

(\$ in thousands)

Project Title	Rank	Fund	Project Requests for State Funds			Gov's Rec	Gov's Planning Estimates	
			2022	2024	2026	2022	2024	2026
MDA East Grand Forks Building Repair	1	GO	317	0	0	317	0	0
		GF	60	0	0	60	0	0
Total Project Requests			377	0	0	377	0	0
General Obligation Bonds (GO) Total			317	0	0	317	0	0
General Fund Cash (GF) Total			60	0	0	60	0	0

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

AT A GLANCE

- 566 employees across the state during peak season.
- Analyzed over 4,500 dairy product samples and 2,000 meat and poultry samples in partnership with the MDA Laboratory Division during FY19/20.
- Conducted over 11,500 inspections—including 3,500 manufactured food, 7,000 retail food, and 1,000 animal feed inspections—to ensure the safety and quality of food and feed manufactured and distributed in Minnesota.
- Certified approximately 437 million pounds of agricultural products as plant pest free for export to 61 countries by 128 Minnesota companies during 2019.
- Assisted Minnesota counties, townships, and cities with the enforcement of noxious weed issues.
- Annual Agricultural Growth, Research, and Innovation (AGRI) state spending of \$13.311 million in FY19 spurred \$75 million in private spending.
- More than 1,341 farms and farmers' markets licensed to use the Minnesota Grown logo.
- Convened listening sessions around the state to hear about barriers for emerging farmers and how to overcome them.
- In partnership with all Minnesota counties, collected over 600,000 pounds of waste pesticides in 2019. Over 9 million pounds of waste pesticide have been collected since 1990.

PURPOSE

Our mission is to enhance Minnesotans' quality of life by equitably ensuring the integrity of our food supply, the health of our environment, and the strength and resilience of our agricultural economy.

The Minnesota Department of Agriculture (MDA) provides many services to Minnesota farmers, agribusinesses, and their consumers to support the agriculture economy. Among MDA's many efforts, it:

- Invests in family farms through education and grants aimed at modernization and profitability; invest in the future of the agricultural economy with grants for research and value-added processing;
- Ensures that state and federal regulations for food safety and public health are followed;
- Educates producers, suppliers, and consumers on proper production and handling of food products;
- Educates Minnesotans about environmental hazards to keep our farms, homes, businesses, and neighborhoods safe;
- Promotes the consumption of Minnesota-grown foods; and
- Promotes the export of Minnesota crops and livestock.

STRATEGIES

MDA uses a range of regulatory and voluntary strategies to support its mission. This includes the use of registration, labeling, licensing, permitting, inspection, and enforcement efforts. Additionally, MDA coordinates and conducts education and outreach activities such as workshops, conferences, and field demonstration projects.

MDA staff conducts inspections and verifies samples to ensure that producers, processors, wholesalers, haulers, grocery stores, convenience stores, and other industry participants are producing and handling dairy, food, meat, and feed products in a safe manner to protect products from unintended adulteration and contamination.

MDA ensures that Minnesota plant products meet the import requirements of trading partners and grading standards established in contracts, that seeds meet viability and purity standards, that nursery stock meet general health standards, and that products are free from harmful plant pests.

MDA's marketing and promotional initiatives offer farmers, ranchers, and agribusinesses technical and financial assistance in a variety of areas to address current challenges and global issues. Activities include the development, marketing, and promotion of local foods, organics, livestock, and renewable fuels, the support of emerging farmers, as well as the development of domestic and international market opportunities for agricultural products. MDA also fosters research with stakeholders on the use and protection of agricultural land and emerging conservation practices and agricultural systems.

Minnesota Statutes Chapter 17, <https://www.revisor.mn.gov/statutes/?id=17> creates the Department of Agriculture and provides specific authority to the commissioner.

AT A GLANCE

The Department of Agriculture uses capital funding to support its goals of:

- Protecting the food supply, natural environment, and human health.
- Maintaining an ability to assist with emergencies involving the agricultural sector.
- Developing the state's agricultural resources.

Factors Impacting Facilities or Capital Programs

Major factors impacting the Department of Agriculture's (MDA) East Grand Forks facility and capital projects include the age of the facility as well as community and customer expectations. The East Grand Forks building is 27 years old. The building has increasing repair needs to maintain the existing site. Such repairs and investments are essential to the safety and security of staff. Much of the program's operating revenue comes from fees. To maintain these revenues, MDA must maintain a quality environment and new technology.

MDA also uses the capital budget process to implement the Rural Finance Authority (RFA) loan programs and meet the needs of other state buildings it occupies, including the MDA/MDH Laboratory building. RFA loan programs require new bonding authorizations to remain fully funded. Demand for these programs is high because of their favorable interest rates and statutory changes that have expanded eligibility for the loans. The MDA Laboratory employs sophisticated equipment and procedures, which require specialized building space with unique utilities, tight controls over temperature, air flow, and safety devices. Analytical capital equipment costs required to meet the changing and emergency needs of the MDA Laboratory Services Division go beyond levels that can be supported within the regular operating budgets of the department.

Self-Assessment of Agency Facilities and Assets

MDA's Facilities Coordinator performs an annual condition assessment that rates the current condition of major systems with the building. As a result of the assessment, several components of the East Grand Forks building need to be addressed soon to maintain safety and modernization standards. This building is used primarily by the Plant Protection Division for potato-related services, including Seed Potato Certification, laboratory testing for potato pathogens, potato cyst nematode surveys, USDA shipping point inspections, and federal crop insurance grading. The facility currently houses five full time employees and often hosts potato growers for meetings or submission of samples for testing.

Agency Process for Determining Capital Requests

To determine which capital upgrades would generate operational savings or address urgent needs, MDA surveyed its divisions and consulted the Department of Administration's Facility Condition Assessment, which found MDA's East Grand Forks facility to be in poor condition. Building renovations would improve employee efficiency, meet current health and safety standards, improve service to the public, and boost fee collection.

Major Capital Projects Authorized in 2020 and 2021

Session laws of 2020 appropriations include:

- \$50 million was appropriated from the bond proceeds fund for the agricultural loan programs of the Rural Finance Authority.
- \$20.779 million was appropriated to the Commissioner of Administration to construct, renovate, and equip the Department of Agriculture/Department of Health Laboratory Building in St. Paul, including but not limited to creating a dedicated biosafety level 3 laboratory space to meet safety, energy, and

operational efficiency needs. \$779,000 of this appropriation is from the general fund for relocation expenses associated with this project.

- \$2 million was appropriated to the Commissioner of Agriculture for a grant to the Hmong American Farmers Association to purchase approximately 155 acres in Dakota County that the association has leased since 2014, including buildings and improvements on the property.
- \$250,000 was appropriated to the Commissioner of Agriculture for a grant to the Regenerative Agriculture Alliance to predesign a poultry processing plant and an associated industrial park aimed at creating new, value-added economic opportunities for local farmers in southeastern Minnesota.

(\$ in thousands)

MDA East Grand Forks Building Repair**AT A GLANCE****2022 Request Amount:** \$377**Priority Ranking:** 1**Project Summary:** \$377,000 to design, renovate, repair and equip the plant protection division's potato inspection facility located in East Grand Forks, MN. This appropriation may also be used to design and complete hazardous materials abatement.**Project Description**

This proposal seeks appropriated funds from the Minnesota Legislature to address deferred maintenance improvements and modernize the 8,000 sq.ft. building owned by the Minnesota Department of Agriculture (MDA) located at 312 4th Ave NE, East Grand Forks, MN. Improvements will bring the facility up to current standards and allow for the MDA to continue to provide services out of the facility safely. Renovations would improve efficiency, meet current health and safety standards and address noted deficiencies.

This project would cover the design, renovation, repair and equip the existing internal and external portions throughout the 8,000 sq. ft. building. The project would address the roof and exterior finishes as well as interior fixtures and finishes, lighting refit and electrical panel modernization, furnace and AC replacement, painting, carpet replacement, building enclosure, project management, and 10% contingency costs. A portion of the overall budget is set aside in the event of abatement of asbestos tiles, as there is a risk of them containing asbestos given the production and install date.

Project Rationale

The Minnesota Department of Agriculture Facility Manager has identified several components of the East Grand Forks building that need to be addressed in the near future to maintain safety and modernization standards. This building is used primarily by the Plant Protection Division for potato related services including Seed Potato Certification, laboratory testing for potato pathogens, potato cyst nematode survey, USDA shipping point inspections and federal crop insurance grading. The facility currently houses five full time employees and often hosts potato growers for meetings or submission of samples for testing.

Project Timeline

The project intends to begin in July 1, 2022. An RFP would be issued to select a design consultant to prepare plans, specifications and bid documents for the project. The project is anticipated to be bid in the spring of 2023 with construction beginning in the summer 2023. All work is anticipated to be completed by June 30, 2024. The Department of Administration's Real Estate and Construction Services would provide project management services for this work.

Other Considerations

This building is owned and operated independently by the Minnesota Department of Agriculture and is not maintained by the Department of Administration's Facility Management.

Impact on Agency Operating Budgets

There is no change to annual operating budgets.

Description of Previous Appropriations

Laws of Minnesota for 2015, 1st Special Session, Chapter 5, Article 1, Section 7- appropriated \$50,000 in general obligation bonds to the commissioner of administration for the replacement of the windows in the East Grand Forks potato inspection facility.

Laws of Minnesota for 2008, Chapter 179, Section 10 - appropriated \$20,000 in general obligation bonds to the commissioner of administration to replace the roof of the potato inspection unit building located in East Grand Forks.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$317,000 in general obligation bonds and \$60,000 in general fund cash for this request.

Agriculture

Project Detail

(\$ in thousands)

MDA East Grand Forks Building Repair

PROJECT FUNDING SOURCES

Funding Source	Prior Years	FY 2022	FY 2024	FY 2026
State Funds Requested				
General Obligation Bonds	\$ 0	\$ 317	\$ 0	\$ 0
General Fund Cash	\$ 0	\$ 60	\$ 0	\$ 0
Funds Already Committed				
Pending Contributions				
TOTAL	\$ 0	\$ 377	\$ 0	\$ 0

TOTAL PROJECT COSTS

Cost Category	Prior Years	FY 2022	FY 2024	FY 2026
Property Acquisition	\$ 0	\$ 0	\$ 0	\$ 0
Predesign Fees	\$ 0	\$ 0	\$ 0	\$ 0
Design Fees	\$ 0	\$ 0	\$ 0	\$ 0
Project Management	\$ 0	\$ 100	\$ 0	\$ 0
Construction	\$ 0	\$ 236	\$ 0	\$ 0
Relocation Expenses	\$ 0	\$ 0	\$ 0	\$ 0
One Percent for Art	\$ 0	\$ 0	\$ 0	\$ 0
Occupancy Costs	\$ 0	\$ 0	\$ 0	\$ 0
Inflationary Adjustment	\$ 0	\$ 41	\$ 0	\$ 0
TOTAL	\$ 0	\$ 377	\$ 0	\$ 0

IMPACT ON STATE OPERATING COSTS

Cost Category	FY 2022	FY 2024	FY 2026
IT Costs	\$ 0	\$ 0	\$ 0
Operating Budget Impact (\$)	\$ 0	\$ 0	\$ 0
Operating Budget Impact (FTE)	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

	Amount	Percent of Total
General Fund	\$ 317	100 %
User Financing	\$ 0	0 %

STATUTORY REQUIREMENTS

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

Is this project exempt from legislative review under M.S. 16B.335 subd. 1a?	No
Predesign Review (M.S. 16B.335 subd. 3):	
Does this request include funding for predesign?	N/A
Has the predesign been submitted to the Department of Administration?	N/A
Has the predesign been approved by the Department of Administration?	N/A
Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325?	N/A
Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)?	Yes
Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)?	N/A
Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)?	Yes
Will the project meet public ownership requirements (M.S. 16A.695)?	Yes
Will a use agreement be required (M.S. 16A.695 subd. 2)?	No
Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)?	Yes
Will the matching funds requirements be met (M.S. 16A.86 subd. 4)?	No
Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2026?	Yes
M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required	Yes
M.S. 473.4485: Guideway Project	
Is this a Guideway Project?	N/A
Is the required information included in this request?	N/A