and program space to treat these individuals. The Governor recommends security upgrades at all of the Department of Human Services' secure program sites, and supports the continuing transition of mental health programs from regional treatment centers into community-based settings.

The Governor's recommendations for the Veterans Homes Board balance the need to maintain properties with the need to improve the care and quality of life for residents at a number of facilities.

Key projects include:

- \$44.6 million for design and construction of the first phase of an expansion of the Minnesota Sex Offender Program at Moose Lake, including a 400-bed residential structure and treatment space for civilly committed individuals.
- \$15.0 million for system-wide improvements to the regional treatment centers, including \$2.5 million for security upgrades, \$4 million for asset preservation, \$1.5 million for roof maintenance, and \$7 million to continue campus reuse and redevelopment efforts.
- \$6 million for system-wide asset preservation to ensure that the Veterans Homes facilities, some of the oldest in the state, are properly maintained.
- \$5.3 for renovation and remodeling of the Minneapolis Veterans Home kitchen and dining room, to update the facility and add additional capacity.

Health and Human Services *at a glance*

State-operated services, Department of Human Services

- These campuses include 252 state-owned buildings with over 3.5 million square feet on 1,494 acres.
- The estimated replacement value is \$560 million.

Veterans Homes Board

- The five sites include 50 state-owned buildings with 771,765 square feet on 220 acres.
- The estimated replacement value is \$131 million.

Criminal Justice

The Governor's recommendations for public safety total \$70.4 million in general obligation bonding.

These recommendations reflect the Governor's commitment to increase the capacity of the state's correctional facilities for housing felony offenders committed under the state's criminal sentencing laws, while also directing resources toward facility maintenance and security improvements.

Key projects include:

- \$28 million to continue expansion and renovation of the Minnesota Correctional Facility-Faribault. This project will include the construction of a new 416-bed housing unit; renovation of an existing living unit for use as long-term-care housing; demolition of outdated living units and updating of infrastructure. On net, the project will create an additional 181 beds.
- \$19.6 million to provide a new, high-security 150-bed segregation unit at the Minnesota Correctional Facility-Stillwater.
- \$5.4 million to add 92 beds for female offenders at the Minnesota Correctional Facility-Shakopee. This expansion will increase total capacity to 641.
- \$4.9 million to build a fence and security system at the Minnesota Correctional Facility-Shakopee.
- \$2.5 million to remodel existing space at the Minnesota Correctional Facility-Lino Lakes. These renovations will help to consolidate existing activities and provide additional space for health, psychological and dental services.
- \$10 million for systemwide asset preservation. These funds will address needs such as emergency lighting, reroofing, window replacement and tuckpointing.

Criminal Justice at a glance

- Minnesota has 10 correctional facilities located throughout the state.
- Approximately 9,050 adult offenders and 200 juvenile offenders were housed by the Department of Corrections as of July 2005.

Housing and Economic Development

The Governor's recommendations for economic development total \$62.8 million in general obligation bonding.

These recommendations reflect the Governor's commitment to ending homelessness, revitalizing communities and preserving our links to the past.

Key projects include:

- \$25 million for permanent supportive housing, extending the effort begun in the last bonding bill to provide an innovative solution to the problem of chronic homelessness.
- \$13 million for the redevelopment grant program that provides funds to local governments to help renew old commercial and industrial sites.
- \$10 million for the Bioscience Business Development program, building on previous efforts to help bioscience companies establish a solid foothold in Minnesota. This recommendation includes \$8 million for the Rochester bioscience development center.
- \$7.5 million for Greater Minnesota business development infrastructure grants to help provide the public infrastructure needed to attract businesses to communities in greater Minnesota.
- \$6.7 million to fund the most urgent repairs to both state- and locally owned historic sites.
- \$600,000 for critical repairs to the North Minneapolis Workforce Development Center.

Housing and Economic Development *at a glance*

- There are over 20,000 homeless people in Minnesota.
- By 2010, 4,000 housing units will be needed for the long-term homeless.
- The average redevelopment grant is \$425,000.
- The average business development grant is \$400,000.

State Agencies

The Governor's recommendations for state agencies include \$19.5 million in general obligation bonding and \$10.8 million in other sources, for a total recommendation of \$30.3 million.

These recommendations reflect the Governor's commitment to preserve and repair state-owned buildings so they can continue to provide value to the public; and to avoid future funding emergencies.

Key projects include:

- \$8.6 million for improvements at armories and military facilities throughout the state. Specific projects include asset preservation, life safety improvements, indoor firing range rehabilitation and conversion and Americans with Disability Act (ADA) projects.
- \$10.2 million for replacement of the structural support system for the granite panels on the exterior of the Mn/DOT building.
- \$6.2 million for seven asset preservation projects to improve buildings in the capitol complex. Projects include replacement of the History Center roof, repair of the Capitol Building public entrance landing, and lead abatement and renovation of the Administration Building.

State Agencies at a glance

- The Department of Administration maintains 3.6 million square feet of space in 20 buildings in and near the Capitol Complex.
- The current estimated replacement value of Administration-managed buildings is \$1.1 billion.
- The Department of Military Affairs manages 2.4 million square feet of facilities, including 1,450 buildings on 53,000 acres at Camp Ripley; 588,200 square feet in 63 National Guard Logistical facilities; and 1.7 million square feet in 64 National Guard Training and Community Centers (armories).

Grants to Political Subdivisions

The Governor's capital budget includes funding for a range of local projects. In most instances, these funds are distributed through established programs in various state agencies, ensuring that the most qualified projects receive state funding.

Of the projects discussed in previous pages, several of them included key recommendations for local communities, including:

- \$54.1 million to the Public Facilities Authority for loans and grants to local governments to develop drinking water and wastewater improvements.
- \$11.7 million for priority projects of the Metropolitan Council Regional Parks program, including funds for Port Crosby clean-up and Lake of the Isles restoration.
- \$4 million to the Pollution Control Agency for solid waste capital assistance grants.
- \$10 million for bioscience business development through the Department of Employment and Economic Development (DEED), including \$8 million to help develop the infrastructure sought by the City of Rochester.
- \$30 million for local bridge improvements and \$10 million for local road improvements, through the Department of Transportation.
- \$13 million for DEED's Redevelopment Grant Program.
- \$7.5 million for DEED's Greater Minnesota Business Development Public Infrastructure Grant Program.

In addition to these statewide programs, 66 local entities submitted 116 requests for consideration in this capital budget—over \$570 million for 2006 alone. (Many requests also anticipate state bonding assistance in 2008 and 2010.) In his recommendations, the Governor includes the following projects:

- \$7.0 million for infrastructure design to support new energy and steel plants in Itasca County. This funding replaces local support that might otherwise have come from the 21st Century Mineral Fund.
- \$2.0 million for land acquisition at the St. Cloud regional airport to ensure adequate buffer space in a rapidly growing community.
- \$3.0 million for Bemidji Events Center design.
- \$1.0 million for a Renewable Energy Clean Air Project in Koochiching County.

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Appendix

Recommendations by Agency, Project and Funding Source

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Governor's 2006 Capital Budget

Recommendations by Agency, Project and Funding Source

(Dollars in Thousands)

| | Governor's Recommendation | |
|---|------------------------------|---------|
| Administration | | |
| MnDOT Building Exterior | 10,161 | TH |
| Statewide CAPRA | 5,000 | |
| Asset Preservation | 6,192 | GO & GF |
| Long Range Commuting Plan | 150 | UF |
| Agency Relocation | 200 | GF |
| Agriculture | | |
| Joint Biosafety Laboratory Facilities | 1,500 | |
| Corrections | | |
| Minnesota Correctional Facility (MCF) – Faribault, Phase 2 | 27,993 | |
| MCF-Stillwater, Segregation Unit | 19,580 | |
| MCF-Shakopee, Expansion | 5,375 | |
| MCF-Shakopee, Security Fence | 4,922 | |
| MCF-Lino Lakes, Medical Building | 2,494 | |
| Systemwide Asset Preservation | 10,000 | |
| Education | | |
| Red Lake Facility Remodeling/Construction | 10,000 | |
| Employment & Economic Development | | |
| Redevelopment Grant Program | 13,000 | |
| Bioscience Business Dev. Public Infrastructure Grant Program | 10,000 | |
| Greater MN Business Dev. Public Infrastructure Grant Program | 7,500 | |
| Wastewater Infrastructure Fund | 15,300 | GO & GF |
| US EPA Drinking Water/Wastewater Capitalization | 38,800 | |
| North Minneapolis Workforce Center Repair | 600 | |
| Finance | | |
| Bond Sale Expenses | 886 | GO & TH |
| Grants to Political Subdivisions | | |
| Bemidji Event Center Design | 3,000 | |
| Itasca County Energy Plant and Steel Mill Infrastructure Design | 7,000 | |
| Koochiching County Renewable Energy Clean Air Project | 1,000 | |
| St. Cloud Regional Airport Land Acquisition | 2,000 | |
| Housing Finance Agency | | |
| Permanent Supportive Housing Loans | 25,000 | |
| Human Services | | |
| Minnesota Sex Offender Program Expansion: Phase One | 44,580 | |
| Minnesota Sex Offender Program Expansion: Design, Phase Two | 3,200 | |
| Systemwide Campus Redevelopment/Reuse/Demolition | 7,000 | |
| St. Peter, New Program Building | 2,500 | |
| Systemwide Campus Security/Safety Improvements | 2,500 | |
| Systemwide Roof Repair/Replacement | 1,500 | |
| Systemwide Asset Preservation | 4,000 | |

Projects are financed solely with general obligation (GO) bonds, unless identified with the following notations:

GF: General Fund Cash
TH: Trunk Highway Bonding
UF: User Financing

Governor's Recommendations by Agency, Project and Funding Source

**Governor's
Recommendation**

Metropolitan Council

| | |
|--------------------------------------|--------|
| I-35W Bus Rapid Transit Facilities | 8,300 |
| Central Corridor Transitway | 2,500 |
| Cedar Avenue Bus Rapid Transit (BRT) | 5,000 |
| Metropolitan Regional Parks | 11,700 |

Military Affairs

| | |
|-------------------------------------|-------|
| Asset Preservation | 5,200 |
| Facility Life-Safety Improvements | 1,000 |
| Range Lead Abatement and Conversion | 1,029 |
| Facility ADA Compliance | 1,400 |

Minnesota Historical Society

| | |
|--|-------|
| Historic Sites Asset Preservation | 4,000 |
| Historic Fort Snelling Museum and Revitalization | 1,100 |
| Sesquicentennial County & Local Historic Preservation Grants | 1,000 |
| History Center Visitor Services Upgrades | 572 |

Minnesota State Academies

| | |
|--|-------|
| Asset Preservation | 2,509 |
| Frechette Dormitory Renovation, Academy for the Deaf | 5,557 |

Minnesota State Colleges & Universities

| | | |
|--|--------|---------|
| Higher Education Asset Preservation & Rehabilitation (HEAPR) | 20,000 | |
| MSU Mankato, Trafton Science Addition & Renovation | 32,900 | GO & UF |
| St. Cloud SU, Wick Science Addition & Renovation | 14,000 | GO & UF |
| Century CTC, New Science/New Library Building | 19,900 | GO & UF |
| Minneapolis CTC, Science & Health Renovation | 18,874 | GO & UF |
| St. Paul College, Transportation & Applied Technology Lab | 3,000 | GO & UF |
| Bemidji SU, Sattgast Science Addition & Renovation | 700 | GO & UF |
| MSC-SETC Red Wing, LRC, Student Service Renovation | 4,855 | GO & UF |
| Normandale CC, Classroom Renovation & Addition | 5,125 | GO & UF |
| Winona SU, Maxwell Hall Renovation | 11,186 | GO & UF |
| Systemwide - Science Lab & Applied Technology Initiative | 5,140 | GO & UF |
| Systemwide - Property Acquisition | 6,850 | GO & UF |

Natural Resources

| | |
|---|--------|
| Flood Hazard Mitigation Grants | 9,000 |
| Dam Repair/Reconstruction/Removal | 2,000 |
| Fish Hatchery Improvements | 1,000 |
| Fisheries Acquisition and Improvement | 4,000 |
| Large Scale Forest Conservation Easements | 10,000 |
| Native Prairie Bank Easements and Development | 1,000 |
| Scientific and Natural Area (SNA) Acquisition & Development | 3,000 |
| State Forest Land Acquisition | 4,000 |
| State Land Reforestation | 4,000 |
| State Park Building Rehabilitation | 3,000 |
| State Park Infrastructure Rehab and Natural Resources Restoration | 3,000 |
| State Park and Recreation Area Acquisition | 2,000 |
| State Trail Acquisition, Rehab and Repair | 2,000 |
| Stream Protection and Restoration | 2,000 |
| Water Access Acquisition, Development and Fishing Piers | 3,000 |
| Waterfowl Habitat Structures | 1,000 |
| Wildlife Area Acquisition and Improvement | 15,000 |

Projects are financed solely with general obligation (GO) bonds, unless identified with the following notations:
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UF: User Financing

Governor's Recommendations by Agency, Project and Funding Source

| | Governor's Recommendation | |
|--|--------------------------------------|---------|
| Natural Resources, continued | | |
| Statewide Asset Preservation | 2,000 | |
| Buying Out Trust Fund Lands | 1,000 | |
| Off-Road Vehicle Recreation Area | 1,500 | UF |
| State Park Camper Cabins | 2,000 | UF |
| | | |
| Perpich Center for Arts Education | | |
| Asset Preservation | 1,051 | |
| | | |
| Pollution Control Agency | | |
| Closed Landfill Bonding | 7,150 | |
| Capital Assistance Program | 4,000 | |
| | | |
| Transportation | | |
| Mankato Headquarters Building | 18,228 | TH |
| Northstar Corridor Rail Project | 60,000 | |
| Local Bridge Replacement & Rehabilitation | 30,000 | |
| Local Road Improvement Grants | 10,000 | |
| Chaska Truck Station | 6,949 | TH |
| | | |
| University of Minnesota | | |
| Higher Education Asset Preservation & Rehabilitation (HEAPR) | 40,000 | |
| Carlson School of Management Expansion | 26,600 | GO & UF |
| Labovitz School of Business and Infrastructure | 15,333 | GO & UF |
| Science Teaching and Student Services | 41,334 | GO & UF |
| Medical Biosciences Building/Infrastructure-Phase I | 4,346 | GO & UF |
| | | |
| Veterans Homes Board | | |
| Asset Preservation | 6,000 | |
| Minneapolis Emergency Power Repairs | 2,457 | |
| Luverne Dementia Unit/Wander Area | 599 | |
| Minneapolis Dining/Kitchen Renovation | 5,331 | |
| Fergus Falls Special Care Unit | 637 | |
| | | |
| Water & Soil Resources Board | | |
| RIM Reserve Program and CREP II | 30,150 | GO & GF |
| Local Government Road Wetland Replacement | 4,200 | GO & GF |
| | | |
| Zoological Gardens | | |
| Asset Preservation | 8,000 | |
| Zoo Master Plan Design/Construction | 13,000 | |
| | | |
| TOTAL, All Funds | 897,195 | |

Projects are financed solely with general obligation (GO) bonds, unless identified with the following notations:

GF: General Fund Cash
 TH: Trunk Highway Bonding
 UF: User Financing