Administration — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Capitol Complex Security Upgrades Phase III	1	GO	$ 34,808	$ 0	$ 0
		GF	$ 6,043	$ 0	$ 0
Capitol Building Asset Preservation	2	GF	$ 15,000	$ 0	$ 0
Centennial Office Building Demolition	3	GO	$ 12,500	$ 0	$ 0
		GF	$ 1,500	$ 0	$ 0
Space Efficiency and Modernization	4	GO	$ 15,000	$ 0	$ 0
		GF	$ 3,000	$ 0	$ 0
Capital Asset Preservation and Replacement Account (CAPRA)	5	GO	$ 10,000	$ 10,000	$ 10,000
Parking Equipment and Technology Improvements	6	AP	$ 3,000	$ 0	$ 0
		GF	$ 2,300	$ 0	$ 0
Solar for State Facilities	7	AP	$ 10,000	$ 0	$ 0
ADA Building Accommodation Fund	8	GF	$ 2,000	$ 2,000	$ 2,000
Bureau of Criminal Apprehension Maryland Facility Parking Ramp	9	GO	$ 25,000	$ 0	$ 0
Total Project Requests			$ 140,151	$ 12,000	$ 12,000
General Obligation Bonds (GO) Total			$ 97,308	$ 10,000	$ 10,000
Appropriation Bonds (AP) Total			$ 13,000	$ 0	$ 0
General Fund Cash (GF) Total			$ 29,843	$ 2,000	$ 2,000

($ in thousands)

Capitol Complex Security Upgrades Phase III

AT A GLANCE

2026 Request Amount:	$40,851
Priority Ranking:	1
Project Summary:	$34.808 million from general obligation bonds and $6.043 million from the general fund for Phase III design and construction of various physical security upgrades across the Capitol Complex.

Project Description

The recommended improvements are the continuation of security upgrades currently underway across the Capitol Complex and other Department of Administration (Admin) managed facilities. The needed upgrades are the result of a physical security study, commissioned by the Advisory Committee for Capitol Area Security in 2013 and updated in 2022. The study identified significant vulnerabilities in and around facilities on the Capitol Complex. This project will provide the physical security improvements necessary to mitigate those vulnerabilities and begin to fund additional enhancements that will be generated from an updated Admin-funded threat assessment.

Resources will be used to fund:

- Installation of bollards
- Projectile resistant glass
- Additional keycard readers
- Security kiosks
- Vandalism protection
- Utility protection devices
- Parking access controls
- Additional emergency call stations
- Air Intake security protection
- Window well protective devices
- Additional security cameras
- Driveway intrusion protection
- Improved lighting at building access points and parking facilities
- Clear panel bicycle lockers

In 2018, the Legislature provided $10 million in bonded funds to begin installing the security enhancements which were completed in 2021. In 2023, the Legislature authorized another $8.8 million in bonds and $297,000 from the general fund to continue the effort. The construction for this portion of security improvements is underway. The 2024 Legislature authorized $1.35 million from the trunk highway fund and $450,000 from the general fund. Design for these security improvements to the Transportation Building are in progress. Even with the funds provided, there remains a $41 million deficit in the funding necessary to satisfy the needs of the study and predesign.

Project Rationale

The Advisory Committee on Capitol Area Security was statutorily created in 2012. Its purpose is to assess and advise the legislature on security issues and recommend security improvements as necessary. The Committee is chaired by the Lieutenant Governor. Membership is composed of the Chief Justice of the Minnesota Supreme Court and members from both houses of the legislature. It also consists of advisors from the legislative, judicial, and executive branches of state government, as well as corporate and educational experts.

The committee hired a consultant to conduct a Physical Security Study to assess the threats and vulnerabilities of the Capitol Complex. The study was focused on the physical vulnerabilities of the facilities on the Capitol Complex and was performed by architects, engineers, and security professionals. It examined the structural, landform, and architectural elements of structures. It assigned security risk levels and priorities, and it provided the recommended physical security improvements for the complex. The study was completed in June of 2014 and a predesign was completed in 2017 and updated in 2022 to reflect evolving threats and costs. If the vulnerabilities identified in the original and updated study are not removed, there could be loss of life, assets, and an impact to government operations. To reduce the vulnerabilities, the measures above should be implemented.

Project Timeline

PREDESIGN: Completed November 2017 (Updated April 2022)

DESIGN: July 2026 – December 2027

CONSTRUCTION: April 2027 – December 2029 (midpoint of construction: August 2028)

Other Considerations

None

Impact on Agency Operating Budgets

The cost of the building improvements for this project will be recovered through lease rates charged to building tenants. The interest for this project will be recovered over 20 years and principal will be recovered over 30 years through building depreciation costs included in lease rates.

Description of Previous Appropriations

2018: $10 million general obligation bonds

2023: $8.796 million general obligation bonds, $297,000 general fund

2024: $1.35 million trunk highway bonds, $450,000 general fund

2025: $2 million general obligation bonds

In 2025 the Governor recommended $3.7 million for this project and in 2024 the Governor recommended $5.8 million.

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($ in thousands)

Capitol Building Asset Preservation

AT A GLANCE

2026 Request Amount:	$15,000
Priority Ranking:	2
Project Summary:	$15 million in general fund cash for the design and construction of building repairs and maintenance for the State Capitol Building.

Project Description

This appropriation will be used for the design and construction of building repairs and maintenance, such as the repair of marble railings and mortar joints, repainting of exterior windows, and interior painting.

Project Rationale

The legislature invested $310 million in the restoration of the State Capitol Building. This work was substantially completed in 2016 and a maintenance and repair guide was developed to support the building's long-term care and upkeep.

Wear and tear on the building requires regular maintenance, as well as periodic large repair projects to comply with the maintenance and repair guide. While routine maintenance can be covered primarily through existing funds, support is needed to complete high dollar repairs.

This project will protect the significant investment of the restoration and ensure the building's longevity.

Project Timeline

Design: September 2026 – June 2027

Construction: September 2027 – December 2028 (midpoint of construction, May 2028)

Other Considerations

None

Impact on Agency Operating Budgets

To avoid unsustainable rent costs for tenants in the State Capitol Building, Admin requests the following language be included in legislation: "Notwithstanding Minnesota Statutes, section 16B.24, subdivision 5, paragraph (d), the commissioner of administration shall not collect rent to recover bond interest costs or building depreciation costs for any included asset preservation appropriations utilized for the repairs and maintenance of the State Capitol Building"

Description of Previous Appropriations

Admin has not received Asset Preservation funds for the Capitol Building for many years. Previous appropriations for the Capitol Restoration include:

2015: $32.9 million
2014: $126.3 million
2013: $109 million
2012: $44 million

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($ in thousands)

Centennial Office Building Demolition

AT A GLANCE

2026 Request Amount:	$14,000
Priority Ranking:	3
Project Summary:	$12.5 million from general obligation bonds for the demolition of the Centennial Office Building (COB) in anticipation of redevelopment. $1.5 million from the general fund for relocation of the cellular Distributed Antenna System (DAS) serving the Capitol Complex from the COB to Freeman Building.

Project Description

This request funds the completion of the design and demolition of the Centennial Office Building, along with development of temporary landscaping and stormwater management, capping the existing pedestrian tunnel, and modifications to the Centennial Office Building ramp and related infrastructure.

The COB houses the primary infrastructure for the cellular Distributed Antenna System (DAS), a network of antenna nodes connected to a common source that provides wireless service on the Capitol Complex. This project will complete mechanical, electrical, and life safety modifications to space in the Freeman Office Building to prepare for the relocation of the DAS and related infrastructure from the COB to the Freeman Building and the relocation of associated fiber optic infrastructure.

Project Rationale

The COB will be 69 years old in 2027. It has served the state well since it opened in 1958, but the building is now in poor condition and beyond its useful life. Maintenance and repair requirements are steadily increasing, its energy and carbon footprints are significantly larger than modern facilities, and its functionality is sub-optimal for today's workforce.

Project Timeline

PREDESIGN: July 2024 – April 2025

SCHEMATIC DESIGN and DESIGN DEVELOPMENT: May 2025 – October 2025

CONSTRUCTION DOCUMENTS: July 2026 – March 2027

CONSTRUCTION: September 2027 – November 2028

Other Considerations

The cost to renovate the Centennial Office Building is estimated to be $175 million - $250 million, depending on timeline, inflation, and other factors. With the State's limited bonding capacity and significant asset preservation needs across the State, other state facilities are a higher priority for investment of limited State resources.

The Minnesota House of Representatives, Revisor's Office, and Legislative Coordinating Commission occupy over 70% of the available space in the Centennial Office Building. The State Office Building project is scheduled to be completed in June 2027. Once these tenants move back into the State Office Building, rental income will decrease significantly. However, maintenance and operating expenses will remain relatively the same for a vacant building. Any delay in demolition will have significant financial impact on the Lease fund.

Impact on Agency Operating Budgets

There will not be an impact to Admin's operating budget. If the building is not demolished and tenants move back to the State Office Building, the Leases Fund managed by Admin will have reduced revenue and continued expenses for maintaining a building with no tenants to cover costs. As noted above, any delay in demolition after most of the space becomes vacant will have a significant impact on the Lease Fund. There may be relocation costs and rent impacts for tenants remaining after June 2027.

Description of Previous Appropriations

Admin's Facilities Management Division funded the predesign through design development.

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($ in thousands)

Space Efficiency and Modernization

AT A GLANCE

2026 Request Amount:	$18,000
Priority Ranking:	4
Project Summary:	$15 million from general obligation bonds to design, construct, and equip space to meet state agency office space needs by maximizing the use of existing state-owned buildings located on the Capitol Complex. $3 million from the general fund for relocation and other non-bondable costs.

Project Description

The project will buildout existing space in state-owned buildings located on the Capitol Complex, including but not limited to the Stassen and Transportation Buildings.

Project Rationale

Fully utilizing existing assets and locating state agencies on the Capitol complex provides operational, financial, and security benefits. Making space available along the tunnel system and in close proximity to the State Capitol Building and legislative functions supports entities in their work during the legislative process. In addition, providing additional functional space on the Capitol Complex will allow for relocation of tenants located in the Centennial Office Building to other buildings along the tunnel system.

Project Timeline

The timeline will vary by location. The agency is also requesting funds for demolition of Centennial Office Building and that work is planned to start late Fall 2027.

Other Considerations

None

Impact on Agency Operating Budgets

Admin will collect rent for the space to cover operating costs. Vacant space increases rent costs for other tenants in buildings.

Description of Previous Appropriations

2023: $20 million general fund

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($ in thousands)

Capital Asset Preservation and Replacement Account (CAPRA)

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	5
Project Summary:	$10 million from general obligation bonds for the Capital Asset Preservation and Replacement Account (CAPRA) to support emergency repairs and unanticipated hazardous material abatement needs for state-owned facilities throughout Minnesota.

Project Description

CAPRA, established under M.S. 16A.632, is a statewide fund centrally managed by the Department of Administration (Admin) for use by all state agencies. CAPRA funds support critical emergency repairs and unanticipated hazardous material abatement at agency facilities.

Additional CAPRA appropriations are imperative to ensure state facilities remain operational and able to support the delivery of programs and services by state agencies as expected by the people of Minnesota. It is difficult to estimate how much funding will be needed to cover emergencies, but based on expenditures in previous years, Admin recommends having a minimum of $5 million per year for agencies to respond to unanticipated issues.

All state agencies are eligible to use CAPRA. Corrections, Employment and Economic Development, Human Services, Military Affairs, Minnesota Historical Society, Minnesota State Academies, Minnesota Zoological Gardens, Natural Resources, Minnesota Amateur Sports Commission, and Admin have all utilized CAPRA in the past.

Project Rationale

CAPRA has served agencies well. As an emergency funding source, CAPRA provides rapid financial assistance to state agencies to help in disasters and to address urgent and unanticipated facility needs. It provides assistance for the unexpected failure of key components of systems, as well as unforeseen deficiencies discovered in state-owned buildings.

Examples of its past uses include:

- Asbestos and lead abatement
- Emergency roof, pipe, and structural repairs
- Fire and water damage repairs
- Replacement of failed heating, ventilation, and air conditioning

- Boiler and water heater units
- Life-safety system repairs (fire sprinkler protection, fire alarm and detection systems, emergency generators)

Prior to 2003, CAPRA funding was requested and typically approved for any agency asset preservation need. However, asset preservation funding across the enterprise has become inadequate, and has resulted in an increased demand in emergency requests for CAPRA funding. Since 2003, Admin has designated CAPRA as an emergency funding source only. Agencies are required to assess their facility needs and meet those needs through their Capital Budget asset preservation requests, leaving CAPRA dollars for enterprise emergencies.

Project Timeline

Agencies request funds after an incident occurs impacting state facilities or infrastructure.

Other Considerations

Underfunding of asset preservation is an ongoing concern and exacerbates the demand for CAPRA funds. Adequately maintaining state facilities is imperative to support the efficient and effective delivery of services and to protect taxpayer investments in state facilities. To the degree that agency Asset Preservation requests are underfunded, there will be increased emergency requests for CAPRA funding.

Impact on Agency Operating Budgets

The program helps to minimize the impact on the delivery of services and programs due to unanticipated emergencies. Agencies often have insufficient operating funds to do replacements or repairs; expending CAPRA funds prevents or reduces additional damages to state facilities during emergencies.

Description of Previous Appropriations

2025: $1 million
2023: $9 million
2020: $4.5 million
2018: $5 million
2017: $5 million
2014: $1 million
2012: $1 million
2011: $2.83 million
2010: $2 million
2008: $3.4 million
2006: $4 million

These appropriations have been used to fund unanticipated emergency repairs and replacements such as:

- Repair water damage at the Minneapolis Veterans Home
- Steam trap and boiler replacement at the Minneapolis Veterans Home
- Water main replacement at the Direct Care and Treatment (DCT) Brainerd campus
- Roof replacements at DCT St. Peter, Department of Corrections Redwing, and Iron Range Resources and Rehabilitation Board Giants Ridge facilities
- Repair broken sewer line at the Department of Public Safety (DPS) Arden Hills facility
- Repair mechanical controls at DPS Exam facility in Plymouth

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($ in thousands)

Parking Equipment and Technology Improvements

AT A GLANCE

2026 Request Amount:	$5,300
Priority Ranking:	6
Project Summary:	$2.3 million from the general fund to install parking management access controls in the Capitol Complex. $3 million from appropriation bonds to install electric vehicle stations in the Capitol Complex.

Project Description

This project will install parking management access controls at one state-owned parking facility in the Capitol Complex. Modern access management controls will provide better data on facility vacancy rates and usage patterns, allowing the state to more effectively manage the parking inventory on the Capitol Complex. It will allow for more flexible parking alternatives for the current work environment where a hybrid work schedule is the norm for many entities located on the Complex.

Electric vehicle (EV) charging equipment and associated infrastructure will be installed in the Capitol Complex. These funds will enable the transition of the state's light fleet vehicles from internal combustion to electric. The EV stations will also be used by employees and visitors to the Capitol Complex. Either level 2 charging (approximately 25 miles of range per 1 hour of charging) equipment or level 3 charging (approximately 100 to 200+ miles of range per 30 minutes of charging) equipment will be selected based on the need of individual locations.

A considerable share of the cost is to complete electrical infrastructure and associated physical upgrades. Transformers, distribution panels, switchgear, and considerable trenching or boring are necessary to install electric vehicle service equipment.

Up to $50,000 from the general fund will be utilized for a temporary .15 FTE to coordinate the implementation of these projects.

Project Rationale

Only two of 13 state Capitol Complex parking facilities have parking management access controls which make Admin's overall parking system outdated in today's urban parking environment. The lack of technology and control makes management of 6,041 parking stalls difficult and inefficient. Currently, Admin must manually count parking space usage to assess occupancy and vacancy rates.

Work locations and schedules have changed in the last several years, making it critical that the parking system become more flexible to meet the current and future needs of parking contract holders and to remain a viable business operation. Real time understanding of parking usage will allow the state to sell parking contracts in different models. Installation of controls that capture daily occupancy rates will allow parking administrators to better identify usage rates, resulting in more

efficiently assigning parking contracts across the Capitol Complex parking portfolio. It will also allow for more flexible parking alternatives for today's state workforce, including accommodations for those who will be working partial work weeks on the Complex. This will minimize unnecessary parking space vacancies and will facilitate patrons' ability to park in their facility of preference faster. These changes will help keep Admin's parking business competitive.

Project Timeline

CONSTRUCTION: September 2026 – June 2027 (midpoint of construction: January 2027)

Other Considerations

M.S. 16B.137 requires state agencies to first consider an electric vehicle when purchasing a new fleet vehicle. This choice is not possible where agency fleet vehicles do not have electric vehicle service equipment.

Impact on Agency Operating Budgets

While many parking projects have been fully user financed in the past, Admin does not recommend user-financing for this project because it would place additional burdens on the account and parking customers resulting in less than competitive parking rates.

Description of Previous Appropriations

2020: $2 million in appropriation bonds for installation of EV stations statewide.

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($ in thousands)

Solar for State Facilities

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	7
Project Summary:	$10 million in appropriation bonds to design, construct, and equip state-owned facilities with photovoltaic (PV) solar systems to reduce long-term utility costs and greenhouse gas (GHG) emissions at state facilities.

Project Description

The proposal will support installation of solar PV systems with and without battery storage at state-owned facilities throughout Minnesota. These include projects that may already be designed, but not yet constructed, and other projects yet to be designed.

Project Rationale

The simple payback from avoided utility costs is expected to be less than or equal to 15 years, averaged across the projects, while greatly reducing agency utility operating costs at the affected facilities. Utility cost increases are accelerating and becoming more unpredictable. Solar PV can reduce total utility costs and make budgeting more predictable. Admin anticipates this funding could support the construction of approximately four megawatts of solar capacity.

On-site energy generation from solar PV, with or without battery storage, increases operational resilience by controlling increasing operating costs and with storage, renewables can provide even more cost-avoidance by reducing peak demand charges. It also provides back-up power during outages.

Uncertainty related to the price of imported power raises the risk of electricity rates increasing even more dramatically. On-site generation locks in a facility's cost for the life of the installation, often exceeding 25 years.

Projects will comply with state legal requirements including M.S. 16B.32.

Project Timeline

DESIGN: July 2026 – July 2029

CONSTRUCTION: July 2026 – July 2030

The timeline will vary by location. In year one, RFPs for already designed projects will be released and construction will commence (pending management and facility timelines); also, an RFI for large-scale

sites will be executed. In later year one and early year two, RFPs for selected large-scale sites will be executed. Construction will commence in later year two.

Other Considerations

None

Impact on Agency Operating Budgets

Reducing operating costs and slowing increased operating costs helps to better utilize state resources. Operating costs avoided will vary by site conditions and installation sizes but will show reduced electricity utility bill costs from the baseline. Average annual avoided utility costs across the 25-year project life are estimated at $780,000, given certain assumptions.

Description of Previous Appropriations

No specific appropriations for solar PV have been approved in the past.

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ADA Building Accommodation Fund

AT A GLANCE

2026 Request Amount:	$2,000
Priority Ranking:	8
Project Summary:	$2 million from the general fund to implement a centralized funding source for use by state agencies, boards, commissions, the legislative and judicial branches of government, and constitutional offices to correct physical barriers in state-owned and state-leased buildings to improve the public's physical access to state services and employment opportunities.

Project Description

This appropriation will be used for the design and construction of building infrastructure and building equipment to correct physical barriers and improve the public's experience and access to state services and employment opportunities.

Example projects include:

- Install automatic door operators
- Additional or improved signage with braille
- Reducing slope for accessibility ramps
- Installation of accessibility ramps
- Modify breakrooms, restrooms, and shower facilities
- Install drop-off zones, curb ramps, and ramps exterior to buildings
- Install handrails
- Add or modify public seating with bariatric benches
- Modify conference room and auditorium seating
- Lighting changes to accommodate state and federal Americans with Disabilities Act (ADA) requirements
- Install auditory and sight assistance equipment
- Modify work areas for improved physical accessibility

The Minnesota Council on Disability (MCD) will review each request and recommend approval or denial. Department of Administration's (Admin) Real Estate and Construction Services Division will manage the fund and deliver the construction improvements.

Project Rationale

This program will provide financial assistance to state agencies so they can better address the facility needs of their employees and public visitors. By improving the physical access to state government facilities, this program will support the independence and productivity of Minnesotans with disabilities.

Project Timeline

As agencies identify needs, projects will be reviewed and executed.

Other Considerations

Admin will initially request $2 million to establish the fund. Demand will be monitored, and subsequent requests will be adjusted based upon need.

Impact on Agency Operating Budgets

The appropriation will provide financial assistance to state agencies to help address ADA Building Accommodations. The program will help minimize the impact to agencies.

Up to 10 percent of this fund may be used for administration by Admin and MCD.

Description of Previous Appropriations

None

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($ in thousands)

Bureau of Criminal Apprehension Maryland Facility Parking Ramp

AT A GLANCE

2026 Request Amount:	$25,000
Priority Ranking:	9
Project Summary:	$25 million in general obligation bonds to design and construct a parking ramp adjacent to the Bureau of Criminal Apprehension (BCA) Maryland facility to accommodate staff, students, and visitors.

Project Description

This project will include the design and construction of a new multi-level parking ramp to be located adjacent to the BCA building at 1430 Maryland Avenue in Saint Paul.

Project Rationale

The current 365 stalls cannot accommodate the parking needs of the employees, students, visitors, business vehicles, and evidence vehicles on this site.

Given the lack of stalls in the existing lot, state employees are using the limited street parking which is problematic to local businesses, their customers, and residential neighbors.

Project Timeline

DESIGN: August 2026 – March 2027

CONSTRUCTION: June 2027 – May 2028

Other Considerations

None

Impact on Agency Operating Budgets

Although some parking projects have been user-financed in the past, Admin does not recommend user-financing for this project.

Contract holders pay parking rates based on the type of facility where they park. Current monthly rates are: $47 for surface lots, $82 for ramps, and $165 for enclosed garages.

Description of Previous Appropriations

None

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Agriculture — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
East Grand Forks Potato Inspection Facility Updates	1	GO	$ 2,093	$ 0	$ 0
Rural Finance Authority (RFA) Loans	2	GO	$ 15,000	$ 7,750	$ 0
Total Project Requests			$ 17,093	$ 7,750	$ 0
General Obligation Bonds (GO) Total			$ 17,093	$ 7,750	$ 0

($ in thousands)

East Grand Forks Potato Inspection Facility Updates

AT A GLANCE

2026 Request Amount:	$2,093
Priority Ranking:	1
Project Summary:	$2.093 million in general obligation bonds for updates to the East Grand Forks Potato Inspection Facility to maintain the integrity and function of the building. Bonding dollars were allocated in fiscal year 2023 which was intended to provide repairs and replacement of building components. Through the course of bidding and planning for implementation, it has been determined that many other aspects of the building require attention.

Project Description

This building is owned, operated and maintained by the MDA and is used to facilitate seed potato certification, laboratory analysis, surveys and inspections required for to market potatoes for sale and export, and federal crop insurance grading for potatoes. The building was built in 1993 and is 8,000 sq ft., and it currently houses five full time employees and often hosts potato growers for meetings or submission of samples for testing.

In legislative session 2023, the MDA requested bonding dollars to address the building roof and exterior finishes, updates to the electrical system, HVAC service and lighting as well as assistance with maintenance costs such as painting and interior finish updates. The department received $384,000 through bonding and $73,000 in general funds to make these updates. However, due to efficiency standards, rising material costs and repairs exceeding initial estimates the money allocated only covers a portion of the work planned, specifically replacement of asphalt shingles with a steel roof.

The department is requesting additional assistance for the remaining updates as well as additional needed updates and maintenance that have become known since the original proposal was submitted. The following is an itemized list of the updates and repairs needed for the building:

Backlog of work from initial proposal:
- upgrade lighting throughout building and update water heater
- HVAC system upgrade including garage heat
- updated electrical panel
- updated flooring throughout building
- painting throughout building

New work identified since initial proposal:
- replace exterior electrical outlets

- repair or replace interior and exterior doors
- install energy efficient windows
- plumbing updates to route water to 2nd floor and remove outdated plumbing on 1st floor
- update furniture and break room appliances
- install window treatments
- install security system
- install pulley system to move heavy materials to 2nd floor
- install building wi-fi
- install A/V for conference room
- install electric vehicle charging station

Project Rationale

The building is an important facility for the department. It houses the potato inspection team and serves as an important meeting area with Minnesota potato growers. The building meets several unique needs of the program including laboratory space, facilities for potato tubers to be collected and stored before shipping to Hawaii for winter testing, and a space where potatoes can be grown for disease testing. The department and program have invested funds in the building at several points in the past, but the number and expense of the updates needed have grown beyond the ability of the program/department to cover.

Project Timeline

Work has already begun on the repairs to the roof and the design and discovery for improvements to HVAC and electrical systems. The backlog of repairs identified in the initial proposal could begin shortly after additional funds are allocated. The new work identified could be completed concurrently with the backlog work to maximize efficiency of contractors and minimize impact to the program work completed in the facility. It is estimated that the extent of the work needed will take two or more years to accomplish. This is based on the timeline experienced with the current project which was funded on June 1st, 2023 and is scheduled to be completed during 2025 with the construction of a steel roof for the building.

Other Considerations

Of the $2.093 million requested in overall construction funding, approximately $530 thousand are requested to complete the backlog of work from the original proposal. The remaining dollar amount is to newly identified work items.

Impact on Agency Operating Budgets

Neither the potato program nor the Department is in a position to fund the work needed for this building. The potato inspection program is supported by fees paid by about 2 dozen seed potato growers. The updates needed to bring the building into alignment with modern building standards are greater than the Department can support.

Description of Previous Appropriations

$384 thousand in general obligation bonds and $73 thousand in general funds was appropriated in the 2023 legislative session which covered the installation of a steel roof.
$50 thousand in 2015 to replace windows - only builder-grade windows could be purchased with

these dollars
$20 thousand in 2008 to replace the roof with new asphalt shingles - the size and aspect of the roof combined with the weather in East Grand Forks have resulted in numerous roof repairs since leading us to opt for a steel roof replacement that will be more durable.

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($ in thousands)

Rural Finance Authority (RFA) Loans

AT A GLANCE

2026 Request Amount:	$15,000
Priority Ranking:	2
Project Summary:	The Minnesota Department of Agriculture (MDA) requests authorization to sell $15 million in general obligation bonds to support loan programs administered by the Rural Finance Authority (RFA) including the Beginning Farmer, Seller Sponsored, Agricultural Improvement, Livestock Expansion, Restructure II loans.

Project Description

MDA's RFA is the state's agricultural lender with a mission to develop farm resources and the RFA offers low-interest loan programs for a variety of farm activities.

Dollars obtained through the bond sale are used to provide loans to Minnesota farmers. Farmers pay back the loans which in turn pay back the bonds plus the interest. Since 1986 the RFA has never defaulted on a loan and carry a loan loss reserve fund as a contingency.

Project Rationale

These bonds allow the RFA to help Minnesota farmers obtain affordable financing under terms and conditions not available from other credit sources.

Project Timeline

The RFA was established in 1986 and is ongoing. The RFA statute can be found in Chapter 41B Rural Finance Authority.

Other Considerations

As of May 2023, the RFA has invested in more than 3,800 participation loans, totaling over $360 million in loans to Minnesota farmers since 1986.

Impact on Agency Operating Budgets

There is not an impact other than potentially positive as all bonds are paid back with interest.

Description of Previous Appropriations

General Obligation Bond Appropriations:

Laws of Minnesota for 1986, $50 million

Laws of Minnesota for 1996, $41 million

Laws of Minnesota for 1997, $1.250 million

Laws of Minnesota for 2000, $20 million
Laws of Minnesota for 2002, $15 million
Laws of Minnesota for 2005, $18 million
Laws of Minnesota for 2007, $30 million
Laws of Minnesota for 2007, $30 million
Laws of Minnesota for 2009, $35 million
Laws of Minnesota for 2012, $33 million
Laws of Minnesota for 2017, $35 million
Laws of Minnesota for 2018, $35 million

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Amateur Sports Commission — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
National Sports Center Asset Preservation (Blaine)	1	GO	$ 28,300	$ 20,000	$ 20,000
Grant Program: Mighty Ducks	2	GO	$ 5,000	$ 2,000	$ 2,000
Total Project Requests			$ 33,300	$ 22,000	$ 22,000
General Obligation Bonds (GO) Total			$ 33,300	$ 22,000	$ 22,000

($ in thousands)

National Sports Center Asset Preservation (Blaine)

AT A GLANCE

2026 Request Amount:	$28,300
Priority Ranking:	1
Project Summary:	The 2024 Facility Condition Assessment found issues that are now reaching poor to critical levels. This report recognizes the cumulative deferred maintenance cost on the National Sports Center (NSC) campus to be $79 million. $53.4 million is the backlog needed to bring the condition rating to a fair rating, also known as the adjusted deferred maintenance value, including costs for the Super Rink and original campus repairs.

Project Description

This project will address the following issues from the 2024 Facility Condition Assessment (FCA), such as the ones listed below, are now reaching poor to critical levels. This report recognizes the cumulative deferred maintenance cost on the NSC campus to be $79 million. $53.4 million falls into the adjusted deferred maintenance categories.

Mold Remediation
Flood Plain Mitigation
Life Safety / Energy Efficiencies
Storm Water Management
Building Envelope Replacement
Water Supply Replacement
Mechanical Systems Replacement
ADA Compliance

Super Rink R-22 Changeover

Flood plain mitigation, stormwater management, and water supply replacement provide required storage of flood/ storm water for life of state facilities on the NSC campus.

Project Rationale

The Minnesota Amateur Sports Commission (MASC) is responsible for operating and maintaining the NSC in Blaine. The NSC is a 680-acre campus with the world's largest soccer facility, eight ice rinks, a golf course and other indoor sport facilities. The economic impact from events held at the NSC totals more than $110 million per year. The MASC does not receive any operating funds from the state of Minnesota. However, it does depend on the state for capital improvements and deferred maintenance. According to the Department of Administration's FCA the MASC has the highest (38.3%) deferred maintenance percentage of replacement value. Buildings and infrastructure are reaching

their 20–30-year life expectancy. Buildings have been identified through the FCA where current conditions are in poor to critical categories as outlined by the Department of Administration. In order to continue operating at current capacity, the MASC needs to maintain the NSC with the requested funds.

Project Timeline

Super Rink work will begin with equipment purchase as soon as funds are available and will continue through an anticipated completion date of Spring 2030. Other National Sports Center asset preservation and maintenance activities will be carried out as soon as practical after funding becomes available, and have varying timelines.

Other Considerations

Impact on Agency Operating Budgets

No impact to the Minnesota Amateur Sports Commission (MASC) operating budget.

Description of Previous Appropriations

The Amateur Sports Commission received $5 million in 2025 and $ 9.6 million in 2023 for National Sports Center asset preservation. There have been no previous state bonding appropriations for the Super Rink project.

Project Contact Person

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($ in thousands)

Grant Program: Mighty Ducks

AT A GLANCE

2026 Request Amount:	$5,000
Priority Ranking:	2
Project Summary:	The James Metzen Mighty Ducks Grant Program assists Minnesota local units of government in improving indoor air quality in ice arenas with the purchase of electric ice resurfacing machines and other equipment, and to provide financial assistance in eliminating the use of R-22 systems in ice arena refrigeration. The program requires a 50% match.

Project Description

The Minnesota Amateur Sports Commission (MASC) requests $5 million this fiscal year capital request period for the Mighty Ducks program. Funding would allow the agency to continue the administration of the Mighty Duck Grant Program (aka James Metzen grant program) established in 1995 for the purpose of providing funding assistance to local communities for indoor air quality and R-22 refrigerant replacement in ice arenas. The flagship program is called “Mighty Ducks.” It was originally authorized to help address gender equity issues related to Federal Title Nine compliance. Since then, it has been used to help facilitate clean indoor and outdoor air compliance through moving rinks away from R-22 and the purchase of electric ice-making machines (Zambonis) as well.

GO Bonds are for R-22 change outs and HVAC replacements. General fund cash is for air quality improvement equipment such as electronic Zambonis and Edgers and any R-22 changeouts municipalities had to take on due to equipment failure since the last allocation was awarded but prior to this request.

Project Rationale

MASC has developed an expertise assisting communities in completing projects for amateur sporting activities. The MASC grant funds help ensure the completion of submission for Mighty Ducks, Mighty Kids, and Skate Parks Grant Programs. MASC was created in 1987 by the Minnesota Legislature to promote the economic and social benefits of amateur sports. In the years since, MASC has become a role model for creating innovative and stable programs and events that have benefited Minnesota residents financially and socially. R-22 production was banned by the EPA in 2020, however, it is a refrigerant still utilized by 20-30% of public and private ice rinks across the state. Changing from R-22 to a new refrigerant can cost upward of $1.5 million for older rinks, as they often must change out corresponding infrastructure such as piping and floors. There is a 50% match required by local government units. By funding Mighty Ducks, the legislature will help to continue Minnesota as the State of Hockey for boys and girls.

Project Timeline

N/A

Other Considerations

N/A

Impact on Agency Operating Budgets

No impact to the Minnesota Amateur Sports Commission (MASC) operating budget.

Description of Previous Appropriations

This would be a continuation of an existing grant program for which funding has been previously appropriated or multiple occasions. The most recent appropriation was $1 million in 2025.

Project Contact Person

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Corrections — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Asset Preservation	1	GO	$ 108,000	$ 99,000	$ 99,000
		GF	$ 12,000	$ 10,000	$ 10,000
Rush City - Education and Programming Expansion	2	GO	$ 60,668	$ 0	$ 0
Facility Consolidation Pre-Design	3	GO	$ 350	$ 0	$ 0
Faribault - Dakota Building Vocational Programs Expansion	4	GO	$ 10,712	$ 0	$ 0
Building Demolition - Crisis Condition Structures	5	GF	$ 1,000	$ 0	$ 0
Total Project Requests			$ 192,730	$ 109,000	$ 109,000
General Obligation Bonds (GO) Total			$ 179,730	$ 99,000	$ 99,000
General Fund Cash (GF) Total			$ 13,000	$ 10,000	$ 10,000

($ in thousands)

Asset Preservation

AT A GLANCE

2026 Request Amount:	$120,000
Priority Ranking:	1
Project Summary:	Request $120 million for Department of Corrections asset preservation. This project requests funding for repair, replacement and renewal needs specific to Minnesota's correctional facilities. These needs represent a system-wide assessment of facility deficiencies contributing to the current $733.1 million in deferred maintenance needs. Asset preservation and capital projects are the primary financial means used to update building systems and reduce overall operating and maintenance costs.

Project Description

Referencing the Department of Administration's Enterprise Real Property report issued in 2024, the Department of Corrections (DOC) carries a deferred maintenance backlog in excess of $733.1 million. This report illustrates a need for asset preservation funding, as 33% of the overall State of MN's deferred maintenance backlog is directly related to Department of Corrections' facilities. 39% of the DOC's building portfolio is either in crisis or poor status.

The project request funds the repair, replacement and upgrade needs specific to Minnesota Correctional Facilities. These needs represent a system-wide assessment of facility deficiencies within the DOC's 7.5 million square feet of buildings. Projects will address many of the following deficiencies:

- Safety hazards and code compliance issues
- Preservation of building exteriors and interiors
- Perimeter security systems replacements/upgrades
- Tuck pointing
- Roof replacements
- Domestic water systems deficiency repairs
- Life safety issues (fire suppression & fire alarm systems)
- Security audit deficiency corrections
- Mechanical and electrical upgrades
- Window replacements
- Hazardous material abatement
- Infrastructure upgrades (restoration of asphalt roads/parking area, drainage systems, etc.)
- ADA deficiency corrections

Approximately 10% of the total ask is requested as cash. This will allow the agency to fund many of

the complex technology heavy and non-bond eligible special systems used within the correctional settings.

Project Rationale

As the Department of Corrections (DOC) facilities age (three facilities are over 100 years old), the need becomes greater to maintain the condition of the buildings and systems. The asset preservation request is an attempt to implement a proactive plan, in lieu of a reactive or emergency response to building and system failures.

In recent years, asset preservation requests have become a basic component of the capital budget process. The key objective of asset preservation is to help reduce the amount of deferred maintenance and deferred renewal. These projects require completion so deficiencies can be properly addressed, and repairs made to maintain DOC facilities. Funding of these requests will reduce future capital requests and will result in overall security, safety and operating efficiencies.

Deferred maintenance was estimated at $571M in 2017 and has progressively increased to $733M as shown in the 2024 Facility Condition Assessments. Currently, there are 19 buildings in crisis and 58 buildings in poor condition, totaling 23% of the DOC's structures falling below a fair rating. Without an offset by several large asset preservation appropriations, the agency's deferred maintenance could exceed $1B by 2030 if the historical increases continue.

Project Timeline

At the time of appropriation, multiple projects will be initiated, and each project will have varying schedules of completion. Discussions of "project bundling" with Real Estate & Construction Services have been ongoing to ensure effective project delivery of a large asset preservation request.

Other Considerations

The continued funding at the requested level for several biennia will enable the Department of Corrections to make a significant impact on its deferred maintenance backlog. The maintenance of correctional facilities is imperative to the safety of Minnesota citizens, incarcerated persons, staff, and volunteers who reside within the facilities, live within neighboring communities, or engage in a career supporting the agency's mission.

Impact on Agency Operating Budgets

The DOC has incurred a significant increase in utility costs over recent years. The requested funding not only upgrades our end-of-life buildings and infrastructure but also provides energy efficiency to our operations. Reduction in utility consumption will lead to positive impacts on annual operating budgets. In 2025, increased operating costs are not to be realized for any of the asset preservation request projects, however, energy savings will yield positive impacts across the agency for years to come.

Description of Previous Appropriations

The amounts below include GO and GF investments.

2012 Asset Preservation Appropriation - $5 million

2014 Asset Preservation Appropriation - $5.5 million

2016 Asset Preservation Appropriation - $0

2017 Asset Preservation Appropriation - $20 million

2018 Asset Preservation Appropriation - $20 million

2020 Asset Preservation Appropriation - $25 million

2022 Asset Preservation Appropriation - $0

2023 Asset Preservation Appropriation - $37.622 million

2024 Asset Preservation Appropriation - $0

2025 Asset Preservation Appropriation - $33 million

2024 Governor Recommendation - $81.434 million

2025 Governor Recommendation - $53.015 million

Project Contact Person

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($ in thousands)

Rush City - Education and Programming Expansion

AT A GLANCE

2026 Request Amount:	$60,668
Priority Ranking:	2
Project Summary:	Request $60.668 million for expansion of incarcerated persons educational, rehabilitative, and programming space needs at the Rush City Correctional Facility. This project includes 28,340 gross square feet (gsf) of new building addition and 16,326 gsf of remodeling for a combined total of 44,666 gsf of incarcerated persons programming areas.

Project Description

As the Rush City Correctional Facility was first constructed, the incarcerated persons services were provided based on single bunking of housing cells, so when the facility double bunked every allowable cell, the Incarcerated Persons service spaces were immediately at or beyond capacity. As the facility increased its total bed capacity, it experienced a shortage in available space needed to provide the critical programming required to meet the mission of transforming lives for a safer Minnesota. This shortage of space has led to limited programs being provided and spaces such as the visiting area being used for incarcerated persons programming areas in which they are not properly equipped. Program and education staff are dispersed around the facility and not centrally located to their programs, and the high volumes of incarcerated persons using areas too small for them has created inefficiencies and restrictions to programming times and volumes of incarcerated persons served. It also has resulted in bottlenecks for incarcerated persons movement, resulting in additional staffing requirements for safety and security. This project will include the expansion of incarcerated persons services to include education, behavioral health, religious, medical, and professional visit and hearing rooms. Also included are expansions for staff support spaces and corrections to physical plant service areas, which were noted on the recent security audit. The building expansion includes 28,340 gsf of new addition space and 16,326 gsf of remodeled existing space, for a total of 44,666 gsf, to provide the necessary incarcerated persons services for the current population of the Rush City facility. This expansion, based on the spatial program included in the project study report, will provide for the facilities' needs and meet the current incarcerated persons programming, Americans with Disabilities Act (ADA) standards, American Correctional Association (ACA) standards, Prison Rape Elimination Act (PREA) standards, and advancements in technology. This expansion is to correct the space needs for the current population and not intended to meet the service needs if additional housing units are added as a future part of the agency's overall master plan.

Project Rationale

Successful completion of this project will continue the Department of Corrections' vision of achieving justice through promotion of racial equity, restoration from harm and community connectedness as well as continuing with the agency's mission of transforming lives for a safer Minnesota.

Project Timeline

Design Development: July 2023 (2026 Capital Investment Appropriation funded)

Project Funding: July 2026

Design: February 2027 - February 2028

Bidding: April 2028

Award Negotiation: July 2028

Construction: September 2028 - October 2031

Mid-point of Construction: January 2030

Close-out: November 2031

Occupancy: December 2031

Other Considerations

This project helps contribute to the 30% reduction in energy per square foot by 2027 relative to a 2017 baseline for the DOC.

Impact on Agency Operating Budgets

No additional FTEs are needed for this expansion.

The facility currently has enough redundancy built into the heating and cooling systems that they will handle the additional loads for the expansion. By removing the inefficient portable building and being able to separate the new areas, the increase in utility bills will be negligible.

Description of Previous Appropriations

2024 Governor Recommendation - $46.585 million in GO bonds

2025 Governor Recommendation - $57.970 million in GO bonds

Project Contact Person

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($ in thousands)

Facility Consolidation Pre-Design

AT A GLANCE

2026 Request Amount:	$350
Priority Ranking:	3
Project Summary:	Request $350 thousand for pre-design of consolidation and expansion efforts. Pre-design efforts will emphasize additional capacity and programming space needs at existing DOC facilities and serve as a key capital investment map supporting the needs of Minnesota Correctional Facilities as MCF-Stillwater is phased out.

Project Description

The 2025 public safety omnibus bill directs the phased closure of MCF-Stillwater by June 30, 2029. In response, the Department of Corrections will begin reducing operations at the facility through transfers of incarcerated individuals to other DOC sites. However, this transition challenges capacity of other Minnesota Correctional Facilities and places added pressures on programming bandwidth. Studies are in process to best define feasibility of where capacity and programming can be expanded upon within these existing facilities. This pre-design request seeks to build on those findings by advancing the recommendation of the study and continue it into design efforts - laying the groundwork for future capital investments to support the needs of the agency over several biennia.

Project Rationale

Building off the ongoing feasibility studies, this pre-design will build the future capital requests aiding the agency in full closure of MCF-Stillwater.

Project Timeline

Pre-design Funded: July 2026

RFP Draft & Post: August 2026

Pre-design: October 2026 through February 2027

Close-out: March 2027

Other Considerations

Impact on Agency Operating Budgets

NA for pre-design

Description of Previous Appropriations

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($ in thousands)

Faribault - Dakota Building Vocational Programs Expansion

AT A GLANCE

2026 Request Amount:	$10,712
Priority Ranking:	4
Project Summary:	Request $10.712 million to provide additional programming space at the Faribault facility minimum custody living unit. Incarcerated persons who transfer from medium custody to minimum custody have minimal programming options due to space requirements. This project demolishes a portion of the building that is currently in"crisis" condition, adds 4,383 gsf of new space, and provides renovation of 19,438 gsf to support additional programming.

Project Description

Demolition of a two-story masonry building in its entirety and the construction of a new 4,400 square foot addition to accommodate:

- Transition offices
- Case manager office
- Multi-purpose room (approximately 600 square feet with room dividers) to accommodate additional programming needs
- Storage
- Chapel
- Laundry
- I.T./mechanical/electrical room
- Men/Women restrooms
- ADA accessible accommodation to building entrance

The new construction is to be steel columns and beams with steel stud brick cavity walls and a wood truss roofing system with asphalt shingles. The addition is to visually blend with the existing building.

The extent of the renovation of the existing single-story Dakota building is based on an architectural analysis that was completed to determine deficiencies. The exterior elements include new roof systems, windows, and brick replacement/tuck pointing. The interior elements would consist of removal and replacement of cracked/chipped ceramic floor (trip hazards) and wall tile (mold issue), removal and replacement of stained/yellowed/chipped acoustical ceiling tile, removal and replacement of cracked/chipped vinyl flooring (trip hazards), and removal of very old faded, frayed carpet and replacement with new carpet tiles.

The site improvements would consist of asphalt paving of the parking lot and access road. The current asphalt paving has deteriorated to a point where patching is no longer effective. An extension of the parking area is a recreational area (basketball court) that has the same condition as the parking area

and will require an overlay.

Lower-level water mitigation issues have plagued this building for years, leading to mold covered basement areas in which staff must work to maintain necessary equipment while incarcerated persons are housed just one level above. Corrective actions to these issues will yield a safe and healthy living unit.

Project Rationale

Successful completion of this project will continue the Department of Corrections' vision of achieving justice through promotion of racial equity, restoration from harm and community connectedness as well as continuing with our mission of transforming lives for a safer Minnesota.

The needed renovation of the Dakota building will combine an expansion for training and education space to be used for vocational training and job preparation for individuals in the minimum security unit. The dedicated space will prioritize job skills and prepare individuals to re-enter, ready to work. The programming will partner with trade unions, educational institutions, and employers to enhance job readiness and contribute to expanding the trained workforce in Minnesota.

Component #1 - Demolition of the two-story building:

• An analysis of the existing building provided information that restoration would not be a cost-effective option given the condition, lack of ADA access, and required building code upgrades.

• In early 2019, a section of exterior wall (brick veneer) approximately 20' X 30' fell off of the building. This was due to water infiltration and freeze/thaw cycles contributed to the failure. The condition exists at other areas of the exterior wall which poses a safety hazard.

Component #2 - 4,383 square foot addition:

• Existing functions (laundry and chapel) within the first floor of the two-story brick building will be relocated to this new addition due to demolition.

• Due to a shortage of programming space within the minimum-security unit, space will be added to meet to add additional programming. Building support functions, such as restrooms, I.T. room, housekeeping, etc., will also be provided.

• The existing windows, roof and portions of the brick exterior are no longer serviceable and require replacement. The interior of the building will also require replacement of suspended ceilings and restroom/shower fixtures.

Component #3 - Interior renovation:

2023• The existing bathroom walls and floors require replacement due to cracked ceramic tile and missing grout causing water infiltration which compounds the issue, as well as potential for mold due to wet conditions from infiltration into the wall system. Various interior components (walls, ceiling, doorframes, ceiling tile, carpet, etc.) within the building are also required due to heavy use and wear and tear.

Component #4 - Site improvements:

• The existing asphalt paving has deteriorated to a point where potholes, cracks and areas of standing water have become a safety concern. An extension of the parking area is a recreational area (basketball court) that has the same condition as the parking area and will require an overlay. Complete water mitigation of lower levels to be provided to eliminate ongoing mold concerns.

Project Timeline

Design Development to 95% has been completed with FY21 capital appropriations

Project Funded: July 2026

Construction Bidding: July through August 2026

Construction Contract Award/Negotiation: September through October 2026

Construction: November 2026 through May 2028

Mid-point of Construction: September 2027

Close-out: October 2028

Occupancy: October 2028

Other Considerations

This project has been listed as a DOC capital project request in the years 2020 and 2022.

Impact on Agency Operating Budgets

Description of Previous Appropriations

$954 thousand in GO bonds was appropriated for the design development of the project in Fiscal Year 2021. Funds have been encumbered and design development is at 95% completion. This request will be for the demolition, construction and renovation funds required to complete the project.

2023 Governor's Recommendation - $9.705 million in GO bonds

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($ in thousands)

Building Demolition - Crisis Condition Structures

AT A GLANCE

2026 Request Amount:	$1,000
Priority Ranking:	5
Project Summary:	Request $1 million for demolition and site restoration of four crisis condition buildings at the MCF-Faribault facility. These buildings are positioned near the neighboring municipal park system boundary and are subject to frequent break ins from community members.

Project Description

MCF-Faribault has four total buildings consisting of approximately 20,816 sq ft of space. These buildings are all listed as crisis condition within Facility Condition Assessments and each one of them poses significant safety concerns to both staff and members of the public. These structures lie on the property boundary shared by a municipal park system and are often broken into by children and members of the community. General fund cash has been requested as these needs are non-bond eligible.

Project Rationale

Demolition of these structures will reduce the public safety hazards both in physical and hazardous risks as well as reduce the overall deferred maintenance backlog of the agency.

Project Timeline

Project Funded: July 2026

Construction Documents: August 2026

Construction Bidding: November through Dec 2026

Construction: March thru April 2027

Close-out: June 2027

Other Considerations

Hazardous materials abatement will be required

Impact on Agency Operating Budgets

Demolition of these structures will create a reduction in annual operational funding that is allocated towards annual facility condition assessments, physical security, and unplanned repairs after break-ins and incidents. A reduction in deferred maintenance will also be realized after demolition.

Description of Previous Appropriations

N/A

Project Contact Person

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Direct Care and Treatment — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Asset Preservation	1	GO	$ 30,000	$ 30,000	$ 30,000
St. Peter Water and Sewer Replacement	2	GO	$ 18,800	$ 0	$ 0
DCT Energy Upgrades	3	GO	$ 13,000	$ 0	$ 0
		GF	$ 10,400	$ 0	$ 0
Pedersen Renovation	4	GO	$ 18,400	$ 0	$ 0
AMRTC Dietary Building Renovation	5	GO	$ 15,200	$ 0	$ 0
SPRTC Office|Storage Shop	6	GO	$ 7,100	$ 0	$ 0
Total Project Requests			$ 112,900	$ 30,000	$ 30,000
General Obligation Bonds (GO) Total			$ 102,500	$ 30,000	$ 30,000
General Fund Cash (GF) Total			$ 10,400	$ 0	$ 0

($ in thousands)

Asset Preservation

AT A GLANCE

2026 Request Amount:	$30,000
Priority Ranking:	1
Project Summary:	$30 million to maintain, repair, and replace the Direct Care & Treatment (DCT) capital assets throughout Minnesota. This will ensure that the state-owned facilities used for Direct Care and Treatment services are functional, safe, and in good repair.

Project Description

Asset Preservation funds are used throughout Direct Care & Treatment's (DCT) state-owned facilities system and are allocated for projects on a prioritized basis based on need and level of deficiency, i.e.,

1) Critical projects that require immediate action to return a facility to normal operation, stop accelerated deterioration, or to correct a cited safety hazard.

2) Projects that will become critical within a short period of time if not corrected expeditiously.

3) Projects that require reasonably prompt attention to preclude predictable deterioration or potential downtime and the associated damage or increased costs if deferred further.

Each of the DCT facilities (including campus-based facilities and state-owned community-based facilities) is responsible for maintaining a dynamic Facility Condition Assessment (FCA) program, which identifies projects required to preserve the physical plant and facility assets. The FCAs are constantly monitored and updated based on evaluation and immediate need. These plans are comprised of projects directly related to maintaining existing assets, as well as projects to ensure the continued safe, effective, and efficient use of the facilities.

Accordingly, this proposal relates to the repair, replacement, and renewal needs specific to DCT's state-owned facilities. As noted above, these needs have developed over time and are under constant evaluation.

Project Rationale

Asset preservation funding is essential to support the operations of DCT residential treatment facilities and community-based program operations. Because of the system-wide magnitude of projects related to deferred maintenance or renewal at the agency's facilities, these projects cannot be addressed with the current level of asset preservation funding appropriated to the agency.

Failure to adequately fund this request will only intensify the problem. Deteriorating conditions will worsen and the state's physical plant assets will continue to decline. Some facility components that are critical to the well-being of patients and staff may fail, posing significant health and safety risks to the individuals under DCT's care. Future costs will likely compound, as complete replacement may become the most cost effective and efficient alternative for addressing related deficiencies.

Funding of this request will enable DCT and its facilities to continue efforts to address deferred

maintenance and renewal/replacement needs at DCT's state-owned facilities.

Project Timeline

Between 7/1/2026 and 12/31/2030

Other Considerations

Without the requested asset preservation funding, DCT would be limited in the ability to address routine preventative, predictive and corrective facility maintenance. Ultimately, this would compound the existing deferred maintenance problem resulting in a substantial increase in the long-range deferred maintenance and renewal/replacement projects at DCT's facilities.

Impact on Agency Operating Budgets

Asset preservation funding will not impact operating budgets.

Description of Previous Appropriations

2025 - the Governor recommended $9.4 million in bond funds, $7.5 million was appropriated

2024 - the Governor recommended $12.3 million in bond funds, no funding was appropriated

2023 - the Governor recommended $2.1 million in bond funds and $6.8 million in general fund cash, $7.2 million in bond funds and $2 million in general fund cash were appropriated

2020 - $8 million appropriated

2018 - $10 million appropriated

2014 - $3 million appropriated

2012 - $2 million appropriated

2011 - $4.7 million appropriated

2010 - $2 million appropriated

2009 - $2 million appropriated

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($ in thousands)

St. Peter Water and Sewer Replacement

AT A GLANCE

2026 Request Amount:	$18,800
Priority Ranking:	2
Project Summary:	$18.8 million to upgrade and replace the lower campus water, sanitary, storm sewer, and street light infrastructure at the St. Peter Regional Treatment Center. This will ensure that the state-owned Direct Care & Treatment (DCT) facilities are functional, safe, and in good repair.

Project Description

History of Utilities included in this project:

Water System: The original system consisted of wells for water supply needs along with associate piping to the various buildings constructed at the time. As the campus expanded, a more reliable watermain system was constructed. Currently, potable water is supplied by the City of St. Peter. The present water system on the lower campus was constructed in the early 1950's and consists of 6-inch to 12-inch diameter cast iron pipe. The hydrants that service the lower campus date back to as early as 1948. The valving and service lines to buildings vary in age, although majority of the valves date back to the 1950's.

The investigation and rating of the water system analysis was based on age, type of pipe material, watermain breaks, sizing of pipe, looping of dead-end mains and testimony from system operators.

Sanitary Sewer System: The existing system in the lower campus has been modified and extended numerous times since it was originally installed. Much of the original sewer system was constructed to discharge into tunnels, which in turn discharged to the Minnesota River. In 1960, an 18-inch diameter sewer was constructed to divert the sanitary sewer flow to the City of St. Peter's sanitary sewer collection system. The present sanitary sewer collection system consists of 6-inch to 27-inch diameter pipes made from clay, concrete, PVC, and composite lining. The system has a series of manholes at pipe junctions that provide access to the pipe network.

The investigation and rating of the sanitary sewer system was completed by televising the pipes, which is completed by pulling a camera through the sewers and noting conditions encountered. The scoring of each segment results in a rating which correlates to the life expectancy of the sewer. All manholes were also inspected and evaluated during the investigation.

Storm Sewer System: The storm sewer systems were built and expanded as buildings, streets, and parking lots developed. The network of piping ranges from 6-inches to 27-inches in diameter and is primarily concrete pipe. Manhole and catch basin structures were placed in strategic locations to collect runoff. These structures are constructed with concrete block or precast concrete. The discharge of storm drainage is generally to the wetlands located southeasterly from the campus. The wetlands ultimately discharge into the Minnesota River.

The investigation and rating of the storm sewer system was completed by televising the pipes, similar

to the sanitary sewer system above. The scoring of each segment results in a rating which correlates to the life expectancy of the sewer. All manholes were also inspected and evaluated during the investigation.

Design was funded in the 2023 session and is complete.

Project Rationale

In 2018, DCT contracted with Bolton & Menk Engineers to conduct a water and sewer system analysis. The resulting report provided an evaluation of the existing systems and associated recommendations for replacement of the water main, sanitary sewer, and storm sewer infrastructure located throughout the entire campus. Majority of the systems, especially on the lower campus, were constructed in the early 1950's and have far exceeded their useful life. It is imperative to replace this critical infrastructure to ensure the campus can continue to operate and serve the needs of patients, clients, and employees.

This investment will directly affect the health and safety of over 1,100 people, consisting of patients, clients and staff on-site 24/7/365.

Based on all the data collected, the lower campus has a number of infrastructure deficiencies and should be improved. Without improvement, the probability of infrastructure failing in the near future is very high and increases with each passing year. A project of this scope and magnitude presents challenges for security, traffic control, parking, temporary water supply, sewer bypass pumping, work phasing, temporary shutdowns, coordination and more.

Various options for constructing the necessary infrastructure improvements were discussed with local construction industry experts. A recommendation of developing a comprehensive project to address all deficiencies was noted in the report. This request would be administered as one contract and be constructed over a 2-year period to achieve efficiencies in scheduling, coordination, phasing, and project management.

Project Timeline

8/1/2026 - 11/30/2028

Other Considerations

Water and sewer infrastructure do not represent all of the underground assets on campus. Other underground components vital to the operation include steam lines for heat supply, communication/data supply lines, and electric supply lines. These buried utilities must be considered as part of any construction project and will at the very least need to be included in the process of scheduling, potential shutdowns and/or temporary facilities to maintain operation of the campus. The age and condition of these other assets should be considered for potential replacement as well, either prior to or concurrent with these improvements. This request does not include funding for these other assets. If and when replacement is warranted, funding will come from appropriated asset preservation.

Impact on Agency Operating Budgets

Funding this project will not impact operating budgets.

Description of Previous Appropriations

2025 - Governor recommended $15 million in General Obligation bond funds, no funding was appropriated

2024 - Governor recommended $13 million in General Obligation bond funds, no funding was appropriated

2023 - Governor recommended $12.5 million in General Obligation bond funds and $1.050 million was appropriated for design

Project Contact Person

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($ in thousands)

DCT Energy Upgrades

AT A GLANCE

2026 Request Amount:	$23,400
Priority Ranking:	3
Project Summary:	$23.4 million is requested to install renewable energy systems ($10.4 million GF request) and energy upgrades for buildings ($13 million GO bond request) on the St. Peter campus, the Moose Lake campus, and the Anoka Metro Regional Treatment Center (AMRTC) campus. Calendar year 2024 annual electricity costs at all three sites was $3.026 million.

Project Description

This $23.4 million request is the Department's #3 priority for the 2026 Capital Budget ($10.4 million GF request) and ($13 million GO bond request). Calendar Year 2024 annual electricity costs are as follows:

St. Peter campus = $1,429,835

Moose Lake campus = $1,150,260

AMRTC campus = $446,808

The St. Peter campus consists of 51 buildings, totaling 1,116,426 square feet and a replacement value of $407,499,284.

The Moose Lake campus consists of 6 buildings, totaling 462,129 square feet and a replacement value of $205,813,380.

AMRTC consists of 11 buildings, totaling 386,710 square feet and a replacement value of $108,333,853.

The three campuses have already completed many energy upgrades including LED lighting, HVAC replacements, and building envelope upgrades, but many more upgrades will be required to bring these sites to net zero energy use. This project will address and prioritize upgrades and replacements at all three sites. The renewable energy systems will be right sized to accommodate more energy efficient campuses.

DCT has conducted commercial grade energy audits that will assist in identifying the optimal renewable energy system and upgrades required based on analysis of historical energy use data from 2011-2023.

Project Rationale

The St. Peter Campus houses individuals committed to Forensic Services, the Minnesota Sex Offender Program (MSOP), and Community Preparations Services (CPS). The campus is occupied by more than 1,100 people, consisting of patients, clients, and staff.

The Moose Lake campus houses individuals committed to the Minnesota Sex Offender Program (MSOP). The campus is occupied by more than 800 people, consisting of clients and staff.

AMRTC houses individuals committed to the Mental Health and Substance Abuse Treatment Services (MHSATS). The campus is occupied by more than 400 people, consisting of patients and staff.

All three locations operate 24 hours a day, 7 days a week and 52 weeks a year. There is no down time – nor can there be based on the patients and clients served at these Direct Care and Treatment (DCT) facilities. Each location has highly sophisticated security systems that are powered by electricity.

In the effort to meet the Governor's strategic priorities for climate change, this request supports maximizing renewable energy while reducing our carbon footprint and utility costs.

Project Timeline

The timelines vary and are unique to each project.

Other Considerations

This project, if fully funded, will have a return on investment within 7.7 years through energy savings.

Impact on Agency Operating Budgets

The installation of a renewable energy system and other energy upgrades in this request is anticipated to reduce the overall cost of the future operating budget for the campus, while also eliminating the 'peak demand' premium charge that is typical of all 24 hour secure facilities. Cost reductions will be directly associated with renewable energy systems and energy efficient equipment and upgrades.

Description of Previous Appropriations

2023 - the Governor recommended $11.2 million in General Fund cash and no funding was appropriated.

Project Contact Person

Nancy Freeman
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($ in thousands)

Pedersen Renovation

AT A GLANCE

2026 Request Amount:	$18,400
Priority Ranking:	4
Project Summary:	$18.4 million is requested for building wide upgrades of the envelope fenestration, HVAC, and electrical systems of the Pedersen Building at the St Peter Regional Treatment Center (SPRTC).

Project Description

This project will consist of the replacement of the existing window/door assemblies including replacement of the exterior metal panels adjacent to the building windows, installation of a central cooling system compatible with the SPRTC's campus Distech Controls system, installation of a building-wide ventilation system, and upgrading current electrical capacity and electrical infrastructure as needed to support the new cooling system. This project will also require abatement of hazardous materials.

Project Rationale

The St Peter Regional Treatment Center (SPRTC) is a state-operated Direct Care & Treatment (DCT) facility that serves the mental health needs of the residents of Minnesota. The campus has three DCT Service Lines that provide treatment; Forensics, Minnesota Sex Offender Program (MSOP), and Community Preparation Services (CPS).

Originally built in 1937, the Pedersen Building is a 41,000 square foot building that originally served as a psychiatric hospital. The 3-story building (with partial basement) currently operates as the administrative center for the Saint Peter Regional Treatment Center (SPRTC) in St. Peter, MN.

Many of SPRTC's facilities need maintenance or system upgrades to prevent building deterioration and to maximize their use for the future, most of which can be addressed with asset preservation funding. However, the scope and total cost of the work proposed for the Pedersen Building exceeds the Direct Care & Treatment's (DCT) ability to use asset preservation appropriation funding. Therefore, this project requires capital funding dedicated specifically to addressing the improvements outlined herein.

The Pedersen Building is in good structural condition; however, there is deferred maintenance estimated at $2.9 million. The building's window and perimeter door assemblies have reached end of life years ago and need replacement. The building is currently heated with steam radiation unit heaters and cooled through a variety of window air conditioners and mini split systems.

Project Timeline

8/1/2026 - 10/1/2028

Other Considerations

Impact on Agency Operating Budgets

This project may impact operating budgets in the reduction of energy usage.

Description of Previous Appropriations

Not Applicable

Project Contact Person

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($ in thousands)

AMRTC Dietary Building Renovation

AT A GLANCE

2026 Request Amount:	$15,200
Priority Ranking:	5
Project Summary:	$15.2 million is requested to design, renovate, furnish, and equip the Old Dietary/Warehouse Building at the Anoka Metro Regional Treatment Center (AMRTC).

Project Description

This project will consist of the renovation of space for a permanent Direct Care & Treatment (DCT) Central Warehouse, offices, training, and carpenter spaces.

The project will require replacement and/or renovation of HVAC components, plumbing, electrical, security, and life safety systems including fire protection and other building code deficiencies; reconfigure and remodel space; remove and/or demolish nonfunctioning building components necessary to support the programmed use.

This project will also require abatement of hazardous materials.

Project Rationale

The Anoka Metro Regional Treatment Center (AMRTC) is a state-operated inpatient psychiatric hospital that serves the mental health needs of the residents of Minnesota. The campus has three main structures – the hospital with six residential treatment units, the Miller Building and the Old Dietary/Warehouse Building.

The Old Dietary/Warehouse Building was built in 1959 to provide kitchen and dining services for the old regional treatment center. In the mid 1990's, the hospital building was built which also encompassed kitchen and dining services. The Old Dietary/Warehouse building was used as support space for the campus, mainly as heated storage. It currently houses a large cache of surplus furniture for use at all DCT sites, a workshop for Community Based Services, and other support functions necessary for operating the campus programs.

Many of AMRTC's facilities need maintenance or system upgrades to prevent building deterioration and to maximize their use for the future, most of which can be addressed with the use of asset preservation funds. However, the scope and total cost of the work proposed for the Old Dietary/Warehouse exceeds DCT's ability to use asset preservation funding. Therefore, this project requires capital funding dedicated specifically to addressing the improvements outlined herein.

The Old Dietary/Warehouse is in very good structural condition; however, there is deferred maintenance estimated at $6.8 million. One of the projects completed on a prior asset preservation list was for envelope upgrades on the Old Dietary/Warehouse including cleaning and tuckpointing of the entire brick facade, window, and door replacement, rebuilding of the existing loading dock, and restoration of the metal cladding.

With the onset of the COVID-19 pandemic, DCT centralized the purchasing and dispersion of personal protective equipment (PPE) and cleaning supplies. This was very successful in acquiring adequate PPE and cleaning supplies for all 200+ DCT sites during the early onset of the pandemic. Cost efficiencies were also realized in purchasing bulk orders versus multiple, smaller orders.

Project Timeline

8/1/2026 - 9/1/2028

Other Considerations

Impact on Agency Operating Budgets

Description of Previous Appropriations

Not Applicable

Project Contact Person

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($ in thousands)

SPRTC Office|Storage Shop

AT A GLANCE

2026 Request Amount:	$7,100
Priority Ranking:	6
Project Summary:	$ 7.1 million is requested to predesign, design, construct, furnish and equip a new Office, Storage and Shop Building at the St. Peter Regional Treatment Center (SPRTC) campus. This request also includes the demolition of existing buildings to be replaced.

Project Description

This project will consist of predesign, design and construction of a new Office/Shop/Storage building to replace the following nine buildings on campus:

Storage Shed - MC8 - 168 sq. ft.

Carpenter Garage - 896 sq. ft.

Rec. Van Garage (Left) - 528 sq. ft.

Rec. Van Garage (Right) - 528 sq. ft.

Garage – 974 sq. ft.

Bedrock Car Wash – 905 sq. ft.

Grounds Garage – 1,500 sq. ft.

Root Cellar 5,532 sq. ft.

Mechanics Garage 6,463 sq. ft.

The new building will be approximately 17,000 square feet consisting of 2,000 square feet of office space, 5,000 square feet of heated shop space and 10,000 square feet of cold storage. The project will also include the demolition of the nine buildings mentioned above and may include the need for hazardous abatement.

Project Rationale

The St. Peter campus has been in existence for over 150 years. Currently, there are 51 buildings on campus totaling over 1.1 million square feet of space. The buildings consist of hospital, residential, treatment, office, and storage space.

The current grounds crew office was built in 1935 as a garage. In the late 1960's, the garage space was converted into office space. The latest Facility Condition Assessment (FCA) rated the building in

crisis. Eight additional garage and/or storage buildings were built between 1920 and 1968. These eight buildings had a poor or crisis FCA rating in 2021. The nine buildings are 17,525 square feet of space.

Project Timeline

8/1/2026 - 9/1/2028

Other Considerations

This project will not increase the square footage on the St. Peter campus.

Impact on Agency Operating Budgets

The construction of a new Office/Shop/Storage Building is anticipated to reduce the overall cost of the future operating budget for the campus. Cost reductions will be directly associated with new construction and energy efficient components.

Description of Previous Appropriations

Not Applicable

Project Contact Person

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Education — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Mary C. Murphy Library Construction Grants	1	GO	$ 10,000	$ 10,000	$ 10,000
Total Project Requests			$ 10,000	$ 10,000	$ 10,000
General Obligation Bonds (GO) Total			$ 10,000	$ 10,000	$ 10,000

Mary C. Murphy Library Construction Grants

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	1
Project Summary:	This request is for $10 million in state general obligation bonds for the Mary C. Murphy library construction grants program. Grants will be distributed statewide through a competitive process and provide funding for library infrastructure to repair, modernize, and construct library facilities. These funds will also be to maintain and improve access to library services for people with disabilities and extend the useful life of library buildings in Minnesota.

Project Description

Library Construction grants require a one-to-one non-state match and are awarded in amounts up to $300 thousand for library accessibility projects and up to $1 million for new construction, repair work or remodeling.

Library Construction Grants leverage state bond funds with local dollars for renovation, construction and improvement projects that extend the useful life of library buildings while resulting in more accessible public library buildings. In addition to ensuring that public library buildings meet Americans with Disabilities Act guidelines, library construction grants result in more sustainable and energy efficient public library facilities and improve library services. Grants are awarded in consultation with the Minnesota State Council on Disabilities. Projects may:

- Remove architectural barriers from a library building or site
- Remediate conditions hazardous to health or safety
- Renovate or expand an existing building for use as a library
- Construct a new library

Depending on grant size, five to fourteen projects receive funding. Since 1994, 170 projects in 67 counties have been supported. Through 2021, the local dollar to state dollar ratio is $6.27 local to $1.00 state.

Eligible applicants are regional public library systems, regional library districts, cities and counties operating public libraries that meet the statutory definition of a public library in Minnesota Statutes 134.001.

Project Rationale

Mary C. Murphy Library Construction Grants ensure that the Minnesota's public libraries meet modern energy efficiency standards and buildings and Americans with Disabilities Act accessibility

requirements. Given the limited resources available to public libraries for major building and construction projects, the state's contribution through this grant program is vital. It guarantees equitable access to public services for all residents and often serves as the necessary impetus for local and private funders to join in.

Demand for these grants is persistent. Between 2018 and 2024, State Library Services had $7.951 million available but received requests totaling $11.471 million. Furthermore, informal discussions with communities statewide indicate approximately 50 potential library improvement projects, collectively valued at over $60 million, could significantly benefit from future Mary C. Murphy Library Construction Grant support.

Project Timeline

*August 2026 Competitive grant round opens

*January 2027 Grantees notified of application status; MDE executes grant agreements

*All projects completed with five years.

Other Considerations

In many communities across the state, older library buildings are nearing the end of their lifespan and are in need of improvements that address energy efficiency and sustainability in addition to accessibility. According to the public library data report, many buildings have not been updated in 50 years. Public libraries are highly valued community assets, and the Library Construction grant program signals the state’s support for up-to-date, energy efficient, safe and accessible buildings that are open to all.

According to data collected by the Council of Regional Public Library Systems (CRPSLA), there is currently (2025) $89,912,500 in public library capital needs throughout the state.

Impact on Agency Operating Budgets

This request has an impact on the Department of Education's operating budget. The project is supported by .10 FTE of an existing staff member who administers the grant application, award and reporting processes. MDE may require additional funds for administering these grants.

Description of Previous Appropriations

2025 $750 thousand

2023 $4.0 million

2020 $2.951 million

2018 $1.0 million

2017 $2.0 million

2014 $2.0 million ($877,000 earmarked for specific projects; $1,123,000 available for competitive grants)

2012 $1.0 million

2008 $1.5 million

2006 $1.0 million

2005 $1.0 million

2003 $1.0 million

2000 $1.0 million

Project Contact Person

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Employment and Economic Development — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Transportation Economic Development Public Infrastructure Grant Program	1	GO	$ 10,000	$ 10,000	$ 10,000
Greater MN Business Development Public Infrastructure Program	2	GO	$ 15,000	$ 15,000	$ 15,000
Innovative Business Development Grant Program	3	GO	$ 5,000	$ 5,000	$ 5,000
Total Project Requests			$ 30,000	$ 30,000	$ 30,000
General Obligation Bonds (GO) Total			$ 30,000	$ 30,000	$ 30,000

Transportation Economic Development Public Infrastructure Grant Program

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	1
Project Summary:	$10 million in general obligation (GO) bonds for the Transportation Economic Development Infrastructure Program. This is a competitive grant program that pays for public infrastructure for economic development projects in conjunction with the MNDOT's sister program.

Project Description

The Transportation Economic Development Infrastructure (TEDI) program established in 2010 is a joint effort of the Department of Employment and Economic Development and the Department of Transportation (MnDOT). The program's purpose is to create and preserve jobs, improve the state's economic competitiveness, increase the tax base, accelerate transportation improvements and leverage greater private investment in public infrastructure improvements.

TEDI is a competitive grant program that runs in concert with the Transportation Economic Development (TED) program at MnDOT and provides up to 70% of the transportation and other public infrastructure costs associated with economic development projects.

Project Rationale

The TEDI program provides competitive grants to local governments for local transportation infrastructure needs related to business development, expansions, or relocations. TEDI funds pay for public infrastructure improvements that promote economic development, increase employment and improve transportation systems to accommodate private investment and job creation.

Project Timeline

Grants are awarded through a competitive process every other year (pending available funding).

Other Considerations

This program is a well-used tool for transportation needs to accommodate business growth and location in MN.

Impact on Agency Operating Budgets

DEED has experienced staff that have administered the program since its inception. Public and private infrastructure and transportation systems are key to creating and retaining jobs in Minnesota. This collaboration between DEED and MnDOT has proven to be effective in assisting local communities address these needs. Established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bond Appropriations:

2025 $1.5 million

2023 $1.5 million

2020 $2.9 million

2018 $3 million

2017 $3.5 million

2015 $2 million

2012 $3 million

In 2025 the Governor recommended $1.8 million in GO bonds for this program. In 2024 the Governor recommended $2 million in GO bonds.

Project Contact Person

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($ in thousands)

Greater MN Business Development Public Infrastructure Program

AT A GLANCE

2026 Request Amount:	$15,000
Priority Ranking:	2
Project Summary:	$15 million in state general obligation (GO) bonds for the Greater MN Business Development Public Infrastructure grant program.

Project Description

DEED is requesting $15 million in GO Bond funding for the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI) under Minnesota Statutes 116J.431. The program provides grants to eligible local units of government for public infrastructure development projects for industrial parks and to facilitate business expansions. The BDPI program pays up to 50 percent of eligible capital costs, not to exceed $2 million in a two-year funding period for one or more projects per city or county. Funds are available through competitive grants. The program accepts applications at any time. Eligible projects are publicly-owned infrastructure needs that may include wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets. Eligible business projects include manufacturing, technology, warehousing and distribution, research and development, and agricultural processing. DEED forecasts that there will be a significant demand for these funds by the time they would be available. In the past, BDPI funds have been exhausted in each biennium.

Project Rationale

Funding for the BDPI program is critical in assisting Greater Minnesota communities with business retention and expansion needs. On the ground, these investments will fund wastewater collection and treatment, drinking water, storm sewers, utility extensions and roads in conjunction with business expansions and industrial parks throughout Greater Minnesota. By adequately funding the program over the next two years, DEED will have a significant tool to help provide opportunities to compete for businesses that create jobs, increase the local tax base and expand economic development opportunities that is critical in revitalizing the state's economy.

Project Timeline

Funds are awarded as eligible applications and projects are received until the funds appropriated to the program have been exhausted.

Other Considerations

This grant program is a well-used tool for business expansion and location in Greater MN. The program is typically over-subscribed.

Impact on Agency Operating Budgets

DEED has experienced staff that have administered the program since its inception. Established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

The program has been funded since 2003 (off and on) with both GO Bonds and General Fund Dollars.

Prior capital investment bill GO Bond appropriations:

2025 $1.5 million

2023 $10 million

2020 $8.2 million

2018 $5 million

2017 $12 million

The program also receives general fund cash in the operating budget. $4.574 million both in the FY27-27 biennium and the FY24-25 biennium and $3.574 million in the FY22-23 biennium.

In 2025 the Governor recommended $2 million in GO bonds for this program. In 2024 the Governor recommended $3 million in GO bonds.

Project Contact Person

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($ in thousands)

Innovative Business Development Grant Program

AT A GLANCE

2026 Request Amount:	$5,000
Priority Ranking:	3
Project Summary:	$5 million in general obligation (GO) bond funding for the Innovative Business Development Public Infrastructure Grant Program.

Project Description

The Innovative Business Development Public Infrastructure Grant Program (IBDPI) provides up to 50 percent of funding for eligible public infrastructure costs related to innovative, high technology, bioscience, and medical technology business development investments statewide.

IBDPI provides grants to eligible cities for public infrastructure development projects associated with strategic business investments throughout the state. These eligible capital costs are matched 1:1 from non-state sources and are used to fund publicly owned infrastructure including roads, sewer and water lines. In addition, the IBDPI program also allows funding for telecommunications infrastructure, bridges, parking ramps, business incubators, facilities and laboratories that support basic science, development of innovative technology and research infrastructure. Funds are available through competitive grants.

Project Rationale

The goal of the IBDPI is to keep or enhance jobs in the high-tech, medical, and bioscience industries throughout the state. Investments made from this program increase a city's tax base, create and/or expand new economic development within a city, and encourage significant private investment. Investments are made into waste water systems, drinking systems, sewer systems, utility extensions, roads, and bridges related to innovative technology and research.

Project Timeline

Grants are awarded throughout the year as eligible applications are received.

Other Considerations

This program is a valuable tool to accommodate infrastructure needs for business expansions and locations. This is the only infrastructure program available for the Metro Area.

Impact on Agency Operating Budgets

DEED has experienced staff that have administered the program since its inception. Established marketing, application, project selection, and project awarding systems are in place.

Description of Previous Appropriations

GO Bond appropriations:
2023 $1.5 million
2020 $1.9 million
2018 $2 million
2017 $1.158 million
2011 $5 million
2010 $4 million

GF Cash appropriation:
2014 $500 thousand

Project Contact Person

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Historical Society — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Preservation and Access to History (PATH) - Facilities Improvements for Collections Care	1	GO	$ 23,160	$ 0	$ 0
Historic Sites Asset Preservation	2	GO	$ 22,285	$ 13,625	$ 14,510
		GF	$ 600	$ 0	$ 0
County and Local Historic Preservation Grants	3	GO	$ 1,250	$ 1,250	$ 1,250
Total Project Requests			$ 47,295	$ 14,875	$ 15,760
General Obligation Bonds (GO) Total			$ 46,695	$ 14,875	$ 15,760
General Fund Cash (GF) Total			$ 600	$ 0	$ 0

($ in thousands)

Preservation and Access to History (PATH) - Facilities Improvements for Collections Care

AT A GLANCE

2026 Request Amount:	$23,160
Priority Ranking:	1
Project Summary:	Through this project, the Minnesota Historical Society will design and construct renovations of MNHS facilities, including the Minnesota History Center and the Storage Warehouse at 1500 Mississippi Street in St. Paul, to optimize space usage to protect and preserve collections. This work will ensure the long-term safety, security and access to collections for future generations.

Project Description

The Minnesota Historical Society is requesting funds to enhance spaces at the Minnesota History Center and other facilities. Specifically, the 2026 Capital Budget request is to design and construct renovations to existing space at the Minnesota History Center and an adjunct facility in St. Paul to care for collections. Work at both facilities will provide upgrades to facility systems and sustainability best practices. MNHS has examined its program functions and space needs through a Master Planning process in 2023 and is undergoing predesign currently in order to be ready for design and construction funding to continue this project.

Project Rationale

One of the Minnesota Historical Society's core responsibilities is to house, care for and share collections that chronicle our state's unique history and culture for use today and by future generations. MNHS began collecting, preserving, and sharing Minnesota's history even before Minnesota became a state. Over 1,000,000 items are cared for in the collections at MNHS. These collections range from paper archives to the outfit Prince wore in "Purple Rain" to the 28th Virginia battle flag captured at the Battle of Gettysburg to the "Yankee Girl" sailboat. A significant component of these collections is the preservation of historically significant records of state and local government, a statutory responsibility carried out by MNHS State Archives. These collections are housed at the Minnesota History Center and other off-site facilities. One of the main off-site facilities, located on the East Side of St. Paul has significant deterioration. In addition, some collections storage areas in the MN History Center are reaching capacity.

Collections needs will be met through renovating space in the History Center, including an unfinished expansion space within the walls of the building, as well as through the renovation of the off-site facility to address critical needs. Museum collections storage areas require specialized security systems, environmental controls (HVAC) and storage systems (shelving and cabinets) to accommodate collections items of all sizes.

Collections include:

- 250,000 three-dimensional objects (furniture, clothing, tools, flags, inventions, contraptions,

amusements, mementos),

- 6,700 works of art,
- 300,000 photographs,
- 50,000 cubic feet of manuscripts (family archives, business records, political campaign collections, letters),
- 50,000 cubic feet of state archives,
- 500,000 printed works,
- 2,000 moving images and 3 million feet of news film,
- 2,000 hours of catalogs oral histories, and
- 2.25 million archaeological artifacts that span more than 10,000 years of human history.

Similarly, an important component of MNHS's mission is to share Minnesota's history with all Minnesotans and visitors. Updating these facilities will ensure that MNHS has the proper spaces to continue utilizing collections to create powerful engagement with history and provide learning opportunities for all Minnesotans.

Project Timeline

Timeline of the project is anticipated as follows, pending appropriation of funding for design and construction during the 2026 Legislative Session:

- 2023 Completed Master Planning for project
- 2025 Initiate Predesign
- 2026 Predesign/Schematic design commences (assuming with 2026 Capital Budget/bonding bill appropriation) Assessments (Hazmat, Structural, Etc.)
- 2027 Design Development/Construction Documents, and Construction
- 2028 Construction
- 2029 Construction

Other Considerations

In 2024, MNHS marked its 175th anniversary and in 2022, the Minnesota History Center marked its 30th anniversary. Since its opening, the History Center has been the place where millions of Minnesotans and guests from around the state, nation and world have discovered our history, and where collections are preserved for future generations. Guests have celebrated special occasions, remembered our heroes, and learned about our neighbors, whose background may be different from their own.As we look to the next 30 years and beyond, the Minnesota Historical Society has assessed its space needs for collections in order to best preserve, share and connect all Minnesotans with their history.

Impact on Agency Operating Budgets

To be determined through the planning process.

Description of Previous Appropriations

The Minnesota History Center opened in the Fall of 1992 and was funded through major State of Minnesota Capital Budget appropriations made in the late 1980s, as well as significant private donations.

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($ in thousands)

Historic Sites Asset Preservation

AT A GLANCE

2026 Request Amount:	$22,885
Priority Ranking:	2
Project Summary:	The Minnesota Historical Society (MNHS) is requesting $22.885 million in 2026 for the preservation and restoration of historic structures, landscapes and building systems in the statutorily-defined State Historic Sites Network and for monuments located statewide. Due to deferred maintenance needs of historic structures outpacing appropriations, the state of facilities in the historic sites network is reaching a critical level.

Project Description

Funding for the Minnesota Historical Society's Historic Sites Asset Preservation request will help to preserve some of the state's most significant historic structures, which are preserved for the education and enjoyment of our citizens.

Over the past five decades, more than 24 million students, families, and tourists have visited the 150+ landmark buildings, trails and museums of the State Historic Sites Network. MNHS is committed to keeping these extraordinary properties open and accessible to the public now and for future generations. Although many of the historic structures are now more than one hundred years old and holding up remarkably well, age and modern visitation do take their toll. While keeping pace with the impacts of visitor traffic and continuous aging of the historic structures is always one of our chief concerns, we also must keep up with changes in life/safety systems, environmental issues, security, accessibility, infrastructure upgrades and renovations necessary to support building use. In addition to the necessary work on historic structures, many of the modern visitor centers constructed 30 to 40 years ago are now in need of renewal or are reaching the end of their useful life. The asset preservation investment for such a vast network of varied structures is an indispensable component of operating the Historic Sites Network for the people of Minnesota.

In recognition of the integral part that these buildings and landscapes play in public education, the people of Minnesota have invested significantly in the State Historic Sites Network. Maintaining these resources is expensive, but it is a good cost-benefit ratio for the people of Minnesota and the over 600,000 visitors each year. As non-renewable social and cultural resources, historic buildings require a high standard of care. The skills of specially qualified architects, engineers and contractors are required to assess, design and implement repairs, maintenance, and systems improvements. The cost of high-quality materials increases every year. The investment is well rewarded by the educational benefits and public appreciation for preserving the state's precious heritage.

The Historic Sites Network also serves as a showcase for the principles and techniques of historic preservation, setting a standard for the state. These structures are learning resources used by students of Minnesota history, by students and practitioners of architecture, and by the traditional building trades. Preservation of historic structures, by definition, meets the state's goal of funding sustainable, high-performance buildings, since historic structures preserve previous energy and financial investments. It has been said that "the greenest building is the one that is already built."

MNHS's Historic Sites & Facilities Operations and Capital Planning Departments are responsible for all 150+ of the structures in the Historic Sites Network. Every year the staff typically manages five or six large projects and dozens of small projects scattered across the state. Staff prioritizes work projects based upon long-range planning, building analysis, and structural conditions. Working in consultation with preservation architects and specialty engineers, cost estimates are prepared for appropriation requests.

Projects in this request are part of the State Historic Sites Network, as defined in Minnesota Statues, 138.661, and have strong local and regional support from the areas in which they are located, since historic sites are an important component of our state's tourism economy. Local citizens, businesses, and support group members have assisted these sites with volunteer hours, in-kind contributions, and grass-roots leadership. Minnesotans are rightfully proud of the sites.

The historic buildings, artifacts, and landscapes within the State Historic Sites Network are of national and state significance. They fulfill the mission given by the Territorial Legislature to the Minnesota Historical Society, to collect and preserve evidence of human culture in the state, and to teach Minnesota history in all its academic, technological, and social diversity. Failure to maintain these cultural treasures will result in irreversible loss of material and intellectual culture.

Project Rationale

This request is for work that is critical to the preservation and maintenance of important historic resources, which are a state responsibility under Minnesota Statutes 138.661, the authorizing statute for the State Historic Sites Network. Preservation of historic structures, by definition, meets the state's goal of funding sustainable, high performance buildings, because historic structures preserve previous energy and financial investments.

Project Timeline

After funding becomes available, MNHS project managers will oversee design for each project, then commence construction. Since each project contains unique individual components, timelines will be different for each asset preservation project. All asset preservation projects will be completed by the required funding expiration date.

Other Considerations

Impact on Agency Operating Budgets

Generally, not applicable. There may be some minor savings from energy efficiency.

Description of Previous Appropriations

Appropriations for asset preservation of the state Historic Sites Network have been made in most major capital budget bills since 1990. MNHS has received the following general obligation bond appropriations in recent years

2025: $4 million

2023: $14 million

2020: $2.350 million

2018: $8 million

2017: $2.5 million

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($ in thousands)

County and Local Historic Preservation Grants

AT A GLANCE

2026 Request Amount:	$1,250
Priority Ranking:	3
Project Summary:	This project provides funding, on a competitive matching basis, for county and local historic preservation projects. This program will allow local communities to preserve their most significant historical resources.

Project Description

The county and local historic preservation program provides grants on a local match basis to preserve historic assets owned by public entities. These properties are historically significant structures, with priority given to those that are listed in the National Register of Historic Places. This program is one of the most successful of its type, with relatively small amounts of money leveraging local funding and volunteer efforts. Since recipients of county and local preservation grants are required to fully match state funds, this project provides the best possible return on the state's investment. Funds appropriated between 1994 and 2025 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

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

Since 1969 more than 2,400 capital and operating grants have been awarded to qualified historical organizations in all 87 counties, resulting in the preservation of the evidence of Minnesota's past. In recent rounds of grants, 248 grants from the MNHS's capital bond-funded grant program have assisted in preserving and making accessible such projects as historic county courthouses (62 grants to 27 different courthouses); historic city halls (29 grants to 17 different city halls); and historic library buildings (20 grants to 16 different libraries). Grants have helped to preserve publicly owned historic structures that provide a unique lens on our state's history.

Types of historic structures preserved with grants funds include depots, senior and community centers, schools, bridges, theaters, park buildings, museums, water towers, and township halls. Specific examples include Norman County Courthouse Preservation (Norman County); the Andrew Volstead House roof replacement (City of Granite Falls); the Olof Swensson House roof replacement

(Chippewa County); the O.G. Anderson and Company Store restoration (City of Minneota); the Anna and Mikko Pyhala Farm Restoration project (Town of Embarrass); the Mahnomen City Hall Restoration; Winona Masonic Hall/Senior Center (City of Winona); the Rensselaer Hubbard House restoration (City of Mankato); Robbinsdale Branch Library restoration (City of Robbinsdale); the Minneapolis Pioneers and Soldiers Memorial Cemetery Preservation, and the Norenberg Estate Water Tower (Hennepin County [Grantee is Three Rivers Park District]), and Bemidji Carnegie Library (City of Bemidji).

From a financial perspective, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2020, 2023 and 2025 appropriations totaling over $11.25 million have leveraged at least an equal amount in local match funding, as well as countless hours of volunteer effort.

Project Rationale

The county and local historic preservation grants program enables city and county government to fulfill their obligations to preserve historic structures, under MN Statute 138.665, while sharing the cost with the State of Minnesota.

Project Timeline

N/A

Other Considerations

Against a backdrop of economic challenges and heightened concern for the environment, historic preservation has a proven track record in stimulating local economies and revitalizing local communities, large and small.

It has been said: “the greenest building is the one that is already built.” Continuation of funding for this grant program leverages local resources and helps to preserve the built environment, thereby conserving the resources already put into these buildings and further the efforts to contribute to a sustainable future.

Impact on Agency Operating Budgets

None.

Description of Previous Appropriations

Funding for the County and Local Historic Preservation Grant program has been included in most major capital budget bills since 1994. The four most recent appropriations have been: 2025: $1 million (GO); 2023: $1 million (GO); 2020: $750,000 (GO); 2014: $1,400,000 (GF)

Project Contact Person

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Housing Finance — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Housing Infrastructure Bonds	1	AP	$ 200,000	$ 200,000	$ 200,000
Public Housing Rehabilitation	2	GO	$ 50,000	$ 50,000	$ 50,000
Total Project Requests			$ 250,000	$ 250,000	$ 250,000
General Obligation Bonds (GO) Total			$ 50,000	$ 50,000	$ 50,000
Appropriation Bonds (AP) Total			$ 200,000	$ 200,000	$ 200,000

($ in thousands)

Housing Infrastructure Bonds

AT A GLANCE

2026 Request Amount:	$200,000
Priority Ranking:	1
Project Summary:	Minnesota Housing requests $200 million in Housing Infrastructure Bonds (HIB). The state needs more housing development and HIBs finance the new construction or rehabilitation of single family, rental housing and manufactured home community infrastructure. HIBs are critical to both increasing housing supply and preserving existing affordable housing.

Project Description

Housing Infrastructure is the largest state source of capital for housing development. Housing Infrastructure leverages local, federal and private investment and spur development that otherwise would not happen and provide critical financing to build new housing and preserve existing housing. The State has supported the use of appropriation bonds because over 95% of the housing in the state is privately owned and State GO bonds are limited to publicly owned assets.

This request is for a general fund appropriation to pay the debt service on $200 million in Housing Infrastructure Bonds issued by Minnesota Housing. The resources will be awarded through competitive, statewide Request for Proposal (RFP) processes to private for-profit and non-profit developers for supportive housing, preservation, senior housing, deeply affordable rental housing, single family development and manufactured home communities. The following are the current uses of Housing Infrastructure.

Permanent Supportive Housing

The root of people experiencing homelessness is a lack of deeply affordable housing and Housing Infrastructure resources provide the capital resources necessary to build permanent supportive housing which serves households with incomes below 30% AMI. Permanent supportive housing is deeply affordable rental housing with connections to services to help tenants live in the community and improve their lives. Supportive housing creates housing stability for households with the lowest incomes and households with service needs so they can address significant mental health challenges, chronic health conditions, substance abuse disorders and other barriers. The housing stability and additional services help individuals and families complete school or training, get connected to programs, achieve employment and eventually attain independent living. Residents include people with disabilities, people with mental illness, and those who are facing homelessness, including youth and veterans.

Preservation of Existing Housing

Minnesota is at risk of losing tens of thousands of affordable units of housing due to deterioration, conversion to market rate rents, or financial challenges of operating existing housing. The federal Section 8 program has provided the largest portion of the privately owned, federally assisted rental

housing in the state with around 34,000 units. The privately owned Section 8 portfolio was developed primarily from the 1960s to the 1980s. In addition, Minnesota has 6,000 units financed by U.S. Department of Agriculture Rural Development that are of a similar age. As these properties age, or as the subsidy contracts and regulatory agreements expire, often ownership transfers, in addition to significant injections of capital provided by Housing Infrastructure are needed to ensure that properties can remain intact and affordable for decades into the future. If the properties are not preserved, the federal subsidies can be lost to the state.

Senior Housing

The State Demographer's Office is forecasting nearly 219,000 more Minnesotans age 65+ in 2038 tha n there were in 2023. HIBs fund the acquisition, rehabilitation, adaptive reuse or new construction of senior housing. Funding would be used for housing affordable to seniors (55 years of age and older) earning between 30% and 50% of Area Median Income. Senior housing at these income levels is not met by the market.

Single Family Development

Minnesota has a current shortage of approximately 40,000 homes for ownership. Housing Infrastructure finances forgivable loans and grants for the acquisition, rehabilitation, adaptive reuse, or new construction of single-family housing. These resources are a critical source of financing for community land trusts. Community land trusts are non-profit organizations that acquire and own land for the long-term. The community land trust leases the land to a low- or moderate – income homeowner who purchases the building on the land held in trust.

Manufactured Home Community Acquisition and Infrastructure

Manufactured housing represents some of the most affordable and under-resourced housing across the state in both urban/suburban, and rural settings. Housing Infrastructure finances improvements and infrastructure, including storm shelters and community facilities, for manufactured home parks, as well as acquisition.

Deeply Affordable Rental Housing

The Legislature recently created a new eligible use to finance the costs of construction, acquisition, and rehabilitation of permanent housing that is affordable to households with incomes at or below 50 percent of the area median income for the applicable county or metropolitan area.

Cooperative Rental Housing

The Legislature recently created a new eligible use to finance the costs of construction, acquisition, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A, 308B, or 308C that is affordable to low- and moderate-income households. This is the newest eligible use of Housing Infrastructure resources.

Project Rationale

To eliminate our housing deficit, Minnesota needs to continue investment in both new construction and preservation of existing affordable homes.

Minnesota needs to build more housing, especially for those with the lowest incomes. Housing production has increased in recent years, but Minnesota still has not caught up and overcome the under production between 2006 and 2016. We still have a shortage of around 65,000 housing units to meet the needs.

We need to preserve more housing. Around 10,000 of the 30,000 HUD Section 8 units have contracts

that expire in the next four years, putting them at risk of being lost permanently. These units allow renters to pay 30% of their income towards rent. Additionally, the state's Section 8 portfolio is aging and in need of capital for rehabilitation to preserve the affordability of these properties that exist in all 87 counties. In addition to federally rent-assisted developments, previously financed affordable housing developments need additional resources for recapitalization efforts as many federal low-income housing tax credit developments are into their second and third decades of operations and costs at the properties increase.

People facing homelessness remains at high levels. About 9,000 people experience homelessness each night, nearly 2,000 of whom are sleeping outside, unsheltered. Wilder Research estimates that roughly 50,000 people experience homelessness at some point during the year. While sheltered homelessness increased by 16% between 2018 and 2024, unsheltered homelessness increased by 86%

Housing instability is impacting more Minnesotans. Nearly 215,000 renter households making less than $50,000 a year spend more than 30% of their income on housing.

The housing shortage is limiting economic growth. There are high economic costs associated with the lack of affordable housing and housing instability of individuals and families leads to cost increases in healthcare, education and other areas. The shortage of housing in the Twin Cities metro area could limit job growth and reduce Gross Regional Product by $215 million annually.

Project Timeline

HIBs are awarded statewide through several statewide, competitive application processes. One for rental housing, another for single family development and another one for manufactured home communities. If approved in the 2026 legislative session, the funding will initially be awarded to rental housing, single family development and manufactured home communities in December 2026.

Other Considerations

Heading Home Plan – Housing Stability for All Minnesotans

The Minnesota Interagency Council on Homelessness is comprised of 12 State agencies, the Met Council and the Governor's Office and is accountable for leading the state's efforts to achieve housing stability for all Minnesotans through the Heading Home Plan. The Council is lead by Lt. Governor Flanagan and co-chaired by Commissioners of Human Services and Minnesota Housing.

Housing Infrastructure resources are a critical tool to building new rental housing and preserving housing that's affordable at the lowest-income levels. Housing Infrastructure resources are the main source of capital to build permanent supportive housing which brings affordable housing with access to services.

Green Communities Criteria

Minnesota Housing has adopted a sustainability policy based on the national Enterprise Green Communities Criteria which were designed specifically for the affordable housing community. Minnesota Housing uses a Minnesota Overlay and Guide to accompany the Enterprise Green Communities criteria to make the criteria specific to Minnesota's climate and local regulations.

The Minnesota Overlay & Guide to Enterprise Green Communities is required for all new developments and for substantial rehabilitation projects funded by the agency and will apply to developments that are selected to receive Housing Infrastructure resources. The criteria cover a range of mandatory and optional criteria related to energy efficiency and the environment including efficient lighting, use of renewable energy, low-impact development, water-conserving fixtures, healthy building materials, access to public transportation, landscaping and integrative design. The building performance standards within the criteria require projects to commission an independent HERS Rater who conducts energy modeling and performs onsite inspections during construction as required for Energy Star Certification. Minnesota Housing architects also make site visits to verify requirements are being met.

Impact on Agency Operating Budgets

This request does not impact Minnesota Housing's operating budget. Minnesota Housing does not use General Fund appropriations for operating expenses. The developers applying for funding are expected to meet their operating costs through the income they receive from rents, or in the case of community land trusts, through income from the land lease.

Description of Previous Appropriations

In 2012, we awarded $30 million in Housing Infrastructure Bond proceeds to projects that preserve existing federally subsidized rental housing, create new permanent supportive housing opportunities, and to stabilize communities impacted by the foreclosure crisis.

In 2014, we awarded $80 million in Housing Infrastructure Bond proceeds to projects for the same purposes. The resources were committed in 2014.

In 2015, the Legislature authorized an additional $10 million in Housing Infrastructure Bond proceeds. These resources were allocated to projects in 2015.

In 2017, the Legislature authorized an additional $35 million in Housing Infrastructure Bond proceeds. The Legislature also authorized an additional $20 million in Housing Infrastructure Bond proceeds using previous debt service appropriations, due to low interest rates on the bonds issued in 2014 and 2015. This total of $55 million in Housing Infrastructure Bond proceeds was awarded to projects in the fall of 2017.

In 2018, the Legislature authorized an additional $80 million in Housing Infrastructure Bond proceeds, with $30 million of that amount dedicated to permanent supportive housing for households behavioral health needs.

In 2019, during the 1st Special Session, the Legislature approved an additional $60 million in Housing Infrastructure Bond authorization. This amount was added to just under $60 million in existing authorization that was awarded in the fall of 2019.

In 2020, during the 1st Special Session, the Legislature approved an additional $100 million in Housing Infrastructure Bond authorization. Most of that authorization was awarded at the end of 2020 and

early 2021.

In 2021, the Legislature approved $100 million in HIB authorization. Most of that authorization was awarded to projects in 2021 and 2022 funding processes.

In 2023, the Legislature approved $200 million in Housing Infrastructure appropriations, not HIB. Those appropriations were used to finance rental housing, single family development and manufactured home park infrastructure with selections in 2023 and 2024.

In 2024, the Legislature approved $50 million in Housing Infrastructure Bonds, which were awarded to developments in December 2024.

In 2025, the Legislature approved $50 million in Housing Infrastructure Bonds that will be allocated to projects in December 2025.

Project Contact Person

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($ in thousands)

Public Housing Rehabilitation

AT A GLANCE

2026 Request Amount:	$50,000
Priority Ranking:	2
Project Summary:	$50 million to preserve and improve existing public housing built over 40 years ago in order to keep it decent, safe and accessible and to improve its energy efficiency and climate resiliency for its current and future residents.

Project Description

The requested funding will provide investments in aging public housing stock that needs repair. Funding will provide improvements in fire prevention systems, heating and cooling systems, building exteriors, energy efficient windows, elevators and other critical health and safety items. Priority will be given to those projects that address health and safety needs, including fire suppression systems, accessibility improvements, as well as projects related to energy efficiency and climate resiliency.

The housing comes in all sizes and types, from scattered single family homes for families to high rise apartments for elderly families. The housing operates in large and small communities in all 87 counties including tin Minnesota. Nearly 66% of households residing in public housing are seniors or people with disabilities and about 33% are families with children.

Funding will be awarded through a competitive application process. Eligible applicants are public housing authorities. All applicants are provided technical assistance prior to submitting an application.

Project Rationale

Public housing is existing affordable housing that serves about 36,000 of the lowest income residents of the state, including many seniors, persons with disabilities and families with children. There are approximately 21,000 public housing units that are owned and operated by around 120 public housing authorities throughout 87 Minnesota counties. Over 65 percent of the residents have incomes under $15,000 per year. Residents pay 30 percent of their income toward rent.

Public housing is owned and managed by local public housing authorities and financed by the federal government. More than 95 percent of public housing units in the state are greater than 40 years old and many require updates to remain in operation as safe and healthy places to live.

Nationally, the backlog of repairs due to the deficit of funding for public housing capital is estimated to be up to $70 billion, with annual appropriations around $3 billion. Minnesota PHAs estimate their total need for additional capital between 2020-2024 was over $500 million.

It is critical that we preserve and improve this housing stock for the state's lowest income residents.

Project Timeline

Funding will be awarded through a statewide, competitive request for proposal. If funding is provided during the 2026 legislative session, we anticipate that funds would be available by fall of 2026 with resources awarded to projects by early 2027, and construction on some projects beginning in 2027.

Other Considerations

N/A

Impact on Agency Operating Budgets

This request does not impact Minnesota Housing's operating budget. Minnesota Housing does not use General Fund appropriations for operating expenses. Public housing authorities pay the operating costs for the projects and in many cases the projects funded through this program reduce operating costs.

Description of Previous Appropriations

In 2012, the agency received $5.5 million in GO bond proceeds for public housing rehabilitation. The funding was used for the rehabilitation of 950 units of public housing.

In 2014, the agency received $20 million in GO bond proceeds for public housing rehabilitation. The funding was used for the rehabilitation of 2,500 units of public housing. Seventy-five percent of the units are located in Greater Minnesota.

In 2017, the agency received $10 million in GO bond proceeds for public housing rehabilitation. These funds were awarded to public housing authorities in early 2018.

In 2018, the agency received $10 million in GO bond proceeds for public housing rehabilitation. These funds were awarded to public housing authorities in early 2019.

In 2020, the agency received $16 million in GO bond proceeds for public housing rehabilitation. These funds were award individual projects in fall 2021.

In 2023, the agency received a total of $87 million for public housing rehabilitation. This includes $41.868 million in GO bond proceeds and $45.132 in general fund appropriations. The funds were awarded through two rounds of funding in 2024 and 2025.

In 2025, the agency received $26 million for public housing rehabilitation.

Project Contact Person

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Human Services — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Behavioral Health Capacity Building for Tribal Nations and Urban Indian Organizations	1	GF	$ 10,000	$ 10,000	$ 10,000
Additional Behavioral Health Facility Funds	2	GO	$ 25,000	$ 25,000	$ 25,000
Additional Capital Funding for Homelessness	3	GO	$ 15,000	$ 15,000	$ 15,000
		GF	$ 10,000	$ 10,000	$ 10,000
Total Project Requests			$ 60,000	$ 60,000	$ 60,000
General Obligation Bonds (GO) Total			$ 40,000	$ 40,000	$ 40,000
General Fund Cash (GF) Total			$ 20,000	$ 20,000	$ 20,000

($ in thousands)

Behavioral Health Capacity Building for Tribal Nations and Urban Indian Organizations

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	1
Project Summary:	$10 million in General Fund cash is requested to provide grants for Tribal Nations and Urban Indian organizations statewide for brick and mortar facilities for behavioral health services and treatment.

Project Description

This project aims to create a grant program for Tribal Nations and Urban Indian organizations to build and/or improve brick and mortar facilities to serve their communities. Grants would be awarded based on the unique needs of each Tribal community, which could include: brick and mortar facilities that would enhance access to withdrawal management related services, opioid treatment program (OTP), traditional healing practices, and other mental health and substance use services.

Project Rationale

Community feedback consistently indicates that American Indians are disproportionately impacted by substance use disorders. Partners have identified critical gaps in culturally appropriate services and expressed the need to expand withdrawal management options specifically tailored to American Indian communities. Additionally, community advocates have emphasized the importance of increasing funding for comprehensive support services, including harm reduction programs, wound care services, and assistance with funeral expenses. These holistic support needs reflect the complex challenges faced by Tribal communities in addressing substance use disorders.

Project Timeline

If successful in securing capital dollars, the Department would develop a competitive request for proposal (RFP) in the summer of 2026 and begin solicitation in the fall of 2026. The goal would be to make decisions in late 2026 and begin disbursing funds in early 2027.

Other Considerations

This request has been a top priority in consultation with community partners and Tribal Nations.

Impact on Agency Operating Budgets

DHS anticipates needing one additional full-time equivalent (FTE) to assist in administering this grant.

Description of Previous Appropriations

None

Project Contact Person

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($ in thousands)

Additional Behavioral Health Facility Funds

AT A GLANCE

2026 Request Amount:	$25,000
Priority Ranking:	2
Project Summary:	$25 million in General Obligation bonds are requested to provide additional grant funding for behavioral health facility projects across the state.

Project Description

This request is for additional grant funding for Behavioral Health Facilities as described under Minnesota Statute 245G.011. The grants are for any publicly owned entity for the acquisition of land, predesign, design, renovation, construction, furnishing and equipping facilities in which to provide behavioral health crisis programs and services. Funding is flexible to fit the needs of communities, and may include (but is not limited to):

- The acquisition of land, predesign, design or construction of a new behavioral health facility.
- Additional capital enhancements to existing facilities.
- Creating more capacity for multi-generational caregiver settings. Most existing facilities are built for single adults, typically offering only single or double-occupancy rooms, making them ill-equipped to accommodate caregivers or families seeking to remain together during treatment.
- Developing walk-in crisis centers, designed to function like urgent care clinics for mental health. These centers could provide immediate, walk-in support for individuals experiencing behavioral health challenges, offering an alternative to hospital rooms or law enforcement interventions.
- Supporting the development of a children's residential crisis stabilization benefit by offering the initial capital for communities to build new facilities in Minnesota before the launch of the new MA benefit in 2027.
- Other evidence-based, community-driven ideas to address population needs across different communities.

Project Rationale

Community partners have consistently identified gaps in the current mental health and substance use disorder systems across Minnesota. This includes geographic access issues, lack of culturally specific programming, and other access issues. The flexibility of the behavioral health facility grants would give communities the opportunity to tailor their proposals to fit the unique needs of their respective communities and to directly address the gaps within their communities.

Project Timeline

If successful in securing capital dollars, the Department would develop a competitive request for proposal (RFP) in the summer of 2026 and begin solicitation in the fall of 2026. The goal would be to make decisions in late 2026 and begin disbursing funds in early 2027.

Other Considerations

N/A

Impact on Agency Operating Budgets

DHS anticipates needing one additional full-time equivalent (FTE) to assist in administering this grant.

Description of Previous Appropriations

- 2018 - not included in the Governor's recommendations, $30 million in General Obligation bonds was ultimately appropriated.
- 2020 - not included in the Governor's recommendations, $10 million in General Obligation bonds was ultimately appropriated.
- 2023 - not included in the Governor's recommendations, $10 million in General Obligation bonds was ultimately appropriated.

Project Contact Person

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($ in thousands)

Additional Capital Funding for Homelessness

AT A GLANCE

2026 Request Amount:	$25,000
Priority Ranking:	3
Project Summary:	$15 million in General Obligation bonds and $10 million in General Fund cash is requested to assist in building additional capacity for homeless shelters and transitional housing opportunities across the state.

Project Description

Funding would be utilized to assist non-profits, counties, and Tribal Nations pursue capital projects related to homeless/emergency shelter sites, transitional housing sites, and Housing Support sites. This could include renovations to existing sites, or the land acquisition, predesign, design, and construction of new sites. Funding is flexible to fit the needs of communities, and may include (but is not limited to):

- The acquisition of land, predesign, design or construction of a new emergency shelter, Housing Supports, or Transitional Housing sites.
- Additional capital enhancements to existing facilities, such as expansion, HVAC repairs/updates, electrical work, and structural innovations for both safety and energy efficiency.
- To keep up with demand after the initial injection of $100 million one-time funding for emergency shelter in the 2023 session.
- To assist communities in the remodeling/renovation of hotels, group homes, and apartments into transitional housing.

Project Rationale

The Minnesota Coalition for the Homeless identified critical gaps in the State's current infrastructure for residents experiencing homelessness. While the one-time investment in the 2023 session was a tremendous step forward, that funding has been obligated to numerous projects. The Department received nearly 100 requests amounting to $365 million in requests for an appropriation of $100 million, meaning several projects had to be rejected due to limited funds. The $100 million funded approximately 37 projects statewide.

Project Timeline

If successful in securing capital dollars, the Department would develop a competitive request for proposal (RFP) in the summer of 2026 and begin solicitation in the fall of 2026. The goal would be to make decisions in late 2026 and begin disbursing funds in early 2027.

Other Considerations

Many of the projects that were not funded in with the 2023 were rejected due to lack of available funds, rather than merit of the project. There are numerous projects across the state that communities are ready to proceed with, but require additional funding.

Impact on Agency Operating Budgets

DHS anticipates needing one additional full-time equivalent (FTE) to assist in administering this grant.

Description of Previous Appropriations

A one-time investment of $100 million in general fund dollars from the 2023 legislative session for shelter capital.

Project Contact Person

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Iron Range Resources and Rehabilitation — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Legend Maintenance Building- Giants Ridge	1	GO	$ 6,400	$ 0	$ 0
Minnesota Discovery Center Relocation	2	GO	$ 3,200	$ 0	$ 0
Total Project Requests			$ 9,600	$ 0	$ 0
General Obligation Bonds (GO) Total			$ 9,600	$ 0	$ 0

($ in thousands)

Legend Maintenance Building- Giants Ridge

AT A GLANCE

2026 Request Amount:	$6,400
Priority Ranking:	1
Project Summary:	$6.4 million in general obligation bonds to relocate and construct a new maintenance building at The Legend golf course located within the Giants Ridge Recreation Area in Biwabik, Minnesota.

Project Description

This project involves involves constructing a new maintenance building for The Legend golf course at a new site away from the main entrance to enhance safety for guests and employees. The existing 40-year-old facility then will be repurposed.

Project Rationale

This project addresses aging and inefficient infrastructure located at the main entrance where guests arrive. The 40-year-old maintenance building—originally built for ski operations and later repurposed for golf course maintenance—now poses safety concerns due to heavy equipment and deliveries sharing space with guests. By constructing a new, energy-efficient, and secure maintenance facility at a separate location, the project will improve operational efficiency, enhance guest and employee safety, and create a more welcoming arrival experience. In addition to reducing deferred maintenance, the project will generate dozens of construction jobs and support the local economy.

Project Timeline

Funding: 2026

Design: Already Complete

Bid: Fall 2026

Construction: 2027

Completion: 2028

Other Considerations

Between 2017 and 2019, Giants Ridge, which includes The Legend, generated an average annual economic impact of $55.4 million in northeastern Minnesota. This project will help The Legend continue drawing tourism revenue into the local economy while expanding employment opportunities for the regional workforce. It also promotes healthier, more vibrant communities throughout the region and the state. As one of the largest employers on the East Iron Range, Giants

Ridge plays a vital role in supporting the area's economic and social well-being.

Impact on Agency Operating Budgets

This project will reduce agency spending on deferred maintenance by repurposing the existing 40-year-old maintenance building and constructing a new facility in a more central location on the property. Relocating operations to the new site will improve efficiency, lower ongoing operating costs, and enhance overall functionality. Additionally, the new building will incorporate energy-efficient technologies, helping to reduce the facility’s overall carbon footprint.

Description of Previous Appropriations

In 2023, the Governor recommended $16.614 million in general obligation bonds and the Legislature appropriated $12.229 million in general obligation bonds for snowmaking infrastructure and replacing water lines at Giants Ridge.

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($ in thousands)

Minnesota Discovery Center Relocation

AT A GLANCE

2026 Request Amount:	$3,200
Priority Ranking:	2
Project Summary:	$3.2 million in general obligation bonds to support the design, engineering, site acquisition, and infrastructure for the relocation and repurposing of the Minnesota Discovery Center and its Iron Range archives to a new site in Chisholm. The project will create compliant, efficient, and inclusive facilities that address critical preservation, capacity, and accessibility issues threatening the MDC's historical collections.

Project Description

This project will support site acquisition, design, engineering, utilities, and infrastructure for the relocation and repurposing of the Minnesota Discovery Center and its archives of Iron Range history at a new site in Chisholm.

The project includes site work and the installation of infrastructure to support the Minnesota Discovery Center at its new location in Chisholm.

Project Rationale

The project will provide compliant, adequate, efficient, and inclusive public facilities that protect, preserve, and expand one of the largest artifact and archival collections in Minnesota. Most importantly, it addresses high-risk infrastructure issues that currently threaten existing historical artifacts and archival materials.

Additional impacts of the project include:

- Proper preservation and storage of thousands of overflow records and historical artifacts in the MDC’s collections.
- Increased archival capacity, allowing the MDC to grow its historical collections and generate additional revenue through record requests, exhibitions, and visitation.
- Reduction of disparities and inequities in the current design of archival facilities.
- Improved inclusive access to existing and future historical artifacts and archival collections for scholarly, educational, and research purposes.
- Creation of a new multi-use space available to rent, supporting the MDC’s growing list of facility rental clients.
- Reduced labor and energy costs, as well as improved safety, allowing the MDC to reinvest savings into critical infrastructure improvements that enhance the public experience.

Project Timeline

Funding: 2026

Design, Engineering, and Site Acquisition: 2027

Bid & Construction: 2028

Completion: 2029

Other Considerations

The Minnesota Discovery Center (MDC) is a 501(c)(3) nonprofit responsible for operating and maintaining state-owned capital assets originally constructed in the 1970s and 1980s. MDC's current capital budget is insufficient to address more than $40 million in critical infrastructure needs across our 660-acre campus.

This bonding proposal identifies the most urgent capital needs to proactively address them before an emergency situation arises. Currently, historical collections are at high risk due to inadequate, outdated, and failing archival infrastructure. Something as simple as a false fire alarm could destroy millions of irreplaceable records and artifacts at any time.

MDC strongly believes that state-owned facilities, such as our historical archives, should be held to the highest standards, as they belong to the residents of Minnesota.

- MDC is the largest state-owned records repository outside of St. Paul and one of the largest museum and cultural complexes in northern Minnesota. It is also one of Chisholm's largest employers and contributes $3.89 million annually to the local and regional economy.
- In 2021 alone, MDC's research center archival collection served thousands of individuals from 48 states and 17 countries, as well as military APOs and Washington, D.C.
- This project benefits rural residents in a distressed region of our state and serves all Minnesotans.
- It creates jobs, attracts more tourists to the region, and helps diversify employment opportunities for the regional workforce.
- The research center and archival spaces are public resources.
- Museums in Minnesota have a $917 million economic impact and rank among the most trusted institutions in the United States.

Impact on Agency Operating Budgets

This project will likely provide significant energy savings and building efficiencies and generate new revenue through facility rentals and special events. Furthermore, a larger research and academic audience will be served, both in person and virtually, which will also contribute to increased revenue. MDC will save tens of thousands of dollars by avoiding the need for major annual repairs and maintenance.

Description of Previous Appropriations

N/A

Project Contact Person

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Metropolitan Council — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Busway Capital Improvement Program Bus Rapid Transit	1	GO	$ 75,000	$ 75,000	$ 75,000
Regional Parks and Trails Program	2	GO	$ 15,000	$ 15,000	$ 15,000
Inflow and Infiltration Grant Program	3	GO	$ 9,500	$ 9,500	$ 9,500
Total Project Requests			$ 99,500	$ 99,500	$ 99,500
General Obligation Bonds (GO) Total			$ 99,500	$ 99,500	$ 99,500

($ in thousands)

Busway Capital Improvement Program Bus Rapid Transit

AT A GLANCE

2026 Request Amount:	$75,000
Priority Ranking:	1
Project Summary:	$75 million in general obligation bonds is requested for development of busway capital improvement projects. Requested funding would advance arterial bus rapid transit (BRT) corridor development including, but not limited to, environmental analysis, engineering, design, right-of-way acquisition, and construction.

Project Description

Busway corridor projects like arterial BRT improve the speed and reliability of bus service along the Twin Cities' busiest transit corridors. Project investments result in high-quality stations that enable faster and more reliable limited-stop transit service to major destinations. Busway corridors typically have stations every half-mile at major intersections. Constructing and integrating these stations into the existing roadway system is the focus of the proposed investment.

Requested funding would advance the development of the H Line (Como/Maryland, from Saint Paul to Minneapolis via the University of Minnesota) corridor.

The preliminary project budget is $120-150 million, of which $60 million has been secured to date through other sources. If capital investment is proposed through a state bonding recommendation, corridor fleet improvements would be separately funded through other sources, including federal and regional funds.

Partial funding is currently available for the H Line from previous state capital investment. $16.7 million of state bonds appropriated in 2023 is currently advancing the planning and preliminary design stages of the project. Additional resources are needed to construct the H Line. Requested funds would leverage at least $25 million in identified federal funding allocated to the H Line corridor by the Transportation Advisory Board through the Regional Solicitation. Funding through this request could also leverage discretionary award through the federal Capital Investment Grant program, potentially leveraging up to $60-80 million of additional federal funds to this project.

Metro Transit is also currently undertaking a planning process and seeking community feedback to identify additional arterial BRT lines such as the J, K, and L lines to be implemented between 2030 and 2035. These projects may also be funded by a portion of the requested funding, if Metro Transit is successful in securing competitive federal funding for a portion of the H Line project.

Project Rationale

Busway projects have increased the attractiveness and usage of the transit system in multiple corridors since 2016 with the launch of the A Line. Investments in BRT in strong, existing transit markets have proven successful in increasing ridership. More than 8 million rides were taken on BRT

lines in 2024, a 14% increase from 2023 compared to a systemwide increase of 6%.

By concentrating improvements in the region's most heavily traveled bus corridors, BRT maximizes ongoing operating investment in transit service by reducing delay from passenger boarding, traffic signals, and merging in and out of traffic. Reduced stop times also smooths traffic flow and enables construction of robust transit stations without need for significant property acquisition or private property displacement or relocations.

Project Timeline

2024-2026: H Line planning and preliminary design

2026-2027: H Line engineering

2028-2029: H Line planned construction (pending full funding)

2029: Planned start of H Line service (pending full funding)

Other Considerations

Busway projects are an integral part of the growing METRO network of rail and bus lines. By 2030, a planned 165-mile bus rapid transit network of 12 lines will offer fast, frequent, all-day service to many communities in the Twin Cities region. By 2030, BRT is estimated to: serve 580,000 people and 600,000 jobs with all-day, all-purpose trips. It is estimated that 44% of people served by this network identify as Black, Indigenous, or People of Color (BIPOC), and 13% of households to be served by BRT don't currently have access to a vehicle.

This network will also help households reduce their environmental footprint. Typical households near BRT emit fewer greenhouse gases than the rest of the region and are well below the national average, according to EcoDataLab data.

Affordable and high-quality public transportation reduces reliance on private automobile ownership and resulting savings can be applied to housing, education, or other personal and family expenses that benefit the state and local economy.

Impact on Agency Operating Budgets

The Council has established a policy requiring anticipated operating funds to be identified before capital projects proceed. Most required resources for arterial BRT operations comes from replacement of existing local bus service with more attractive, faster arterial BRT. Reduced delays allow faster speed and more efficient use of existing operating resources. Service plans include options with limited expansion of service as well as resource-neutral operating plans.

Description of Previous Appropriations

State funding has enabled program advancement since 2014.

- In 2014 the state capital investment bill allocated $15 million in general obligation bonds for transitway development, $9 million of which was used on the A Line corridor. An additional $1 million state cash appropriation in 2014 completed A Line project funding.
- In 2020, the state capital investment bill (October 2020) allocated $55 million in general obligation bonds to complete funding of the D Line and B Line corridors, and advance pre-construction of the E Line corridor.
- In 2021, a state general fund appropriation allocated $57.5 million to the arterial bus rapid transit

program. The Council is using these funds to complete funding of the E Line corridor and to advance the development of the F Line corridor.

- In 2023, the state capital investment bill allocated $72 million in general obligation bonds to the arterial bus transit program. The Council is using these funds to complete funding of the F and G lines, and advance preliminary activities on the H Line.

Project Contact Person

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($ in thousands)

Regional Parks and Trails Program

AT A GLANCE

2026 Request Amount:	$15,000
Priority Ranking:	2
Project Summary:	The Metropolitan Council requests $15 million in general obligation bonds to match $10 million of Metropolitan Council Regional Bonds to improve and expand the Metropolitan Regional Parks System.

Project Description

The Metropolitan Regional Parks System is owned, operated, and maintained by the 10 Regional Park Implementing Agencies (Agencies) defined in Minnesota Statutes 473.341, Subd. 1(a). The Twin Cities region is home to a system of regional parks and trails that is nationally renowned for its beauty, size, and variety of features. The system provides an abundance of opportunities for recreation, exercise, mental and physical health, and, of course, just plain fun. It also preserves significant green space and wildlife habitat. The regional parks system draws more than 69 million visits every year — more than the Mall of America. Our parks and trails draw visitors from across the region, state, and United States.

The Council proposes to match $15 million of state bonds with $10 million in regional bonds for a total Regional Parks System capital investment of $25 million. 100% of bond funds are allocated to implementing agencies. The Council keeps no state funding for administrative costs. Each agency is allocated a share of the combined state and regional bonds according to a formula set in Council policy: 70% is based on each agency's jurisdictional population, and 30% is based on the agency's relative share of non-local visits.

Project Rationale

The purpose of the Metropolitan Regional Parks program is to maintain, expand, and improve the Metropolitan Regional Parks System, which consists of more than 54,000 acres of parks and over 400 miles of interconnected trails. The program funds regional parks that provide recreational services similar to those provided in state parks that are located largely outside of the 7-county region.

This request invests critical funding directly into the regional park systems to both protect past public investments by extending the useful life of park and trail infrastructure and to expand the system. The Regional Parks System provides close-to-home opportunities for children and families in the 7-county metro area, fostering wellness and building strong communities. It also offers the opportunity for carbon free transportation and recreation,and preserves natural systems that serve as carbon sinks to greenhouse gases, to help manage stormwater, as well as serving to cool the region during extreme heat events. Lastly and importantly, it fosters health and wellness among residents, which has a mutually beneficial overlap with support for natural resource system health.

Project Timeline

The Council would award grants in the second half of 2026 and the agencies would complete funded projects in 2026 through 2028.

Other Considerations

N/A

Impact on Agency Operating Budgets

There is no direct impact on our operating budgets since the Met Council does not operate Metropolitan Regional Parks System units.

Description of Previous Appropriations

The state appropriated $16.62 million of bonds to the Metropolitan Council for the Metropolitan Regional Parks Capital Budget in the 2023 bonding bill. This program also received $5 million of bonds in the 2020 capital budget and $10 million of bonds in the 2019 capital budget.

Project Contact Person

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Inflow and Infiltration Grant Program

AT A GLANCE

2026 Request Amount:	$9,500
Priority Ranking:	3
Project Summary:	The Metropolitan Council requests $9.5 million in general obligation bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems.

Project Description

The Metropolitan Council requests $9.5 million in general obligation bonds to continue to provide grants to municipalities for eligible public infrastructure capital improvements to reduce inflow and infiltration (I/I) into wastewater collection systems. In cooperation with Metro Cities, similar requests have been made in 2010, 2012, 2014, 2015, 2016, 2017, 2018, and 2020, 2023, 2024, and 2025. The requested amount for 2026 represents a portion of the demonstrated need from communities for work completed under the previous programs. The program has been a successful incentive for communities to complete I/I mitigation work.

Inflow and Infiltration – or I/I – are terms that describe clear water that enters wastewater systems and consumes capacity that is intended for growth. Each has unique sources, methods of entry, and effects on the wastewater collection system. I/I from both public and private sources causes major challenges in the region.

Since 2005, the Metropolitan Council has intensified efforts to mitigate excessive I/I through partnership with regional communities. There is evidence of success through flow reduction and reduced system flow response to wet weather. However, the repairs needed to the local public wastewater collection system can be costly, and regional communities have expressed a need for consistent funding for I/I mitigation activities.

In 2010, Metro Cities championed inclusion of a $3 million grant program in the 2010 bonding bill for providing grants to municipalities for capital improvements to public infrastructure to reduce I/I into the wastewater collection system. From 2010 through 2015, the total funding received by communities for I/I mitigation was $10.5 million.

Project Rationale

The purpose of the project is to assist communities served by Metropolitan Council Environmental Services in undertaking public infrastructure projects that reduce I/I into the local and regional wastewater collection systems.

Project Timeline

Grants will be made under a grants application process once funding is secured, with local units of

government performing work funded with the grants. Work typically extends into two construction seasons (2-years).

Other Considerations

This grant program is tied to the Metropolitan Council's stewardship, prosperity, equity, livability, and sustainability outcomes of Thrive MSP 2040 and supports the Metropolitan Council's principles of collaboration and accountability. This grant program will support the I/I mitigation efforts of local communities. This program protects the environment and public health, supports construction jobs, promotes infrastructure investment, and is cost-effective.

Metropolitan Council proposes to utilize existing program guidelines which have been reviewed by local government partners in the region and have been agreed to by state agencies

Impact on Agency Operating Budgets

Description of Previous Appropriations

This is a recurring request. The 2025 the Governor recommended $4.6 million in GO bonds and the Legislature appropriated $15 million in GO bonds for this program. As part of the 2023 bonding bill, the Council was appropriated $12 million. This program also received $5 million in the 2020 capital budget and $5 million in the 2018 capital budget.

Project Contact Person

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Military Affairs — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Duluth Hanger Design	1	GO	$ 3,000	$ 0	$ 0
Renovation of Cottage Grove Readiness Center	2	GO	$ 16,019	$ 0	$ 0
Renovation of Duluth Readiness Center	3	GO	$ 6,021	$ 0	$ 0
Addition and Renovation of Bloomington Readiness Center	4	GO	$ 13,000	$ 0	$ 0
Total Project Requests			$ 38,040	$ 0	$ 0
General Obligation Bonds (GO) Total			$ 38,040	$ 0	$ 0

($ in thousands)

Duluth Hanger Design

AT A GLANCE

2026 Request Amount:	$3,000
Priority Ranking:	1
Project Summary:	$3.0 million in state funds are requested to design a facility to replace three existing, 66 year old steel aircraft shelters that do not meet current standards and pose multiple safety hazards. Construct new energy efficient facility compliant with applicable DoD and Air Force design standards, situated to provide effective, efficient access to the flightline and protection of critical national assets.

Project Description

Existing buildings 497, 498, and 499 will be demolished upon completion of the new aircraft shelter. For construction phasing, the existing shelters could remain in place and operational until the new shelter is built. A significant portion of the existing aircraft ramp will need to be removed and reconstructed to allow for proper site grades and drainage away from the new aircraft shelter. Any building demolition will need to be sequenced with repair and reconstruction of the aircraft ramp. Scope of new facility will be a three or four-bay aircraft shelter along with support spaces. Each parking bay will be served by drive-through vertical lift fabric hangar doors to support flying operations. It will be constructed to support the universal fighter size to accommodate potential future missions and aircraft of the 148th Fighter Wing. The facility will include all architectural, structural, mechanical, fire protection, and electrical systems required to comply with applicable building codes and DoD and Air Force regulations.

Project Rationale

The three existing, dilapidated steel structures were relocated from the former Duluth AFB to the 148th Fighter Wing aircraft apron in 1985. The structures are 66 years old and pose multiple safety hazards including overhead snow and ice at egress locations, insufficient lightning protection systems, and are undersized which requires an indefinite airfield waiver to conduct operations from these facilities. The existing shelters are a facility maintenance burden and drain on resources. They are energy inefficient and have steadily degraded over the last 40 years.

Project Timeline

The project authorization process with the National Guard Bureau (NGB) is well underway. It is in the final stage of the Advanced Planning process with a briefing scheduled with NGB on 1 July 2025. If authorized, the project will be ready to enter the design process pending availability of funds. Design is anticipated to take 12-18 months. Construction duration is anticipated to be 18 months.

Other Considerations

A safe, reliable, and appropriately sized aircraft shelter mitigates a high sortie cancellation rate during the cold weather months of November through March, enabling pilots to maintain mission readiness and qualifications.

Impact on Agency Operating Budgets

The requested funding will not affect state operating dollars. Facility will be owned and operated by the Air National Guard. Operating costs will be funded by NGB.

Description of Previous Appropriations

In 2024 and 2025 the Governor recommended $3 million in general obligation bonds for this project.

Project Contact Person

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($ in thousands)

Renovation of Cottage Grove Readiness Center

AT A GLANCE

2026 Request Amount:	$16,019
Priority Ranking:	2
Project Summary:	$16.019 million in general obligation bonds to design and execute a complete renovation of the 55,000 SF existing facility and the construction of an addition to the National Guard Armory located in Cottage Grove MN. This project will modernize and improve the functionality of the facility to better accommodate the units assigned and extend the facility's usable life.

Project Description

This project will consist of bringing the facility up to current code and upgrading to energy efficient systems in a 100% complete renovation while addressing space requirements for assigned units. Work to include:

- Construct an addition to maximize operational efficiencies
- Construct a vestibule at main entrance
- Replace windows and exterior doors to meet force protection standards
- Replacement of boiler system, HVAC Controls, domestic hot water and plumbing fixtures
- Replacement of floor, wall and ceiling finishes and interior doors
- Insulate facility to current code
- Upgrade of latrines/locker rooms to include expansion of female latrines/locker rooms as needed
- Replacement of interior and exterior light fixtures to LED
- Additional data ports throughout the facility
- Replacement of electrical distribution system
- Repair as needed to roof, sidewalks, parking area and motor pool
- Install Solar PV array and geothermal system as applicable and if justified by return on investment
- Purchase new office furniture to better accommodate operations

Funding for this project will be 50/50 with matching federal funds.

Project Rationale

This facility was built in 1956 as a school and became a MNARNG facility in 1983. Completion of this project will extend the useful life of the facility until a replacement is built. The roof structure is failing

and requires complete replacement, meaning the entire roof will be removed, elevated, and replaced with steel structure. Facility does not have fire suppression. HVAC air is mixed in rooms rather than air handlers, and an earthen tunnel is conveying air to offices and classrooms. The facility is completely uninsulated on the perimeter walls and has failing mechanical, electrical and envelope components.

Project Timeline

N/A

Other Considerations

Request any remaining funds be made available for addressing maintenance backlogs on other state owned Dept of Military Affairs facilities.

Impact on Agency Operating Budgets

Project completion will reduce annual maintenance costs at the Cottage Grove Facility.

Description of Previous Appropriations

N/A

Project Contact Person

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($ in thousands)

Renovation of Duluth Readiness Center

AT A GLANCE

2026 Request Amount:	$6,021
Priority Ranking:	3
Project Summary:	$6.02 million in state bonded funds to conduct a complete renovation of the 43,000 SF National Guard Armory located in Duluth, MN. This project will modernize and improve the functionality of the facility to better accommodate the units assigned and extend the facility's usable life.

Project Description

This project will consist of bringing the facility up to current code and upgrading to energy efficient systems in a 100% complete renovation while addressing space requirements for assigned units. Work to include:

- Replace windows and exterior doors to meet force protection standards
- Replacement of boiler system, HVAC Controls, domestic hot water and plumbing fixtures
- Replacement/refinish of floor, wall and ceiling
- Upgrade of latrines/locker rooms to include expansion of female latrines/locker rooms as needed
- Expand arms vault to 600SF
- Insulate facility to current code
- Replacement of interior and exterior light fixtures to LED
- Additional data ports throughout the facility
- Replacement of electrical distribution system
- Construct an addition to address space requirements
- Repair as needed to sidewalks, parking area and motor pool
- Install Solar PV array and geothermal system as applicable and if justified by return on investment
- Purchase new office furniture

Funding for this project will be 50/50 with matching federal funds

Project Rationale

This facility was built in 1964 and has never had a comprehensive renovation completed. The current FCI score is 59. There are currently 116 Soldiers assigned to this facility with no plans to replace or abandon in the next 20 years. Completion of this project will extend and enhance the facility life and have the most favorable impact on 'quality of life' for the assigned Soldiers and the community of

Duluth.

Project Timeline

N/A

Other Considerations

Project funded with 50/50 federal funds

Request that remaining funds be available to address maintenance backlogs at other state owned Dept of Military Affairs facilities.

Impact on Agency Operating Budgets

No impact on operating budgets

Description of Previous Appropriations

N/A

Project Contact Person

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($ in thousands)

Addition and Renovation of Bloomington Readiness Center

AT A GLANCE

2026 Request Amount:	$13,000
Priority Ranking:	4
Project Summary:	$13 million in state bonded funds to design, construct a 10,000 SF addition and conduct a complete renovation of the existing 42,000 SF National Guard Armory located in Bloomington, MN. This project will modernize and improve the functionality of the facility to better accommodate the units assigned and extend the facility's usable life.

Project Description

This project will consist of bringing the facility up to current code and upgrading to energy efficient systems in a 100% complete renovation while addressing space requirements for assigned units. Work to include:

- Replacement of windows and exterior doors to meet force protection standards
- Replacement of boiler system, HVAC Controls, domestic hot water and plumbing fixtures
- Replacement/refinish of floor, wall and ceiling
- Upgrade of latrines/locker rooms to include expansion of female latrines/locker rooms as needed
- Expand arms vault to 600 SF
- Insulate facility to current code
- Replacement of interior and exterior light fixtures to LED
- Additional data ports throughout the facility
- Replacement of electrical distribution system
- Repairs as needed to roof, sidewalks, parking area and motor pool
- Install Solar PV array and geothermal system as applicable and if justified by return on investment
- Construct an 10,000 SF addition to better accommodate unit administrative and training requirements
- Purchase and install new office furniture

Funding for this project will be 50/50 with matching federal funds.

Project Rationale

This facility was built in 1985 and has never had a comprehensive renovation. The current FCI score rates the facility as poor. There are currently 311 Soldiers assigned to this facility with no plans to

replace or abandon in the next 20 years. Completion of this project will extend and enhance the facility life and have the most favorable impact on ‘quality of life’ for the assigned Soldiers and the community of Bloomington.

Project Timeline

N/A

Other Considerations

Project to be funded 50/50 with federal funds. The agency requests remaining funds be available to address maintenance backlogs on other state owned Department of Military Affairs facilities.

Impact on Agency Operating Budgets

No change to operating budget

Description of Previous Appropriations

N/A

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Minnesota State — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Higher Education Asset Preservation and Replacement (HEAPR)	1	GO	$ 200,000	$ 0	$ 0
Saint Paul College - Student Services and Classroom Renovation	2	GO	$ 35,300	$ 0	$ 0
Minnesota State University, Mankato - Armstrong Hall Replacement	3	GO	$ 96,900	$ 0	$ 0
Winona State University - Center for Interdisciplinary Collaboration, Engagement, and Learning	4	GO	$ 78,900	$ 0	$ 0
Rochester Community and Technical College - Heintz Center Renovation	5	GO	$ 14,400	$ 0	$ 0
Systemwide - Demolition	6	GF	$ 25,000	$ 0	$ 0
Systemwide - Learning Environment Renovations and Equipment	7	GO	$ 13,500	$ 0	$ 0
Total Project Requests			$ 464,000	$ 0	$ 0
General Obligation Bonds (GO) Total			$ 439,000	$ 0	$ 0
General Fund Cash (GF) Total			$ 25,000	$ 0	$ 0

($ in thousands)

Higher Education Asset Preservation and Replacement (HEAPR)

AT A GLANCE

2026 Request Amount:	$200,000
Priority Ranking:	1
Project Summary:	Minnesota State Colleges and Universities seeks $200 million in Higher Education Asset Preservation and Replacement (HEAPR) funding to renew existing facilities at its 54 campus locations. Funds are spent in accordance with Minnesota Statutes, section 135A.046 Asset Preservation and Replacement.

Project Description

Higher Education Asset Preservation and Replacement is a special category of State GO bond funding created by the Minnesota legislature. Funds are intended to preserve and renew existing campus facilities by supporting five categories of projects: Accessibility, Health and Safety (e.g. hazardous material abatement, building code compliance), Building Systems (e.g. exterior envelope, mechanical, and electrical systems), Energy Efficiency, and Infrastructure. HEAPR funds are used throughout the Minnesota State College and University system. Minnesota State regularly reports on the status of its HEAPR funding to Minnesota Management and Budget and the Legislature.

Project Rationale

HEAPR funds are essential to sustaining the mission and daily operations of Minnesota State's 33 colleges and universities. These funds directly support the health, safety, and functionality of campus environments—ensuring that students, faculty, staff, and visitors can learn, work, and thrive in facilities that are safe, accessible, and operationally sound.

Without continued and sustained reinvestment in our existing infrastructure, Minnesota State's ability to deliver high-quality, affordable education across the state will be compromised. Many of our buildings are decades old and face mounting maintenance needs. HEAPR is the only capital funding source dedicated to addressing these critical issues systemwide.

HEAPR investments are a fiscally responsible way to maximize the value of the State's past capital investments. By extending the useful life of existing buildings, HEAPR avoids the significantly higher costs of new construction. Renewing and preserving facilities is also more sustainable—reducing waste, conserving energy, and minimizing the carbon footprint of campus operations.

Each Minnesota State institution submits its highest-priority facility renewal needs for HEAPR consideration. Projects are prioritized using a data-driven approach that includes:

- Facility Condition Assessment (FCA) data, a comprehensive systemwide evaluation of building and infrastructure health
- Life-safety and code compliance needs
- Accessibility improvements
- Energy efficiency and sustainability upgrades
- Risk mitigation and operational continuity

This rigorous prioritization ensures that HEAPR funds are directed to the most urgent and impactful projects—those that protect life and property, reduce long-term costs, and preserve the learning environments that serve over 300,000 students annually.

In short, HEAPR is not just a maintenance program—it is a strategic reinvestment in Minnesota's public higher education infrastructure. It protects the state's assets, supports student success, and ensures that our campuses remain safe, functional, and competitive for generations to come.

Project Timeline

NA - project timelines vary by individual project.

Other Considerations

In 2024 Minnesota State has a 10-year Facility Condition Need of approximately $1.7 billion. This amount increases by approximately $150 million each year.

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

In some cases HEAPR may result in reductions in on-going maintenance costs on particularly problematic building systems and building envelopes.

Description of Previous Appropriations

HEAPR is Minnesota States first priority in each bonding request.

In 2020 Minnesota State received $46.347 million. It did not receive any funding in 2021 or 2022.

In 2023 Minnesota State received $44.733 million. It did not receive any funding in 2024.

in 2025 Minnesota State received $60.0 million, the largest amount it has received since 2002, when it also received $60.0 million.

Project Contact Person

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($ in thousands)

Saint Paul College - Student Services and Classroom Renovation

AT A GLANCE

2026 Request Amount:	$35,300
Priority Ranking:	2
Project Summary:	Minnesota State seeks $35.3 million for improvements at Saint Paul College. Funds will be used to renovate, furnish and equip existing campus spaces to improve student services and classrooms. The project demolishes the obsolete 13,000 GSF College Learning Center (CLC) building.

Project Description

The Academic Excellence project reorganizes and repurposes existing spaces for programs and services to make them easy to navigate, to break down barriers to access, and to support the people engaged most in student success. The project's goals:

- Renovate and reconfigure academic program areas to modernize them for new modalities. Optimize the size and capacity of each area to deliver programs effectively and efficiently. Create flexibility for changes in pedagogical approach and program delivery.
- Refresh the learning environments for growing academic programs in Health Services to attract students and sustain them to success.
- Develop student-centered spaces for Learning Communities on building levels 2, 3, and 4 that co-locate faculty offices and support space with study spaces, peer to peer tutoring, and a community space, displacing unused, over-sized and outdated computer labs on each floor.
- Create an integrated student services and student life hub located at the heart of the main level to provide streamlined access to student services combining on-line and in-person entry points for all students.
- Repurpose the underutilized and deficient theater space into a centralized student services area, co-locating functions such as financial aid, tuition, and the registrar for natural wayfinding. This will increase access to all student supports including broadened health and counseling services. Replace the original HVAC equipment (at the end of its useful life) serving the Theater zone.
- Develop a student activities area with a variety of collaboration spaces for gathering, collaboration on projects, events, and informal programs.
- Demolish the 13,000 GSF College Learning Center (CLC) building to fulfill campus planning for green space in the "front yard" of the campus and remove its significant maintenance backlog.

This project will reduce the campus maintenance backlog by more than half with renovation of classrooms, hallways, restrooms, stairs, and the food service kitchen for life safety, accessibility, and resource efficiency.

Project Rationale

The pandemic has exacerbated inequities, exposed existing barriers, and presented new barriers for some students. Student services and supports have been re-envisioned to remove those barriers to increase the persistence, satisfaction, and success of underserved students and those with diverse needs and learning styles. College enrollment is down now but building back steadily with the right programs and new technology in place. Lessons were learned in the pandemic to deliver virtual courses which will influence future content delivery models permanently. Saint Paul College student surveys suggest that a flexible approach that offers choices for virtual and on-site learning will allow students and teachers to judge the best delivery method for the content and for individualized success. The development of the Learning Communities fosters collaboration and a cross-program approach to teaching and learning. The integration of technology includes updating classrooms, labs, and learning spaces with tools to facilitate learning, including the technology needed to support HyFlex classes. HyFlex classes allow students to choose whether to attend classes face-to-face or online, synchronously or asynchronously. With synchronous HyFlex, in-person and remote students will be able to interact with their classmates and instructor.

Early indications suggest that the pandemic may also amplify interests in careers and programs that were trending before the pandemic, such as health-related and service fields, cyber-security, and IT. These are already strong offerings at Saint Paul College and are expected to cultivate the re-growth of student enrollment especially delivered with on-site and new hybrid models. As demographics shift away from traditional high school graduates and the Minnesota Department of Employment and Economic Development develops its projections for future worker needs, flexible academic program space for a variety of pedagogical approaches will accommodate new training requirements.

Project Timeline

Other Considerations

Saint Paul College continues to address deferred maintenance through operating funds to address fire code issues, ceiling, lighting, flooring replacement and other finish and technology enhancements. This has allowed the college to reduce the scope of the project compared to prior proposals. The service life of the mechanical units serving the Theater area is almost expended and replacement is included in this project. This capital request targets those areas that are more complex and challenging renovations which are beyond the college's ability to fund entirely from operating allocation.

Impact on Agency Operating Budgets

Saint Paul College has planned this project in a way that will not have a negative impact on the operating budget. There is no new square footage being added; instead, there is an overall reduction in total square footage along with reduced cleaning and maintenance costs by demolition of the CLC building. Upgrades to the HVAC system and addition of LED lighting, as well as renewable energy, will reduce operating costs for the college.

Description of Previous Appropriations

$1.671 million appropriated in 2023 for design.

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($ in thousands)

Minnesota State University, Mankato - Armstrong Hall Replacement

AT A GLANCE

2026 Request Amount:	$96,900
Priority Ranking:	3
Project Summary:	Minnesota State seeks $96.9 million for improvements at Minnesota State University Mankato. Funds will be used to demolish and replace Armstrong Hall– the most heavily used and worn-out classroom building on campus. Funds will also be used to renovate, furnish and equip existing space in other campus buildings to accommodate programs being relocated from the existing Armstrong Hall. Demolition of Armstrong Hall removes over $35M of deferred maintenance.

Project Description

The Armstrong Hall Replacement project is a phased design, construction, renovation, and future demolition project that results in a net reduction of campus space of 26,000 GSF. This 2026 request includes construction of approximately 118,000 GSF of new academic building and a small investment to stabilize the rapid deterioration of the existing Armstrong Hall and stage it for future demolition. The planning goal will include the renovation of existing campus space to completely vacate Armstrong Hall for demolition/site restoration. The demolition of Armstrong Hall (144,000 GSF) will result in removing over $35.3M of backlogged deferred maintenance.

The program includes a reduction in the general classroom inventory and private office spaces by over 30% each. The classroom reduction is achieved by implementation of new scheduling principles, right sizing of classrooms, and repurposing existing space. The office space reduction will be accomplished by utilizing shared office spaces and hoteling concepts. The classroom program is based on weekly classroom use of 32 weekly room hours. The number and sizes of the new classrooms will support the campus goals for increasing average class size and seat utilization.

Armstrong Hall is home to two of the six campus colleges: the College of Humanities and Social Sciences and the College of Education. All campus colleges, even those not housed in Armstrong Hall, utilize the general classrooms in the building. The building is home to 19 departments and centers that provide 94 degree and certificate programs as well as much of the general education requirements for all degree programs. Several of these programs contribute graduates for occupations on the list of high demand as defined by DEED, such as teachers, K12 special education, leadership, and counseling.

Project Rationale

Armstrong Hall, built in 1964, is 144,000 GSF and houses 48 of the 100 general classrooms and 19

academic departments and centers from two colleges. Armstrong Hall is known as the “workhorse” of the campus and nearly every student attends at least one class in Armstrong Hall on their path to graduation.

The building currently has an FCI of 0.49 and a deferred maintenance backlog of $34M. The campus has invested a significant amount of repair and asset preservation dollars to extend the life of existing systems. The size, scope, and cost to perform wholesale replacement has limited our ability to renew the facility. The result is 60-year-old building infrastructure that is quickly approaching end of life that will require extensive renovation and renewal work to remain code compliant and provide a healthy and productive teaching and learning environment.

In acknowledgement of the University’s need for this building, the campus has performed three prior predesigns which explored different approaches to deal with the outdated and worn-out facilities. In 2016, the University evaluated the concept of constructing a building addition and renovation of the existing building. This approach added too much square footage, cost too much and presented some difficult logistics to overcome. In 2018, the campus completed a second predesign to evaluate the concept of renovating the existing building only. This cost of the renovation project was estimated at $43,000,000 (total project cost) to address all deferred maintenance and make the building code compliant. The renewed Armstrong Hall would not adequately serve modern pedagogy. The existing building has narrow column spacing, lack of windows, and low floor to ceiling height making it a poor foundation for creating right sized, flexible learning spaces. When considering the investment and possible outcomes along with the complicated logistics of renovating such a high demand building, we have concluded the building is not worth the cost to renovate and would not serve today’s classroom pedagogy even if completely renewed. In 2020, a third predesign evaluated a comprehensive solution for Armstrong Hall which included a new, smaller building, and several renovation projects focused on existing underutilized space. The new building has a compact, efficient footprint that de-emphasizes the private office and opts for a more open workspace layout, provides new student spaces currently lacking in the existing Armstrong Hall and right sizes classrooms. These strategies, paired with better classroom utilization reduces the overall campus GSF.

The 2026 Predesign builds on the solution established in the 2020 Predesign and funded for design in 2023. While significant changes have occurred in educational delivery since 2020, The forward-thinking work that went into the 2020 predesign which provided for reduced office space, flexible, technology rich teaching spaces, and multi-purpose, flexible public spaces has allowed the proposed project to continue to fit the way the University works and learns today and into the future. While enrollment across other institutions has been in decline since 2020, Minnesota State Mankato’s enrollment has remained steady and does not affect the proposed solution.

Project Timeline

TBD

Other Considerations

There are several major deferred backlog items in Armstrong Hall, which need to be addressed to

continue to provide a safe working and learning environment.

- The HVAC system has interior lined insulated ductwork. The ductwork has been cleaned and coated with an encapsulating material several times; however, the insulation is deteriorating beneath the coating and continues to break loose. The duct may be beyond repair and could result in exposure to air quality complaints.
- The exterior stone window lintels are deteriorating and have resulted in cracked and spalling stone falling to the ground.
- The building is code deficient in both ADA compliant restrooms and total number of restroom fixtures.
- Substantial roof patching was completed in 2019 to alleviate significant roof leaks in a roofing system that has reached end of life.
- Galvanized waste lines are corroded and rusting from the inside out with failures resulting in raw sewage backing up into the lower level. These lines are in need of immediate replacement.

Armstrong Hall as a functional, well maintained classroom building has reached its end of life and action needs to be taken to replace it or invest millions of dollars to repair and renew it before undesired emergency repairs and significant reactive expenditures become necessary.

Impact on Agency Operating Budgets

The budget for ongoing building maintenance and operations will be positively impacted by this project. Once the new building construction and renovation work is completed, the annual repair costs will drop significantly due to Armstrong's current need of constant repair, this will allow the budget to refocus efforts on proactive maintenance of our other campus buildings.

With the combined effect of improved building efficiencies and addition of renewable energy, we expect the utility costs to drop by 70% or more (from approximately $200k to 60k).

Staffing requirements are expected to remain constant despite the reduction in square footage. Between the buildout in Clinical Sciences Building and the added activities and complexity of care in Memorial Library, the campus does not expect to reduce or add staff because of this project. Existing custodial maintenance and repair staff will be assigned to new areas in the new building, Clinical Sciences basement and re-distributed zones in Memorial Library.

Description of Previous Appropriations

$8,460,000 appropriated in 2023 bonding bill for design and minor remodeling.

Project Contact Person

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($ in thousands)

Winona State University - Center for Interdisciplinary Collaboration, Engagement, and Learning

AT A GLANCE

2026 Request Amount:	$78,900
Priority Ranking:	4
Project Summary:	Minnesota State seeks $78.9 million for improvements at Winona State University. Funds will be used to construct and equip a new academic building to demolish two obsolete buildings. The new building will house programs in the fields of Art & Design, Computer Science, and Mathematics & Statistics and provides new learning spaces, lab and studio spaces, student support spaces, and faculty workspaces that encourage innovation, creativity, collaboration, and experimentation.

Project Description

The new Center for Interdisciplinary Collaboration, Engagement, and Learning (CICEL) project will demolish and replace the obsolete Gildemeister and Watkins Hall and will co-locate programs in the fields of Art & Design, Computer Science, and Mathematics & Statistics in a collaborative, sustainable, and healthy environment.

The building's learning spaces will support a wide variety of learning styles and include active-learning classrooms, high-touch art/design and maker/fabrication studios, and high-tech and augmented reality labs. Each department will have a "home" that includes faculty and student collaboration space and faculty workspace. The building will also have shared common spaces for casual and group study, collaboration with local community and regional business partners, student and faculty research, and other campus and community events. Computer Science's IT infrastructure will provide connectivity and support to our Rochester campus.

By consolidating the building program into a single structure, the campus gains a new green space that bridges the academic core and residential zones of the campus. The project will establish a more inviting entry point leading to the academic core of the campus and this new green space.

This project will forward WSU's commitment to sustainability, resilience, and well-being. The design will promote health and well-being through daylighting, high-quality ventilation, elimination of harmful products and materials, and a focus on user comfort and satisfaction. The building will seek the International Living Future Institute's Living Building Challenge Zero Energy Certification and Core Green Building Certification. Additionally, construction materials and details will facilitate adaptability and change to ensure future usefulness and relevance.

Project Rationale

WSU's strategic plan, Winona 2035, advances three thematic pillars: The Warrior Way, The Warrior Edge, and The Warrior Shield that guide strategic decision-making, convey strategic priorities, and closely align with the Board of Trustees capital budget guidelines.

Preserve and maintain existing highly utilized academic and student support spaces - Gildemeister Hall and Watkins Hall are obsolete and cannot be reconfigured to create suitable spaces for modern learning needs. 95% of the building systems are in backlog or due for renewal. The interior layouts, fixtures, and finishes reflect pedagogy of the 1960's and no longer support the needs of our students and faculty. The new building will remove over $13 million in deferred maintenance and reduce building operating costs by 40%. Having spaces designed for current needs, and be adaptable for future needs, will increase building utilization for both scheduled and unscheduled learning activities.

Facilitate fulfilling the vision of Equity 2030 - This project will leverage the most recent knowledge of equitable design create learning, work, and social spaces designed for equity and access. Users from all backgrounds, cultures, and abilities will feel comfortable and welcome.

Improve energy and operating efficiencies to reduce operating expenses - Winona State University's 2022 Comprehensive Facility Plan has set a goal of carbon neutrality by 2050. Our recent on-campus installation of 1.0 MW of Solar PV and this CICEL project are key steps to reaching this goal. In addition to producing renewable energy and being net zero energy and carbon neutral, the building and site will be water balanced, low waste, and toxin free.

Create flexible classrooms and labs enabled with technology for various curriculum delivery -The project provides infrastructure necessary for a technology-enabled flexible curriculum that meets evolving industry standards and student learning needs. The modular classrooms and studios can be reconfigured for multiple teaching approaches, from traditional lectures to collaborative workshops. Spaces ranging from a painting studio to an AR/VR lab empower students to explore diverse media and techniques in real-time, bridging the gap between conceptual learning and real-world application

Respond to workforce demand from community and industry - Partners. The project positions WSU as the partner of choice for meeting Minnesota's workforce and community needs by creating innovative learning environments tailored to high-demand industries (such as design, IT, etc.) The building provides departments opportunities to expand their collaboration in the areas of bioinformatics, data visualization, design thinking, interactive design, and sustainability and to develop new programs of study. Internships and service projects are integrated into numerous programs of study. For example, the Software Testing and Development Lab, Statistical Testing Center, and Design Services hire students to work on business projects contracted by local and regional companies.

Enhance accessibility, environmental, health and safety compliance - Through pursuing the Zero Energy Building and a Core Green Building certifications the project will meet or exceed all current codes and standards.

Project Timeline

- Designer selection: 01/2024
- Design completion (100% CDs):12/2026
- Bidding: 01/2027 to 03/2027
- Start of construction: 05/2027
- Midpoint of construction: 05/2028
- Substantial completion:05/2029
- Occupancy date(s): 04/2029 to 07/2029

Other Considerations

Both Gildemeister and Watkins Halls are in critically poor condition with FCI ratings of 0.32 and 0.41, respectively. As the three departments serve such a significant percentage of WSU's students, the poor condition of these outdated facilities has impacted WSU's ability to recruit and enroll students and recruit and retain faculty and staff. Gildemeister and Watkins Halls do not meet the needs and expectations of today's and tomorrow's students, nor do they compete with facilities at peer institutions. Additionally, the constraints of the existing buildings limit development of new course offerings and growth of the departments. The physical condition of the buildings limits the type of courses that can safely be offered; this is particularly true in Art & Design and Computer Science where the equipment and materials used for instruction require specific infrastructure and environmental conditions.

Impact on Agency Operating Budgets

The predesign process diligently compared options for renovating the existing buildings, partial replacement, and renovation of an existing building, and constructing a new building. This analysis revealed that while the new building is marginally more expensive to build, it would greatly improve the quality and adaptability of space, be more capable of meeting WSU's sustainability goals, and reduce operating and maintenance costs. The additional initial investment in new construction will:

- Reduce operating costs by 40%
- Reduce maintenance backlog by $13 million
- Provide 50-year life cycle cost savings of more than $28 million

Description of Previous Appropriations

$4.866 million appropriated in 2023 for design.

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($ in thousands)

Rochester Community and Technical College - Heintz Center Renovation

AT A GLANCE

2026 Request Amount:	$14,400
Priority Ranking:	5
Project Summary:	Minnesota State seeks $14.4 million for improvements at Rochester Community and Technical College. Funds will be used to renovate, furnish and equip portions of the existing Heintz Center for high-demand Career and Technical Education (CTE) programs in Facility and Service Technology (FAST), Law Enforcement, CAD, and Welding Technology.

Project Description

The Heintz Center project at Rochester Community and Technical College (RCTC) will significantly renovate interior spaces to create welcoming and inclusive spaces to foster and increase diversity and enrollment in the college's high-demand Career and Technical Education (CTE) programs, better reflecting the City of Rochester's diversity.

Improvements will affect these programs: Facility and Service Technology (FAST), Law Enforcement, CAD, and Welding Technology, with inclusive support spaces.

Modernization will update A/V and IT technology (such as projection systems and wall-mounted monitors) for classrooms and labs; increase flexibility and adaptability to accommodate both active and traditional learning; and provide effective, more acoustically supportive environments. Additionally, existing roofs will be replaced over some of the remodeled spaces and HVAC systems in the project area will be renovated or replaced to provide a safe and comfortable environment. The existing translucent skylight system in the Commons and hallway areas will be replaced as well.

Further, improvements will increase visibility into and out of renovated spaces and make wayfinding more intuitive via open corridors with windows into labs. Daylight-infused spaces with overhead light monitors will support student and faculty well-being.

The project will "pull back the curtain" to put learning on display, de-mystify the work taking place in labs, and allow for passersby and prospective students to learn more about these programs without interrupting classes. By giving all students time to discover the technical programs at their own pace by situating formal learning spaces (labs) with informal learning (collaboration spaces), the project improvements will pique curiosity and create a more welcoming environment.

The project will make extensive use of existing equipment, mechanical systems, and existing spaces. Moving Law Enforcement will free up space for Facility and Service Technology (FAST) labs to improve adjacencies and right-size for better learning experiences. Existing mechanical systems will be used

with new ducting, where required, to all the spaces in the project.

Project Rationale

Students matriculating in RCTC trade programs do not demographically reflect the community at large. Black, Indigenous, and people of color (BIPOC) and immigrant students are under-represented in the trade programs, and the current physical environment creates challenges in attempting to attract a broad student population. There are no targeted services dedicated to student success and tutoring in the Heintz Center building. Furthermore, lab spaces are visually isolated from corridors, limiting prospective students' ability to informally observe and understand what these programs entail.

Over the years, the programs have not been able to maintain critical adjacencies nor maintain direct access to the exterior to receive/send materials essential to executing their work. In some cases, department spaces are spread throughout the building, affecting efficiency and a sense of departmental identity and continuity. Unassigned space is available in the building, presenting an opportunity for stronger adjacencies.

Wayfinding is challenging. Long corridors and windowless spaces result in compartmentalization and an undifferentiated physical environment which is disorienting and dehumanizing. First-time visitors might feel lost or unsure of where they are going. Aside from the Commons, there are few significant landmarks for students to get a sense of direction.

Most lab spaces are behind solid walls and doors in the current facility. This closed-off and highly compartmentalized environment can feel unwelcoming. When the only way to observe the work being completed is to enter the space, the chance to show prospective students, visitors, or those wishing to satisfy their curiosity is lost.

Students and faculty have been working in dated spaces that lack modern amenities, including technology, and that are too small for the class sizes. Students' needs are compromised by the dated facilities that limit progressive methodologies, like active learning, that leverage technology. There is no space to increase room size without a reconfiguration of the building plan.

Quite often, students and faculty do not have access to daylight in the deep spaces in the building due to a large building footprint. Aside from exterior walls with windows, the skylights in the Commons and one adjacent corridor are the only sources of daylight deep into the floor plate. This one-story building has potential for letting light into the deep recesses from above via light monitors.

Project Timeline

Other Considerations

Without this project, formal learning spaces such as labs and classrooms will continue to operate with outdated technology and increasingly fare poorly with competing community programs, including some high schools that have modern facilities.

The quality of learning will remain hindered by poor acoustics, crowded spaces, worn finishes, inadequate lighting and outmoded equipment. Some labs and classrooms will remain in windowless rooms deep within the building while other areas of the building that have windows will sit empty and unused.

The college will experience ongoing challenges trying to improve their reach to under-represented groups such as BIPOC, throwing the college's programs into stark contrast with the city's diversity overall.

Impact on Agency Operating Budgets

Replacement of existing lighting fixtures, HVAC systems, and roofing will result in energy and operational savings for the college.

Description of Previous Appropriations

$1.347 million appropriated in 2023 for design via General Fund Cash.

Project Contact Person

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Systemwide - Demolition

AT A GLANCE

2026 Request Amount:	$25,000
Priority Ranking:	6
Project Summary:	Minnesota State seeks $25 million from the general fund to demolish obsolete buildings across its system of 54 campuses. Funds will be used to demolish existing buildings and infrastructure, and to restore the vacant site to a usable state. The demolition of obsolete buildings reduces ongoing operations and maintenance costs, reduces future capital renewal costs, and reduces safety risks inherent in empty or underutilized buildings.

Project Description

Minnesota State seeks to implement a strategic demolition program to remove obsolete, underutilized, and high-cost buildings and infrastructure across its campuses. The requested $25 million in state funding will be used to demolish approximately 10 buildings totaling 500,000 square feet and to restore the resulting vacant sites to a safe, usable, and maintainable condition.

This initiative is a critical step in aligning Minnesota State's physical footprint with current and projected enrollment levels, academic programming, and long-term operational sustainability. It is also a proactive investment in campus modernization, safety, and financial stewardship.

Project Rationale

Minnesota State is currently overbuilt for its present and foreseeable future needs. Decades of enrollment shifts, evolving program delivery models, and deferred maintenance have left the system with a surplus of aging infrastructure that no longer serves students, faculty, or the communities we support. A multi-year demolition program is essential to right-size the system's physical plant and redirect limited resources toward high-value, high-use facilities.

The system has identified approximately 1.3 million square feet of obsolete space that could be removed if adequate funding is made available. These buildings are often vacant, functionally obsolete, or prohibitively expensive to renovate. Many do not meet modern accessibility, energy efficiency, or safety standards.

Maintaining decommissioned buildings imposes a growing financial burden. Even unused, these structures require basic upkeep, security, and insurance, contributing to an escalating backlog of deferred maintenance.

Beyond cost, these outdated facilities negatively impact campus aesthetics, safety, and competitiveness. Prospective students and families often judge a campus by its physical condition. Vacant or deteriorating buildings send the wrong message—one of decline rather than innovation and investment. In contrast, cleared and revitalized spaces can be repurposed for green space, outdoor learning, or future development aligned with institutional priorities.

This demolition program is not just about removing buildings—it's about removing barriers to progress. It will allow Minnesota State to:

- Reduce long-term operating and maintenance costs
- Improve campus safety and appearance
- Enhance recruitment and retention efforts
- Focus capital investments on high-impact, high-use facilities
- Support sustainability goals by eliminating energy-inefficient structures

Project Timeline

NA - project timelines vary by individual project.

Other Considerations

NA

Impact on Agency Operating Budgets

Demolition has a direct impact on campus operating budgets. Eliminating buildings reduces operations and maintenance costs and energy consumption as well as reducing deferred renewal backlog and the need for future capital investment. Actual savings and cost avoidance will vary by demolition project.

Description of Previous Appropriations

None

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($ in thousands)

Systemwide - Learning Environment Renovations and Equipment

AT A GLANCE

2026 Request Amount:	$13,500
Priority Ranking:	7
Project Summary:	Minnesota State seeks $13.5 million to invest in learning environments and equipment across its system of 54 campuses. Funds will be used to remodel existing spaces to support interactive, hands on, and applied learning across a wide variety of high demand fields.

Project Description

Minnesota State seeks to improve its teaching and learning spaces in high demand programs with opportunities to grow overall campus enrollment with the goal of providing students with state-of-the-art learning environments for career and technical education and applied research laboratories for interactive, hands-on, multi-disciplinary learning. The funds requested will be used to renovate and update facilities to create modern, collaborative learning spaces that reflect industry standards. Funds will prioritize simulation labs, workshop and garage upgrades, applied clinical learning spaces, industry certification and testing centers, and applied teaching laboratories.

Project Rationale

Minnesota State's current teaching and learning facilities—particularly those supporting career and technical education—are aging, outdated, and increasingly misaligned with the expectations of today's students and the needs of Minnesota's employers. Many of these spaces were designed decades ago and no longer reflect the technological sophistication or collaborative environments that define modern industry standards.

Our facilities are often less advanced than those found in Minnesota high schools, and they fall short when compared to peer institutions in neighboring states. This puts Minnesota State at a competitive disadvantage in attracting and retaining students, particularly in high-demand fields where hands-on, applied learning is essential.

Moreover, employers across Minnesota are seeking graduates who are trained in environments that mirror the tools, technologies, and workflows of the modern workplace. Our current infrastructure limits our ability to deliver that experience. Without investment in updated simulation labs, applied clinical spaces, and industry-aligned teaching laboratories, we risk falling behind in preparing the skilled workforce that drives Minnesota's economy.

This funding request is a strategic investment in the future of Minnesota's students, communities, and industries. It will enable us to transform obsolete facilities into dynamic, flexible, and high-tech

learning environments that support enrollment growth, workforce readiness, and economic development across the state.

Project Timeline

NA - project timelines vary by individual project.

Other Considerations

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

Description of Previous Appropriations

None

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Minnesota Zoo — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Asset Preservation	1	GO	$ 30,000	$ 15,000	$ 15,000
Animal Hospital	2	GO	$ 6,675	$ 0	$ 0
Total Project Requests			$ 36,675	$ 15,000	$ 15,000
General Obligation Bonds (GO) Total			$ 36,675	$ 15,000	$ 15,000

($ in thousands)

Asset Preservation

AT A GLANCE

2026 Request Amount:	$30,000
Priority Ranking:	1
Project Summary:	$30 million in GO bonds for asset preservation to maintain the Minnesota Zoo's nearly 50 year-old, 485-acre campus so it remains a world-class destination for people of all ages and abilities. The Zoo's deferred maintenance includes nearly a third of structures and over half of total square footage rated in crisis or poor condition. Significant investment is needed to mitigate major risks that, if not addressed, will endanger the public, Zoo staff and partners, and the animals in the Zoo's care.

Project Description

The Minnesota Zoo is nearly 50 years old, and the campus is rapidly aging. The Minnesota Zoo operates on the scale of a small city, with 485 acres of land, 123 structures, 6.5 miles of roads, 4.75 miles of pathways, 48 acres of parking lots, and 25 miles of fencing. Like a city, the Zoo maintains and operates its own underground utilities such as sewer, water supply, and stormwater systems, as well as its own heat plant and backup generators. Above ground, animal exhibits and holding facilities require complex air handling and life support systems to ensure animal welfare.

Priorities for asset preservation during the next biennium include:

- Overhaul one of two high-pressure hot water boilers powering the Zoo's central heating plant that provides safe temperature conditions for sensitive animal species and for comfort of guests, staff, contractors, and volunteers. The other boiler already failed and was overhauled last summer. The remaining boiler must be overhauled to avoid a similar failure. Both boilers are 45 years old and at industry-recommended end-of-life. The Zoo cannot operate safely through the heating season without both boilers operational.
- Upgrade perimeter and carnivore fencing that is old and increasingly compromised by storm damage. Replacing fences and netting at tiger and leopard exhibits with newer technology is necessary to ensure continued containment of dangerous carnivores. Secure primary and secondary containment fences are required to maintain USDA licensure to exhibit wild animals and keep the public safe. Without this licensure, the Zoo could not remain open to the public.
- Renovations to deteriorating buildings including roof replacement, masonry veneer repair/replacement, and other structural problems to bring numerous buildings from the critical or poor facility condition categories up to fair or better, to ensure the buildings are safe and secure for animals, guests, staff, volunteers, and partners.
- Bridge renovation to replace deteriorated decking and safety railing systems that are beyond their useful life and will soon be unable to sufficiently protect the public from dangerous falls. Particular

areas of focus are bridges over the camel exhibit and the main lake.

- Replace remaining delaminated skylight glass and deteriorated reflector panels on the Tropics Building roof that are past their useful life and pose safety risks.
- Replace mechanical, electrical, plumbing systems, and civil infrastructure that have aged beyond their useful life and are prone to costly and dangerous failures, including water pipes, sewer systems, site lighting, HVAC systems, fire suppression systems, and life support systems, etc.
- Upgrade the obsolete HVAC and life support monitoring and control system that will no longer be supported by the manufacturer. A modern monitoring and control system is vital to ensuring Zoo staff can take action to prevent sudden temperature changes and other hazardous conditions from endangering the lives of animals or causing discomfort for guests, staff, volunteers, and contractors.
- ADA accessibility improvements to address issues identified through accessibility audits and feedback from guests, staff, and volunteers. Renovations to meet current accessibility standards is critical to the Zoo's efforts to be welcoming to all people.
- Extend the useful life of animal exhibits through substantial renovation to meet modern animal welfare standards, address animal and staff safety issues, and improve the viewing experience for guests.
- Replace asphalt and concrete that are past their useful life and pose safety hazards to pedestrians and vehicles and/or allow damaging water intrusion into below-ground building spaces.

Project Rationale

Asset preservation appropriations are vital to maintaining this important state asset for future generations of Zoo guests. According to the recent Facility Condition Assessment Report issued by the Minnesota Department of Administration (2024):

- Zoo facilities rated the third worst in deferred maintenance as a percentage of replacement value among all state agencies managing more than 10,000 sq. feet of building space.
- The Zoo’s total deferred maintenance exceeds $67 million, which is nearly forty percent of the full replacement value of all Zoo facilities.
- Nearly one-third of the Zoo’s structures—encompassing more than half the Zoo’s square footage—are rated in crisis or poor condition.

Significant asset preservation appropriations are necessary to mitigate major risks that if not addressed will endanger the public, Zoo staff and partners, and the animals in our care.

Project Timeline

Asset preservation funding will be spent during the four-year timeframe of the appropriation.

Other Considerations

Impact on Agency Operating Budgets

Asset preservation projects support a sustainable business model for the Minnesota Zoo. More efficient building systems reduce utility and repair bills. Timely infrastructure improvements prevent costly failures and downtime, which are straining Zoo budgets and operations. Renovating and

retrofitting existing spaces makes staff more efficient and improves the guest experience – both of which are vital to generating revenue and controlling costs. The majority the Zoo's operating budget is earned through admissions, membership, education, and contributions. Supporting a positive guest experience through maintaining the Zoo's campus is essential to the Zoo's continued operation.

Description of Previous Appropriations

2025 - $2.74 million

2023 - $16.8 million total of which $15.12 million is for lakeside plaza replacement

2020 - $13 million total of which $11 million is for Treetop Trail

2018 - $6 million

2017 - $4 million

2014 - $7 million

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($ in thousands)

Animal Hospital

AT A GLANCE

2026 Request Amount:	$6,675
Priority Ranking:	2
Project Summary:	Build a new animal hospital to support modern veterinary technology, best animal care practices, and safer working conditions, replacing the outdated 1975 facility. This critical investment will uphold the Zoo's commitment to animal welfare while advancing STEM education, scientific research, and veterinary medicine through expanded partnerships.

Project Description

This urgent project will address critical deficiencies in the Zoo's current facility including lack of biosecurity, risk of animal escapes during transport, and inability to support modern veterinary practices. This project will provide for modern veterinary technology, best animal care practices, and safer, more efficient working conditions by building a new hospital at the Minnesota Zoo that incorporates:

- an ambulance bay for safe animal transport;
- an intensive care unit for small and large animals housed at the Zoo;
- an animal surgical suite and aseptic holding facilities for large animal species;
- modern radiology capabilities;
- facilities to advance STEM education, scientific research, and the veterinary medical profession;
- medical equipment storage area;
- dedicated nutrition and pharmacy spaces; and
- improved biosecurity control and patient isolation capacity.

Project Rationale

Built in 1975, the current facility no longer meets modern veterinary standards or the needs of 5,000 animals; a recent study confirmed that building a new hospital is the most effective and cost-efficient solution to ensure high-quality care and support the Zoo’s future. The Zoo received $11M of the $17.675M of remaining funding needed for a new animal hospital and is requesting the remaining funds of $6.675M in 2026 to ensure that a complete facility can be built.

Project Timeline

Pre-design - completed in August 2024

Design - complete in mid-2026

Construction - complete by end of calendar year 2027

Other Considerations

The Minnesota Zoo Foundation, the Zoo's nonprofit fundraising partner, has launched a private capital campaign to raise matching funds for the animal hospital project. The campaign has already raised $9.7 million toward total anticipated private support of $10.8 million for the project. Appropriating state funds is critical to maintain momentum for the private capital campaign.

Impact on Agency Operating Budgets

This project supports a sustainable business model by ensuring appropriate preventive and acute veterinary care for the Zoo's animal collection in a hospital environment that is safe and efficient for veterinary staff. The Zoo funds the majority of its operating costs through earned and contributed revenue sources such as admissions, membership, program fees, and private donations.

Description of Previous Appropriations

$1,225,000 in 2023 to design a new or renovated animal hospital building at the Minnesota Zoological Garden

$11,000,000 in 2025 to design, construct, furnish, and equip a new animal hospital building at the Minnesota Zoological Garden

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Natural Resources — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Natural Resources Asset Preservation	1	GO	$ 203,000	$ 203,000	$ 203,000
Natural Resources Betterment of Buildings	2	GO	$ 43,000	$ 43,000	$ 43,000
Natural Resources Acquisition and Betterment of Public Lands	3	GO	$ 29,000	$ 29,000	$ 29,000
Aviation Infrastructure	4	GO	$ 16,000	$ 0	$ 0
Improving Accessibility of DNR-Managed Lands and Facilities	5	GO	$ 10,000	$ 10,000	$ 10,000
Dam Safety Repair, Reconstruction or Removal	6	GO	$ 10,000	$ 10,000	$ 10,000
Flood Hazard Mitigation Grant Assistance Program	7	GO	$ 45,000	$ 45,000	$ 45,000
Parks and Trails Local and Regional Grant Program	8	GO	$ 3,000	$ 3,000	$ 3,000
Total Project Requests			$ 359,000	$ 343,000	$ 343,000
General Obligation Bonds (GO) Total			$ 359,000	$ 343,000	$ 343,000

($ in thousands)

Natural Resources Asset Preservation

AT A GLANCE

2026 Request Amount:	$203,000
Priority Ranking:	1
Project Summary:	$203 million in GO bonds for repair or renovation of degraded or failing capital assets (including buildings, roads, trails, public water accesses, bridges, recreational facilities and more) to ensure they are safe and functional for the recreating public, support the conservation of Minnesota's natural resources, and preserve the state's investment in its capital assets.

Project Description

The Minnesota Department of Natural Resources (DNR) requests $203 million for Natural Resources Asset Preservation (NRAP) under M.S. 84.946 to address the following high-priority needs:

- **Buildings:** $70 million for repair and deferred maintenance of existing buildings, particularly to bring crisis or poor buildings and building components up to acceptable or better condition. Special focus will be paid to safety, accessibility, and operational efficiency.
- **Water and Wastewater Systems:** $12 million to address aging, failing and substandard water and wastewater infrastructure statewide, including at our most heavily used state parks such as Itasca and Lake Bemidji state parks.
- **Roads, Trails, and Bridges:** $42 million to provide critical repair and renewal of poor-condition and failing roads, trails, culverts, and bridges on state public lands. DNR-managed roads provide essential access to state forests, parks, recreation areas, wildlife management areas, and private lands—supporting outdoor recreation, economic activity, and emergency response. State trails, which see about 2 million visitors annually, offer affordable outdoor recreation.
- **Public Water Access Sites (PWAs) and Lake Superior Small Craft Harbors:** $12 million to continue to rehabilitate Minnesota's public water accesses and harbors to make them accessible to all users, meet the needs of modern vessels (both motorized and paddle sports), improve protection of public waters from stormwater runoff and invasive species, and enhance resilience from more frequent storm events.
- **Water Control Structures:** $10 million to repair or replace deteriorating water control structures that provide waterfowl habitat and support fisheries on key shallow lakes and wetlands across Minnesota.
- **Campsites, Group Camps, Shower Buildings, Day Use Areas, and Vault Toilets:** $47 million to address deferred maintenance and meet the changing needs of the public by refurbishing campgrounds, group camps, shower buildings, day use areas, and vault toilets in state parks, recreation areas, and forest campgrounds.

- **Hatcheries:** $10 million for critical repairs to fish hatchery facilities that support conservation, outdoor recreation, tourism, and rural economies.

Project Rationale

The DNR manages $4.36 billion in built assets - facilities and infrastructure that span every Minnesota county. DNR-managed lands, buildings, facilities, and infrastructure are part of the fabric of communities. These assets help to connect Minnesotans with the outdoors, support local and statewide economies, conserve natural resources, and enhance quality of life. Stewardship of these assets requires ongoing repair, renovation, and replacement.

Two complementary components of DNR's overall bonding request support this stewardship: NRAP, which funds repair, renovation, and like-for-like replacement of existing capital assets; and "Betterment of Buildings," which funds major improvements, expansion, and new construction to address buildings that no longer meet current needs. Together, these programs target critical preservation, renewal, and modernization needs.

The growing list of deferred maintenance (currently estimated to total $789 million) poses considerable risk to the safety and usability of DNR-managed assets, and the public benefits they provide. Significant NRAP investment is essential to address this risk. As DNR addresses asset preservation, the agency also upgrades to today's standards and best practices, whether that be accessibility, energy efficiency, or climate resiliency, thereby enabling the DNR to better serve all Minnesotans into the future.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

The DNR's asset preservation needs are further documented in the most recent DNR 10-Year Capital Asset Need report (mndnr.gov/reports).

Impact on Agency Operating Budgets

This request does not require additional operating funds. Addressing agency asset preservation needs in a timely manner prevents more costly repairs in the future. Operating funds may be needed for capital repairs if future bonding appropriations are insufficient.

Description of Previous Appropriations

L2025, 1st Spec. Sess. Ch. 15 – Bond, Asset Preservation $33,000,000

L2023, Ch. 72 - Bond, Asset Preservation $36,000,000

L2020, 5th Spec. Sess. Ch. 3 - Bond, Asset Preservation $20,000,000

L2019 Ch. 2 - Bond, Asset Preservation, $3,419,000

L2018 Ch. 214 - Bond, Asset Preservation, $26,581,000

L2017, 1st Spec. Sess. Ch. 8 - Bond, Asset Preservation, $15,000,000

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($ in thousands)

Natural Resources Betterment of Buildings

AT A GLANCE

2026 Request Amount:	$43,000
Priority Ranking:	2
Project Summary:	$43 million in GO bonds to modernize or replace existing facilities and invest in new facilities to better serve all Minnesotans.

Project Description

The Minnesota Department of Natural Resources (DNR) requests $43 million to acquire, construct, and improve buildings under M.S. 86A.12. The request will support significant modernization and enhancement efforts including:

- Replacing or significantly enhancing DNR offices and storage facilities to improve accessibility, staff safety, public service, and operational effectiveness;
- Designing a new St. Paul Fish Hatchery to replace the existing facility, which was last updated in the 1980's;
- Completing the construction of a new seed extractory, packing house and cooler, and office expansion and remodel at the State Forest Nursery facility at Badoura; and,
- Constructing new or significantly modernized/enhanced visitor centers, picnic shelters, trail center facilities, camper cabins, and campground shower buildings at state parks and recreation areas.

Project Rationale

The DNR manages built assets valued at $4.36 billion for the benefit of all Minnesotans. This infrastructure, which spans every Minnesota county and reflects generations of investment, connects Minnesotans with the outdoors, supports community prosperity, conserves our natural heritage, and contributes to our quality of life.

Funding for Betterment of Buildings is a critical complement to funding for Natural Resources Asset Preservation (NRAP). NRAP funding addresses the backlog of deferred maintenance that affects the safety, usability, and effectiveness of DNR-managed facilities and infrastructure. "Betterment" funding allows for substantial improvements or additions to, or replacement of, buildings that fail to meet current needs or have reached the end of their useful life, and construction of new buildings essential to advancing the DNR's mission.

The growing list of renewal and replacement needs poses considerable risk to the public benefits provided by DNR-managed assets, including rearing fish for stocking Minnesota lakes and streams, growing trees for reforestation and forest/woodlot enhancements, serving the public at DNR offices, and providing high-quality outdoor recreation opportunities.

Renewal and replacement of DNR-managed buildings also reduces operating costs and enhances public value by replacing antiquated buildings with ones that require less energy and water to operate, have greater safety features, provide better access to all Minnesotans, and require significantly less maintenance now and into the future.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

When determining building needs, the DNR looks for opportunities to consolidate uses to promote efficient use of space and reduce long-term operating costs (example: co-located offices or storage).

Impact on Agency Operating Budgets

Betterment of Buildings activities have been funded through capital investments before and this proposal is not expected to result in new impacts on operating budgets. Addressing agency capital asset needs in a timely manner prevents more costly repairs in the future. Operating funds may be needed for capital repairs if future bonding appropriations are insufficient.

Description of Previous Appropriations

L2023, Ch. 72 - Bond, Buildings, $30,000,000

L2018, Ch. 214 - Bond, Buildings, $6,000,000

Project Contact Person

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($ in thousands)

Natural Resources Acquisition and Betterment of Public Lands

AT A GLANCE

2026 Request Amount:	$29,000
Priority Ranking:	3
Project Summary:	$29 million in GO bonds to acquire and better public lands in order to conserve Minnesota's natural resources, enrich outdoor recreational opportunities, and provide for sustainable commercial uses of natural resources.

Project Description

The Minnesota Department of Natural Resources (DNR) requests $29 million to acquire and improve DNR-managed public lands under M.S. 86A.12.

Acquisition: $13 million is requested to acquire, either in fee or through easements:

- High-priority parcels for Wildlife Management Areas (WMAs) and Aquatic Management Areas (AMAs).
- Strategic in-holdings for state parks and recreation areas, and high-priority parcels for state trails, and public water accesses.
- Forested parcels currently in private ownership that might otherwise be converted to non-forest uses.

Betterment of Public Lands: $16 million is requested to improve public lands, including:

- Reforestation after timber harvests, forest pest outbreaks, and storms/wildfires.
- Forest stand improvement projects to enhance species diversity, resilience, wildlife habitat, water quality benefits, and economic value.
- Renewal and replacement of campgrounds and day-use areas and development of new campgrounds or campground loops to meet the needs of current and future users. This includes adding new tenting and group campsites, adding amenities such as larger campsites and increased capacity for RV camping at existing campgrounds, adding or enhancing campground electrical connections and dump stations for recreational vehicles (RVs), and building trailheads.

Project Rationale

Minnesota’s public lands are vital to the health and wellbeing of the state. They provide opportunities for those of all incomes and abilities to connect with and enjoy the benefits of the outdoors, and they contribute to the health of local economies. Continued investment is needed both to maintain the rich outdoor resources Minnesotans currently enjoy and to ensure the state’s public lands meet the

needs of a growing and changing population. Investment is also needed to help ensure Minnesota's natural systems are resilient to the effects of climate change and other large-scale landscape impacts.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

DNR evaluates acquisitions using department-wide Strategic Land Asset Management (SLAM) goals, as well as division- and program-specific goals for Forestry, Parks and Trails, Fish and Wildlife and Ecological and Water Resources. DNR's department-wide land acquisition goals are to:

- Increase close-to-home outdoor recreation opportunities
- Protect significant and/or rare natural resources
- Restore and protect water resources
- Mitigate and adapt to climate change
- Expand access to existing land holdings
- Consolidate land ownership, creating larger, contiguous blocks of DNR lands

Impact on Agency Operating Budgets

Land acquisitions can impact operating budgets. Acquiring in-holdings may increase operating efficiency by consolidating ownership and reducing boundary and trespass issues. Some acquisitions may result in development of new facilities in the future, which could increase operating costs. Campground expansions may increase operating costs but also expand revenue collected from camping fees.

Description of Previous Appropriations

L2025, 1st Spec. Sess. Ch. 15 – Bond, Reforestation, $1,000,000

L2023, Ch. 72 – General Fund, Acquisition and Betterment of Public Lands, $2,500,000

L2023, Ch. 72 - Bond, Reforestation, $6,000,000

L2020, 5th Spec. Sess. Ch. 3 - Bond, Forests for the Future (i.e., easement acquisitions), $1,000,000

L2018, Ch. 214 - Bond, Reforestation, $3,000,000

L2017, 1st Spec. Sess. Ch. 8 - Bond, Reforestation, $1,000,000

L2017, 1st Spec. Sess. Ch. 8 - Bond, Parks and Trails, $14,548,000

L2017, 1st Spec. Sess. Ch. 8 - Bond, St. Paul Invasive Tree Pests, $1,500,000

Project Contact Person

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Aviation Infrastructure

AT A GLANCE

2026 Request Amount:	$16,000
Priority Ranking:	4
Project Summary:	$16 million in GO bonds to modernize aviation infrastructure in Brainerd that supports effective response to wildfires, law enforcement response and search and rescue operations, and other safety and natural resource management needs.

Project Description

The Minnesota Department of Natural Resources (DNR) proposes critical infrastructure upgrades to modernize its aviation facilities at the Brainerd Regional Airport. The project includes replacing outdated modular units and sheds with a new wildfire and emergency response operations center, rebuilding deteriorated aircraft parking and airtanker loading area pavement, and consolidating three leased hangars into a single, purpose-built facility that better meets the need for secure storage and work areas. These improvements will enhance efficiency, coordination, and effectiveness in emergency response and natural resource management.

Project Rationale

DNR aviation units, based in the divisions of Forestry and Enforcement, are vital to the state's wildfire and emergency response operations. The aviation unit in Brainerd is strategically located to support wildfire and emergency response needs in Central Minnesota and is the primary base for large airtanker operations in the region.

DNR aviation teams respond to wildfires, floods, windstorms, and winter storm damage on state-administered lands. They provide critical initial attack and surveillance for wildfire suppression, support law enforcement activities, conduct search and rescue, and transport medical and first responder personnel to remote areas inaccessible by road—often saving lives and bolstering public safety in critical moments. Beyond emergency response, DNR's aviation fleet supports a wide range of natural resource management tasks across Minnesota including wildlife surveys, forest health assessments, fish stocking, invasive species control, and supply transport.

Airtanker bases, hangars, and helibase facilities must be secure, safe, energy efficient, and provide the space needed for dispatch and operations personnel, aircraft, pilots, and crews to support effective response to wildfires and other emergency response and public safety needs on state lands. With a long track record of serving Minnesotans and protecting natural resources, the DNR's aviation program now faces constraints from aging and inefficient infrastructure. Investing in aviation facilities is essential to maintaining rapid response capabilities, safeguarding valuable equipment, and ensuring

long-term program sustainability. This project will continue the effort to modernize aviation infrastructure that began with the replacement of the airplane ramp in Hibbing, Minnesota.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

The DNR is working with the Brainerd Lakes Regional Airport Commission on this project and may grant the commission funds to execute construction.

Impact on Agency Operating Budgets

This request does not require additional operating funds. This project is expected to reduce operating expenses by reducing hangar rental fees and improving building weatherization.

Description of Previous Appropriations

L2023, Ch. 72 - Bond, Wildfire Aviation Infrastructure, $6,360,000

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($ in thousands)

Improving Accessibility of DNR-Managed Lands and Facilities

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	5
Project Summary:	$10 million in GO bonds to comprehensively improve the accessibility of DNR-managed lands and facilities to Minnesotans of all abilities.

Project Description

The Minnesota Department of Natural Resources (DNR) requests $10 million to comprehensively improve the accessibility of state-managed lands and facilities to Minnesotans of all abilities. The funding will enable the DNR to complete accessibility improvements to high-use state parks and recreation areas, as well as high-visitation wildlife management areas (WMAs) and aquatic management areas (AMAs). Improving accessibility at DNR-managed facilities and public lands enhances the experience of all users and advances the DNR's strategic priorities of connecting people to the outdoors and expanding diversity, equity, and inclusion.

Project Rationale

Many DNR buildings and facilities are more than 50 years old and were built before the advent of state and federal accessibility standards. While recent renovations and construction projects meet these standards, the project-by-project approach to addressing accessibility needs has resulted in a "patchwork quilt" of accessible and not-yet-accessible features across DNR-managed state parks, recreation areas, WMAs, and AMAs. As a result, visitors with disabilities can enjoy certain components of a site, but not an accessible experience.

The DNR has been partnering with the Minnesota Council on Disability and others to identify opportunities to more comprehensively enhance accessibility at public lands and facilities. This project will build on recent successes, such as the comprehensive accessibility improvements completed at William O'Brien State Park in 2025. It will provide for more accessible experiences across the state so that all Minnesotans can enjoy public lands and facilities in their entirety.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

Enhanced accessibility opens outdoor experiences to people with disabilities and improves access and experience for people of all abilities.

Impact on Agency Operating Budgets

Investments that increase accessibility have been funded through capital investments for many years

and this proposal is not expected to result in new impacts on operating budgets.

Description of Previous Appropriations

L2025, 1st Spec. Sess. Ch. 15 – Bond, $1,000,000

L2023, Ch. 72 – Bond, $1,200,000

L2020, 5th Spec. Sess. Ch. 3 - Bond $3,000,000

L2018, Ch. 214, Bond, $500,000

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($ in thousands)

Dam Safety Repair, Reconstruction or Removal

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	6
Project Summary:	$10 million in GO bonds for repair, modification, or removal of public dams to 1) prevent public safety hazards, 2) maintain structural integrity, 3) regulate water levels on recreational lakes, and 4) improve fish and wildlife habitat, water quality, water availability and recreational value.

Project Description

This request supports the DNR's Dam Safety Program, which was established under M.S. 103G.511 to manage Minnesota's public dam infrastructure. The program provides design, engineering, and construction assistance to repair, reconstruct, or remove dams, and to respond to dam safety emergencies. Minnesota's public dam infrastructure includes nearly 650 dams owned by the state, counties, cities, and watershed districts. The state owns more than 300 of these public dams.

This request will support the repair or removal of approximately the top five DNR-managed dams and top six locally owned dams identified on the Dam Safety Project Priority List*. About 10 percent of the request will be reserved for emergencies. Prior to the end of the funding window, unspent emergency funds will be used for the next highest priority projects identified on the Dam Safety Project Priority List.

* The DNR prepares the Dam Safety Project Priority List as directed by M.S. 103G.511, subd 12.

Project Rationale

Most public dams are over 50 years old. Capital investment funding is needed to repair, modify, reconstruct, or remove these aging dams to 1) prevent public safety hazards, 2) maintain structural integrity, 3) regulate water levels on recreational lakes, and 4) improve fish and wildlife habitat, water quality, water availability, and recreational value. Emergency repairs also must be made when extreme weather events or emerging structural challenges affect integrity or safety.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

As a part of the Dam Safety Program, every other year the DNR develops and submits to the legislature a Dam Safety Project Priority List. This list, along with the maintenance needs identified in the DNR's 10-Year Capital Asset Need Report, informs each capital request for dam safety repair,

reconstruction, and removal.

Impact on Agency Operating Budgets

The Dam Safety Program has been funded by capital investments for many years and is not expected to result in new impacts on operating budgets.

Description of Previous Appropriations

L2023, Ch. 72 – Bond, $4,000,000

L2020, 5th Spec. Sess. Ch. 3 - Bond, $20,000,000

L2017, 1st Spec. Sess. Ch. 8 - Bond, $9,400,000

Project Contact Person

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($ in thousands)

Flood Hazard Mitigation Grant Assistance Program

AT A GLANCE

2026 Request Amount:	$45,000
Priority Ranking:	7
Project Summary:	$45 million in GO bonds for cost-share grants to local governments, including cities, counties, and watershed districts, for projects that reduce flood risk. Projects range from purchasing and removing damaged and at-risk residential structures from the floodplain to constructing levees, pumping stations, and multi-purpose flood impoundments.

Project Description

The Minnesota Department of Natural Resources (DNR) requests $45 million for Flood Hazard Mitigation Grant Assistance Program grants, established in M.S. 103F.161. These funds provide cost-share grants to local governments to support projects that reduce flood risk in communities across the state. Types of projects include the construction of levees, pumping stations, and multi-purpose flood impoundments, and the purchase and removal of flood-damaged and at-risk residential structures. The DNR has approximately $125 million in project applications from cities, counties, watershed districts, and other public entities awaiting funding. This request will help support the highest priority projects, based on the nine funding considerations detailed in statute.

Project Rationale

Minnesota's investments in flood mitigation have resulted in a more flood-resilient state, and significantly decreased emergency flood response, economic impacts, and recovery costs. However, even with the significant progress that has been made, flood risks remain. Land use changes and increased intensity and frequency of storm events have only expanded the need for continued, robust program funding to enhance the resilience of Minnesota communities.

Flood mitigation is also cost effective. A 2017 study by the National Institute of Building Sciences shows it is estimated that every $1 spent on flood mitigation avoids $7 in future damages.

Project Timeline

The projects will be completed within the given time frame.

Other Considerations

Past appropriations for the Flood Hazard Mitigation Grant Assistance Program have leveraged significant federal and local dollars, considerably reducing Minnesota's vulnerability to both the safety and economic impacts of floods.

Impact on Agency Operating Budgets

The Flood Hazard Mitigation Grant Assistance Program has been funded by capital investment for many years and is not expected to result in new impacts on operating budgets.

Description of Previous Appropriations

L2025, 1st Spec. Sess. Ch. 15 – Bond, $9,000,000

L2023, Ch. 72 – Bond, $34,300,000

L2023, Ch. 72 – General Fund, $21,115,000

L2020, 5th Spec. Sess. Ch. 3 - Bond, $17,000,000

L2018, Ch. 214 - Bond, $20,000,000

L2017, 1st Spec. Sess. Ch. 8 - Bond, $11,555,000

L2015, 1st Spec. Sess. Ch. 5 - Bond, $23,549,000

L2015, 1st Spec. Sess. Ch. 5 - Bond, $2,515,000 (Disaster)

L2015, 1st Spec. Sess. Ch. 5 - General Fund, $500,000 (Disaster)

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($ in thousands)

Parks and Trails Local and Regional Grant Program

AT A GLANCE

2026 Request Amount:	$3,000
Priority Ranking:	8
Project Summary:	$3 million in GO bonds to provide competitive grants to local governments for acquisition and development of local parks and trails across the state.

Project Description

The Minnesota Department of Natural Resources (DNR) requests $3 million to provide competitive grants to local governments for acquisition and development of regional or local parks, trails, and natural and scenic areas across the state. These funds will support existing park and trail grant programs established in M.S. 85.019:

- Outdoor Recreation Grant Program: $1.5 million to help local governments acquire, develop and/or redevelop close-to-home outdoor recreation facilities.
- Natural and Scenic Area Grant Program: $500,000 to help local governments and school districts acquire and protect natural and scenic areas statewide.
- Local Trail Connections Grant Program: $500,000 to provide grants to local units of government to acquire and develop trail connections to residential areas, schools, workplaces, community centers, recreation areas, trails, and parks.
- Regional Trail Grant Program: $500,000 to provide grants to local units of government for acquisition and development of regional trails outside of the metropolitan area.

Project Rationale

This project supports Minnesota's communities by helping to ensure public access to a high-quality system of local and regional parks, trails, and natural and scenic areas. Connecting people to the outdoors is a DNR strategic priority that is critical to enhancing community health and wellness. Pass-through funding for local and regional parks and trails projects further fosters connections of children and families to the outdoors.

Project Timeline

The project will be completed within the given time frame.

Other Considerations

While Lottery-in-Lieu, Environment and Natural Resources Trust Fund, and General Fund appropriations have provided pass-through resources for local and regional parks and trails grants in recent years, the demand for funding is significantly greater than the available funds.

Impact on Agency Operating Budgets

The Parks and Trails Local and Regional Grant Program is an existing, pass-through grant program and additional capital investment in the program will not result in new impacts on the DNR's operating budgets.

Description of Previous Appropriations

L2023, Ch. 72 – Bond, $2,000,000

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Perpich Center for Arts Education — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Asset Preservation	1	GO	$ 6,000	$ 6,000	$ 6,000
Perpich Center Building Improvements Predesign	2	GO	$ 150	$ 0	$ 0
Total Project Requests			$ 6,150	$ 6,000	$ 6,000
General Obligation Bonds (GO) Total			$ 6,150	$ 6,000	$ 6,000

Perpich Center for Arts Education — Project Narrative

($ in thousands)

Asset Preservation

AT A GLANCE

2026 Request Amount:	$6,000
Priority Ranking:	1
Project Summary:	Perpich Center requests $6 million in general obligation bonds for asset preservation for improvements and betterments of a capital nature of state buildings and building system equipment.

Project Description

Perpich Center requests $6 million for asset preservation to address deferred maintenance needs. Asset preservation funding allows Perpich Center to preserve the condition of all the buildings located on the Golden Valley campus, including all related building systems, i.e., boilers, air handlers, chillers and elevators.

Project Rationale

Most campus buildings were built in the early to mid 1960s and 1970s and are inadequately designed for their current purposes. The state purchased the 33 acres campus with its five major buildings in 1990. The previous owner performed little facility maintenance and invested minimally in building infrastructure; the campus has required upgrades. Poorly designed heating and ventilating systems impact health, staff productivity, and the life cycle of facility equipment. Three buildings have been demolished due to asbestos and mold contamination. Perpich currently spends upwards of $25,000 from our operating budget each year to provide maintenance to buildings that would otherwise not be needed if major improvements can be made.

Project Timeline

N/A

Other Considerations

School districts have the authority to issue bond referenda. The center is funded through state appropriations including funds for the facility to keep it up-to-date and provide an effective, healthy and safe learning environment for students of the Perpich Arts High School and the statewide teachers we serve at the facility.

Impact on Agency Operating Budgets

Perpich receiving sufficient asset preservation funds will eliminate some of the need to use Perpich operating budgets to address building and structural maintenance needs.

Description of Previous Appropriations

2014 - $2,000,000 Asset Preservation

2018 - $250,000 Asset Preservation

2020 - $750,000 Asset Preservation

2023 - $900,000 Asset Preservation

2025 - $1,260,000 Asset Preservation

Project Contact Person

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($ in thousands)

Perpich Center Building Improvements Predesign

AT A GLANCE

2026 Request Amount:	$150
Priority Ranking:	2
Project Summary:	Perpich Center requests $150,000 for pre-design funding to be able to address safety and security issues with the lobby and front entrance to the main school building and to expand the auditorium to be able to accommodate the entire student body and faculty/staff.

Project Description

Perpich had a security assessment completed in 2018 and numerous security/safety issues with the lobby and entryway were noted. Part of the assessment noted that the security office should be relocated to the front entryway, along with enhanced security measures when entering the building. The pre-design will include expanding the main entrance and adding restrooms on two levels. It will also address the handicap lift that currently only goes from the entryway landing to the 2nd floor.

The performance hall was part of the expansion to the facility that was completed in 1999. The performance hall only has seating for 173. The pre-design would expand seating to be able to accommodate the entire student body and faculty/staff.

Project Rationale

Pre-design for school building improvements is the first step in aligning school facilities to the Perpich Center's strategic plan. Perpich seeks to have a campus that is accommodating, accessible, and functional for all students, staff, and visitors. This work will also provide a safer environment for our students, staff, and visitors that are on campus. The safety and security of Perpich students and faculty is a high priority.

Project Timeline

Upon receiving funding, the agency would work with the Department of Administration to contract for the pre-design work.

Other Considerations

School districts have the authority to forward operation, technology and bond referenda. The center must rely on the Governor and state legislature to provide funds for the facility to keep it up-to-date and provide an effective, healthy and safe learning environment for students of the Perpich Arts High School and the statewide teachers we serve at the facility.

Impact on Agency Operating Budgets

N/A

Description of Previous Appropriations

N/A

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Pollution Control — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Statewide Drinking Water Contamination Mitigation	1	GO	$ 20,684	$ 20,684	$ 20,684
		GF	$ 5,000	$ 5,000	$ 5,000
Sustainable Construction and Demolition Waste Transition	2	GO	$ 59,000	$ 59,000	$ 59,000
		GF	$ 59,000	$ 59,000	$ 59,000
Addressing Legacy Contamination through Superfund	3	AP	$ 34,737	$ 34,737	$ 34,737
Capital Assistance Program	4	GO	$ 59,308	$ 59,308	$ 59,308
Total Project Requests			$ 237,729	$ 237,729	$ 237,729
General Obligation Bonds (GO) Total			$ 138,992	$ 138,992	$ 138,992
Appropriation Bonds (AP) Total			$ 34,737	$ 34,737	$ 34,737
General Fund Cash (GF) Total			$ 64,000	$ 64,000	$ 64,000

($ in thousands)

Statewide Drinking Water Contamination Mitigation

AT A GLANCE

2026 Request Amount:	$25,684
Priority Ranking:	1
Project Summary:	$20.684 million in GO bonds and $5 million in general fund cash to design and construct drinking water system improvements for communities with drinking water supplies contaminated by man-made contaminants such as PFAS and 1,4-dioxane. This request includes hook-ups for private residential wells to municipal systems and sealing existing wells.

Project Description

The proposal would provide assistance to communities that are unable to provide safe drinking water to their residents due to man-made contaminants. A variety of projects will be considered depending on the nature of the impacts to the drinking water systems. Examples include building a drinking water treatment system for impacted wells, drilling new drinking water wells in areas that are uncontaminated, or connecting homes with private wells to public drinking water systems. The funding will help with the design and construction of the necessary improvements. In some cases, the improvements will involve non-bondable expenses for which the general fund cash will be used, such as capping private wells, or servicing privately owned manufactured home communities. Appropriations from general obligation bonds will be used for the publicly-owned upgrades. Long-term operations and maintenance are not included in this proposal. If no responsible parties are found for the contamination, the municipalities or operators of the drinking water system will need to fund the long-term maintenance. MPCA will act as the fiscal agent for these funds and work with impacted communities to implement the solutions.

Project Rationale

This proposal provides financial resources to multiple communities or neighborhoods in Minnesota that are unable to provide safe drinking water due to man-made contaminants where there is no responsible party or the responsible party is unable or unwilling to respond in a timely manner. In recent years MPCA has been sampling for (and finding) PFAS and 1,4-dioxane at contaminated sites. Private wells have been found to exceed state health-based values and a number of municipal systems have exceeded the maximum contaminant levels under the Safe Drinking Water Act. Funding will go to communities that do not have any existing flexibility in their public water supply systems to attain compliance and provide safe drinking water to their residents or to communities that have the ability to connect impacted private well users to their treatment systems. Depending on the specific need, the cost per community can range from approximately $2M to $30M.

Project Timeline

Projects vary in their readiness. The agency anticipates at least two neighborhood connection

projects will be able to start within the first year of fund availability.

Other Considerations

These projects provide safe drinking water to children and families in Minnesota. Sites are often located in environmental justice areas. This aligns with the Governor's One Minnesota plan.

Impact on Agency Operating Budgets

There is no impact to the MPCA's operating budget. The work to implement the projects related to the bond dollars can be completed within existing staff levels. Long-term operations and maintenance of the systems are not included in the proposal and will be borne by the municipality or private entity unless a responsible party can be found.

Description of Previous Appropriations

2025 legislation (Session Law 2025 1st Special Session, Chapter 15, Article 1, Section 8) established this program in statute and appropriated $6 million in GO bonds for a project or projects on the priority list. Subsequent funding will be used to fund other projects on the priority list.

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Sustainable Construction and Demolition Waste Transition

AT A GLANCE

2026 Request Amount:	$118,000
Priority Ranking:	2
Project Summary:	$59 million in GO bonds and $59 million in GF cash to advance statewide construction and demolition (C & D) infrastructure and improve solid waste management systems through grants to local units of government. Grants are used for design, closure, construction of a final enhanced cover system on unlined C & D landfills, construction of transfer stations and mixed-use facilities to replace closing unlined C & D landfills, and to divert waste and materials from entering landfills.

Project Description

The proposal is for grants to communities to properly design, close, and construct a final cover system on unlined C&D landfills to reduce or prevent the releases of contaminants to groundwater and surface waters. In addition, the proposal includes grants for transfer stations and mixed-use facilities to replace unlined C&D landfills, where necessary, to provide convenient local access to the public, particularly in rural and underserved communities.

The MPCA has been pursuing multiple efforts to prevent and reduce risks to groundwater from unlined construction and demolition landfills. Groundwater is the primary source of drinking water for 3 in 4 Minnesotans. Unlined landfilling has resulted in contamination of private drinking water wells. At this time, there are approximately 40 open unlined C&D landfills owned and operated by local units of government throughout Minnesota.

The proposal also seeks to keep C&D and other waste and materials out of landfills through grants to build alternatives for long-term management of C&D materials by incorporating options for increased waste diversion, beneficial use of materials, reuse, and recycling processes. Infrastructure is needed to design and construct integrated systems for beneficial use, reuse, and recycling as local units of government close their unlined C&D landfills. Reuse and recycling projects can include concrete, brick, porcelain, and asphalt shingles for roadway projects, wood for biochar, mulch or compost feedstock, scrap metal collection, public reuse sheds/buildings, and other new or emerging technologies such as gypsum board recycling. The state has an opportunity to advance C&D materials management by incentivizing regional systems where many small landfills are replaced with a local collection option. This transfer station model is similar to mixed municipal solid waste management systems and does not exist for C&D waste in parts of the state. Several local governments throughout Minnesota have expressed interest in funding to support their local projects to properly manage C&D materials and waste, as well as improvements to increase recycling, reuse, and management for long-

term solid waste management.

The proposal consists of $88 million for infrastructure and equipment to transition away from unlined landfills, including $59 million in general obligation bonds for bondable infrastructure and $29 million in general fund cash for non-bondable infrastructure and equipment. Projects would have a 75% state, 25% local cost share. In addition, $30 million in general fund dollars is to construct enhanced cover systems, where public and private landfills would be eligible for the grants. Enhanced cover grants would have a 50% state, 50% local cost share.

Project Rationale

The Minnesota Waste Management Act (M.S. 115A) was enacted to promote an integrated solid waste management system in a manner appropriate to the characteristics of the waste stream. At the time, it was believed that C&D landfill design requirements would be protective of the state's land, air, water, and other natural resources and human health. A review of 2022 annual groundwater reports submitted by unlined C&D landfills indicated that 90% of the facilities that have groundwater monitoring exceed a permit threshold for at least one contaminant of concern. Unlined landfills lack a protective barrier below the waste, thereby allowing for the movement of pollution to native soils, groundwater or surface water. Landfill covers are a significant tool in minimizing groundwater contamination and leachate generation. Enhanced landfill covers have an increased ability to reject precipitation at a rate greater than the currently required two-foot soil cover for C&D landfills.

Project Timeline

Planning an preparation, finalizing project scope and budget: June - August 2026

Develop RFP documentation and RFP process: August 2026 - February 2027

Award projects: February - April 2027

Finalize design: February - June 2027

Site preparation and construction (weather-dependent): February 2027 - September 2029

Other Considerations

The MPCA will select grantees for enhanced cover grants based on permit application completeness, robustness of cover design as shown through the Hydrologic Evaluation of Landfill Performance (HELP) model evaluation, the quality of plans and specifications submitted, site specific evaluation based on risk to human health, and the environment and compliance status. Releases to groundwater requiring mitigation will still be the responsibility of the owner/operator to address. The MPCA has initiated rulemaking to amend the current rules governing C&D landfills to ensure the environment and human health are protected.

Impact on Agency Operating Budgets

The Legislature authorizes a direct appropriation for the administrative costs and grants for the projects. This request does not affect MPCA's annual operating budget.

Description of Previous Appropriations

None

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($ in thousands)

Addressing Legacy Contamination through Superfund

AT A GLANCE

2026 Request Amount:	$34,737
Priority Ranking:	3
Project Summary:	$34.737 million in appropriation bonds for the cleanup of contaminated sites across Minnesota where there is not a viable responsible party to do the work.

Project Description

The proposal is to clean up and remediate two sites in Greater Minnesota:

• The Hibbing Gas Manufacturing Plant Site operated as a gas plant by the City of Hibbing from 1918 to 1969. The project would remove free-phase coal tar, contaminated soil, and below-ground infrastructure at the historical gas plant in order to eliminate or significantly reduce human health risk to site contaminants of concern in soil, groundwater, surface water, and sediment contamination in a wetland discharge area.

• The City of Duluth Dump #1 operated from approximately 1954 to 1959 and accepted mixed municipal solid waste, which may have filled in portions of the wetland area. Site contaminants include volatile organic compounds (VOCs), metals, polycyclic aromatic hydrocarbons (PAHs), and polychlorinated biphenyls (PCBs). This request, in addition to the bond dollars from 2020, would cover the cost of the complete removal of waste from the site to eliminate the contact with groundwater.

Project Rationale

The proposal addresses contamination issues at sites that have been investigated and where immediate environmental and human health concerns have been mitigated (e.g. installation of a vapor mitigation system in a home). However, these sites still need long-term solutions to address the source of the problem and reduce future risks to the environment and human health.

• Hibbing Gas Manufacturing Plant Site: Contaminated sediments and product would be removed. This facility is adjacent to a proposed low-income housing development and the cleanup would provide a better environment for the community.

• Duluth City Dump #1: Impacted groundwater, surface water, and soil/sediment remain at the site, posing potential exposure risks to East Branch Chester Creek. Methane gas from existing waste at the landfill also poses a risk. Completion would eliminate the need for indefinite long-term operation and maintenance of the site.

Project Timeline

The Hibbing Gas Manufacturing Plant Site is shovel ready. Construction can begin as soon as dollars are appropriated. Duluth City Dump #1 will be ready, by the time dollars are appropriated, to initiate the over-excavation and off-site disposal. Estimated duration of construction is three years.

Other Considerations

The proposal requests the use of appropriation bonds, as was done in 2020 under 16A.966, for multiple projects, including Duluth Dump #1. For the Duluth Dump project, an analysis identified this cleanup option as the highest initial cost, but also the most protective alternative to protect the environment and human health. However, this cleanup option also eliminates the long-term cost of operation and maintenance. The Hibbing Gas location is immediately adjacent to a low-income housing development project. This would provide a better environment and reduce exposure for community members.

Impact on Agency Operating Budgets

There is no impact to MPCA's operating budget. Work to remediate the sites will not begin until bond dollars are appropriated, and will be completed with existing staff to oversee the contracted construction work.

Description of Previous Appropriations

Remediation Fund has been used to fund various activities at these sites including, but not limited to: investigation of extent and magnitude of contamination, vapor investigation, contaminant monitoring in potable and monitoring wells, drinking water and vapor intrusion mitigation and/or treatment systems, feasibility studies. Bond dollars are requested for sites involving large or expensive construction work to remediate the property.

In 2020 (Session Laws 2020 5th Special Session, Chapter 3, Article 4, Section 3), $30,400,000 in appropriation bonds were authorized to be issued for this program.

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($ in thousands)

Capital Assistance Program

AT A GLANCE

2026 Request Amount:	$59,308
Priority Ranking:	4
Project Summary:	$59.308 million in GO bonds for capital assistance grants to local governments. The grants would be used for construction, expansion, and/or upgrades to solid waste facilities.

Project Description

The Capital Assistance Program (CAP) provides funds to communities to preserve existing solid waste infrastructure or expand/upgrade solid waste infrastructure. Eligible facilities can include transfer stations, household hazardous waste facilities, materials recovery facilities, and reuse, recycling, and compost facilities. This program provides critical support that local governments rely on to finance waste management. The MPCA prioritizes projects within the CAP so that funding flows first to projects that are ready for construction and aligned with the state's waste management hierarchy. Prioritization will occur later in the process (typically in the fall), but more than ten local governments have expressed interest in being included on the 2026 list.

Project Rationale

Putting waste in landfills is the least desirable disposal method for Minnesota solid waste. Diverting usable material like recyclables from landfills slows the creation of landfills that we must manage-- at cost to the environment and taxpayers. The collected recyclable materials support Minnesota industries in creating new products and jobs. Energy and steam produced from waste at resource-recovery facilities (instead of landfills) is also used by local communities. Landfills, on the other hand, must be monitored and managed in perpetuity, even after they stop receiving new waste. Closed landfills produce contaminated fluids (leachate) and methane gas that must be properly contained and managed. CAP provides grants to local governments to develop and implement an integrated solid waste management system, enabling preferred waste management practices consistent with the Minnesota Waste Management Act (M.S. 115A).

Project Timeline

Based on an enactment date in May 2026, the MPCA would solicit final applications from proposers with a due date in late calendar year 2026. MPCA would proceed to develop and execute a grant contract in the first quarter of calendar year 2027. Once executed, the project would be able to begin construction. Solid waste projects typically take 1-2 years to construct. Reimbursement (in the form of grants) occurs as tasks are completed.

Other Considerations

CAP, under M.S. 115A.49 - 115A.54, is the MPCA's main program to assist local governments in

financing the infrastructure necessary for an effective, integrated solid waste system. CAP also assists local governments in achieving environmental goals, provides orderly and deliberate development and financial security of publicly owned infrastructure, leverages local funds, and is a catalyst for regional cooperation. Local governments are responsible for meeting rigorous CAP application requirements and assuring operating and maintenance costs for the life of the project (20 years minimum). Priority projects identified for FY26 represent a variety of project types, including infrastructure for reuse, recycling, household hazardous waste, and waste processing to recover materials from the waste stream.

Impact on Agency Operating Budgets

The Legislature authorizes a direct appropriation for the administrative costs and grants for the projects. This request does not affect MPCA's annual operating budget.

Description of Previous Appropriations

The Capital Assistance Program was originally created in statute in 1980, and has received a total of $120.406 million over the lifetime of the program (through FY24). Below are the most recent appropriations to projects under the Capital Assistance Program:

- 2025 1st Special Session Bonding Bill, Chapter 15, Article 1, Section 8 - $6,000,000
- 2023 Session, Chapter 71, Article 1, Section 3 - $15,628,000
- 2023 Session, Chapter 72, Article 1, Section 8 - $10,000,000
- 2020 5th Special Session, Chapter 3, Article 1, Section 8 - $25,816,000

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Public Facilities Authority — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
State Match for Federal Grants to State Revolving Fund Loan Programs	1	GO	$ 27,000	$ 27,000	$ 27,000
Lead Service Line Replacement Grant Program	2	GF	$ 250,000	$ 250,000	$ 250,000
Point Source Implementation Grants Program	3	GO	$ 120,000	$ 120,000	$ 120,000
Water Infrastructure Funding Program	4	GO	$ 60,000	$ 60,000	$ 60,000
Emerging Contaminants Grant Program	5	GO	$ 18,000	$ 18,000	$ 18,000
Total Project Requests			$ 475,000	$ 475,000	$ 475,000
General Obligation Bonds (GO) Total			$ 225,000	$ 225,000	$ 225,000
General Fund Cash (GF) Total			$ 250,000	$ 250,000	$ 250,000

($ in thousands)

State Match for Federal Grants to State Revolving Fund Loan Programs

AT A GLANCE

2026 Request Amount:	$27,000
Priority Ranking:	1
Project Summary:	The Public Facilities Authority (MPFA) requests $27 million for deposit to the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund to make loans to local governments for clean water and drinking water infrastructure projects. The funds will provide the required state match for estimated federal FY 2027-28 U.S. EPA capitalization grants. The MPFA also requests statutory changes.

Project Description

The Clean Water State Revolving Fund provides low-cost financing for municipal wastewater treatment facilities, sewer collection systems and stormwater treatment facilities. Demand for clean water loans is driven by the need to replace aging facilities and sewer lines, provide additional treatment capacity, and meet more stringent treatment requirements.

The Drinking Water State Revolving Fund provides low-cost financing for municipal drinking water systems, including treatment plants, water towers, water mains, wells, and pump houses. Demand for drinking water loans is driven by the need to replace aging facilities, provide additional treatment to meet required public health standards, and replace old water mains to minimize water loss and contamination problems.

Each year, the MPFA receives funding requests for more than 200 wastewater, stormwater, and drinking water infrastructure projects totaling over $500 million, more than double the sustainable long-term annual lending capacity of the Clean Water and Drinking Water State Revolving Funds.

The MPFA's Clean Water and Drinking Water State Revolving Funds have a proven track record as effective and efficient programs to finance municipal water infrastructure projects. The AAA ratings of the MPFA's clean water and drinking water revenue bonds from Standard and Poors, Fitch, and Moody's reflects the financial strength of the funds, the credit quality of Minnesota communities, and the MPFA's experienced staff and sound financial management.

Policy Proposal: The Clean Water Revolving Fund and Drinking Water Revolving Fund program statutes include specific authorizations for the use of federal principal forgiveness grants as allowed under federal law. Amendments to program statutes are proposed to authorize principal forgiveness grants for 50% of project costs up to $5 million (from $3 million) for projects that address emerging contaminants as defined by the US EPA.

Project Rationale

The MPFA's clean water and drinking water state revolving loan programs are important infrastructure financing tools to help communities throughout the state reduce borrowing costs for essential infrastructure to serve their residents and businesses and meet public health and environmental requirements. Under federal and state law, MPFA loans are made at below-market interest rates. Since inception, the MPFA has made $5.3 billion in low-interest loans from these two revolving funds, resulting in savings to local taxpayers of over $1.3 billion compared to market rate financing.

Through the MPFA's revolving loan programs, the impact of the state match funds is leveraged by federal funds, loan repayments, and the MPFA's AAA rated revenue bonds. Overall, each dollar of state matching funds to date has generated $16 in project construction. Savings to local taxpayers from MPFA low-interest loans is approximately $4 for every $1 of state matching funds.

Project Timeline

Other Considerations

Eligible projects are prioritized based on environmental and public health criteria and ranked by the Minnesota Pollution Control Agency (for wastewater and stormwater projects) and the Minnesota Department of Health (for drinking water projects) on their annual project priority lists, ensuring that limited funds are targeted to the highest priority projects.

Impact on Agency Operating Budgets

Operating costs for the Clean Water and Drinking Water State Revolving Funds are paid partially from the federal capitalization grants, and from fees up to 2% collected on loan repayments. These fees are taken from the interest portion of the loan repayments and are not an additional cost to the borrowers. Operating Costs for these programs are incurred by the MPFA, the Minnesota Pollution Control Agency (MPCA), and the Minnesota Department of Health (MDH).

Description of Previous Appropriations

Prior appropriations for state match to U.S. EPA capitalization grants:

1987 $3.2 million
1989 $4.7 million
1990 $15.6 million
1992 $7.5 million
1993 $4 million
1994 $13.4 million
1996 $4 million
1997 $4.444 million
1998 $24 million
1999 $2.2 million
2000 $14.893 million
2002 $16 million

2005 $14.38 million
2006 $38.8 million
2008 $30 million
2010 $30 million
2012 $8.5 million
2013 $8 million
2014 $12 million
2017 $17 million

2018 $14 million

2019 $6 million

2020 $25 million

2023 $41 million

2025 $39 million

Prior Governor funding recommendations for state match to U.S. EPA capitalization grants:

2024: $39 million

2025: $39 million

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($ in thousands)

Lead Service Line Replacement Grant Program

AT A GLANCE

2026 Request Amount:	$250,000
Priority Ranking:	2
Project Summary:	The Public Facilities Authority (MPFA) requests $250 million for the Lead Service Line Replacement Program to make grants to municipalities and other community public water suppliers to replace publicly and privately owned lead service lines. The funds will continue to move the state toward the goal to remove all lead service lines in public drinking water systems by 2033 as established in MS 446A.078.

Project Description

The Lead Service Line Replacement Program was established in 2023 under MS 446A.077 to provide state funds to supplement federal funds in the Infrastructure Investment and Jobs Act (IIJA) for the replacement of drinking water lead service lines. Combining state and federal funds will allow all public and private costs for replacement of lead service lines to be covered which will greatly reduce barriers to achieving the state goal of replacing all lead service lines by 2033. All eligible recipients must be listed on the Minnesota Department of Health (MDH) Priority Projects List to facilitate the coordination of state and federal funds.

The program requires each applicant to submit a plan for replacement of all lead service lines in the service area that describes how the recipient will prioritize the expenditure of grant funds, including targeting areas with children with elevated blood lead levels and children under the age of five, targeting lines that provide drinking water to schools and childcare facilities, and targeting areas with lower-income residents and other disadvantaged communities. The program allows up to 10% of funds appropriated to be used by the MDH to provide technical assistance to community water suppliers for lead service line mapping and inventory activities.

Project Rationale

The 2019 Lead in Minnesota Water report issued by the MDH states that the Center for Disease Control (CDC) has found no safe level of lead exposure. The report identifies the removal of lead service lines as a high priority. The MDH estimates that 100,000 lead service lines exist in community water systems statewide. At an estimated average cost of $15,000 to replace each line, the total estimated cost is $1.5 billion. Subtracting federal IIJA funds and the 2023 state appropriation, the remaining estimated cost is $1 billion. Over four capital budget cycles through 2033, this is $250 million per cycle.

In most cities, ownership of water service lines is split between the public water supplier and the private property owner, creating significant funding challenges.

Project Timeline

Other Considerations

According to the 2019 MDH report, lead service lines contribute to about 50 percent of the total mass of lead measured at the tap. Nationwide, more than 70 percent of cities with populations greater than 30,000 use lead water lines. The report states that lead service lines contribute significantly to lead in drinking water, thus the national effort to identify and remove these pipes.

Health equity:

According to the Lead Service Line Replacement Collaborative and highlighted in the 2019 MDH report, addressing lead hazards in water improves equity in high-risk communities. A comprehensive approach to lead service line replacement should include steps to protect people with low incomes and limited access to capital for lead service line replacement.

Impact on Agency Operating Budgets

The MPFA administrative costs for this program are paid from loan servicing fees and federal capitalization grants.

Description of Previous Appropriations

In 2023 the Legislature appropriated $240 million in general fund cash for this program.

In the 2025 1st Special Session, the Legislature appropriated $3 million in general fund cash for this program.

Prior Governor funding recommendations for the Lead Service Line Replacement Grant Program

2024: $10 million

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($ in thousands)

Point Source Implementation Grants Program

AT A GLANCE

2026 Request Amount:	$120,000
Priority Ranking:	3
Project Summary:	The Public Facilities Authority (MPFA) requests $120 million for the Point Source Implementation Grants (PSIG) program under MS 446A.073 to provide grants to cities to help pay for treatment plant upgrades to address water quality restoration and protection goals.

Project Description

The PSIG program provides grants for infrastructure construction projects needed to improve water quality by meeting more stringent permit requirements to reduce the discharge of specific pollutants. The MPFA administers the program in partnership with the Pollution Control Agency (MPCA). Proposed projects must be ranked on the MPCA's project priority list (PPL) and the MPCA reviews and approves projects prior to grant award. The MPFA does not award a grant until full project funding is in place, which may include local funds and other MPFA funds.

Project Rationale

The Clean Water Council and the Clean Water Fund Interagency Coordination Team (ICT) framework identifies specific impaired and threatened water bodies where pollutant reductions are needed to meet water quality standards. Watershed restoration and protection strategies are developed to guide point source and non-point source implementation activities. These include projects to meet Total Maximum Daily Load (TMDL) requirements and water quality-based effluent limits for phosphorus, chlorides, and other pollutants.

Project Timeline

Other Considerations

The MPFA has unfunded applications for over $210 million in PSIG grant needs and expects to receive additional applications in July 2025.

Bonding appropriations for the PSIG program supplement appropriations from the Clean Water (Legacy) Fund.

The MPFA and MPCA track project completions by watershed. MPCA verifies that completed projects meet required permit limits and conditions. MPCA also monitors progress toward overall water quality goals through its watershed monitoring program.

Impact on Agency Operating Budgets

Administrative costs are paid partially from PSIG grant application fees of 1/2 of 1%, collected under

MS 446A.04 Subd. 5. The PSIG program is administered in conjunction with the MPCA's Clean Water PPL, so a portion of the Clean Water State Revolving Fund loan fees are also used for PSIG administration.

Description of Previous Appropriations

Previous appropriations for the PSIG program from FY 2013-2019 are shown below.

2013 $18,000,000 Clean Water (Legacy) Fund

2015 $18,000,000 Clean Water (Legacy) Fund

2017 $15,750,000 Clean Water (Legacy) Fund

2017 $33,737,000 G.O. Bonds

2019 $38,348,000 G.O. Bonds

2019 $18,000,000 Clean Water (Legacy) Fund

2020 $44,553,000 G.O. Bonds

2021 $15,936,000 Clean Water (Legacy) Fund ($7,968,000 each FY 2022-23)

2023 $16,500,000 Clean Water (Legacy) Fund ($8,250,000 each FY 2024-25)

2023 $80,000,000 G.O. Bonds

2025 $16,540,000 Clean Water (Legacy) Fund ($8,240,000 FY 26, $8,300,000 FY 27)

2025 $32,000,000 G.O. Bonds

Prior Governor funding recommendations for the PSIG program:

2024 $18,527,000 (G.O. Bonds)

2025 $18,527,000 (G.O. Bonds)

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($ in thousands)

Water Infrastructure Funding Program

AT A GLANCE

2026 Request Amount:	$60,000
Priority Ranking:	4
Project Summary:	The Public Facilities Authority requests $60 million for the Water Infrastructure Funding (WIF) program. WIF provides grants to local governments based on affordability criteria, supplementing low-interest loans from the MPFA's Clean Water State Revolving Fund (CWRF), Drinking Water State Revolving Fund (DWRF), or match funding from the U.S. Department of Agriculture Rural Development. The MPFA requests $30 million for wastewater projects and $30 million for drinking water projects.

Project Description

WIF grants are targeted to the highest priority projects based on environmental and public health criteria as determined by MPCA or MDH through their clean water and drinking water project priority lists. The WIF program supplements other funding to help communities address their existing water infrastructure needs while keeping costs affordable for their residents.

WIF grants are not awarded until projects are ready to start construction. Each year that WIF funds are available, funds are reserved for projects in priority order after design plans and specifications are approved and certified by MPCA or MDH, or after a funding commitment by USDA Rural Development.

Project Rationale

WIF grants are needed to assist financially challenged communities with high priority water infrastructure projects that would otherwise not be affordable for local residents. WIF grants are capped at $5 million or $20 thousand per connection, whichever is less, unless specifically approved by law. WIF eligible project costs are only those costs necessary to meet existing needs, not to address future growth.

Based on criteria established in M.S. 446A.072, Subd. 5a, municipalities that receive CWRF loans are eligible for WIF grants if the average per household system cost exceeds 1.4% of median household income. Municipalities that receive DWRF loans are eligible for WIF grants if the average per household system cost exceeds 1.2% of median household income.

For USDA Rural Development projects, the WIF program provides up to 65% of the grant need as determined by USDA Rural Development based on their affordability criteria for small rural communities. The unique state/federal partnership with USDA Rural Development helps coordinate assistance for small rural communities, making it easier for them to access funding. Providing WIF

grants to match USDA Rural Development funding helps the Minnesota USDA office fund more projects by obligating its allotted federal funds and then accessing the national pool for additional funds for Minnesota communities.

Project Timeline

Other Considerations

For recipients to make the necessary up-front investments in pre-construction work, they need to have confidence that funding will be available when their projects are ready for construction. The MPCA and MDH project priority lists (PPLs) rank projects for which cities are seeking funding for construction within a five-year period. The current priority lists include more than 108 projects with unfunded WIF needs over $250 million, and additional WIF eligible projects are expected to submit proposals for the 2026 and 2027 PPLs. MPFA will survey cities with projects on the project priority lists to more accurately determine estimated WIF needs and project schedules for the MPFA's report on estimated funding needs to the Legislature in February 2026.

The federal Infrastructure Investment and Jobs Act (IIJA) provides (temporary) significant additional capitalization grants for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Forty-nine percent of these IIJA grants must be used for "additional subsidization" grants which are interchangeable with state WIF investments. These temporary additional federal funds allow a reduced state request for the 2026 capital budget request.

Impact on Agency Operating Budgets

The WIF program is administered in conjunction with the MPFA's Clean Water State Revolving Fund and Drinking Water State Revolving Fund programs and administrative costs are paid from fees collected on CWRF and DWRF loan repayments. For projects receiving WIF grants to match funding from USDA Rural Development, the state/federal partnership is a cost effective strategy that uses USDA field staff to conduct much of the field work involved in reviewing applications and monitoring projects through construction.

Description of Previous Appropriations

Prior appropriations for the WIF program:

1987 $ 3.241 million
1989 $ 390 thousand
1990 $ 381 thousand
1996 $ 17.5 million
1997 $ 7 million
1998 $ 15.3 million
1990 $ 20.5 million
2000 $ 17.3 million
2003 $ 13.5 million
2005 $ 26.903 million
2006 $ 22.996 million

2008 $ 15.028 million
2010 $ 27 million
2011 $ 20 million
2012 $ 15 million
2014 $ 18.333 million
2015 $ 10 million
2017 $ 55 million
2018 $ 25 million
2019 $ 14.652 million
2020 $ 55.494 million
2023 $ 87.2 million
2025 $ 87 million

Prior Governor funding recommendations for the WIF program:

2024: $ 23.485 million

2025: $ 23.485 million

Project Contact Person

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($ in thousands)

Emerging Contaminants Grant Program

AT A GLANCE

2026 Request Amount:	$18,000
Priority Ranking:	5
Project Summary:	The Public Facilities Authority (MPFA) requests $18 million for grants to local governments for the construction of drinking water treatment systems and/or alternative water supplies needed to address impacts from emerging contaminants such as manganese and polyfluoroalkyl (PFAS) substances.

Project Description

The request will provide funding to assist local governments to construct projects to meet state drinking water standards for manganese and upcoming state and federal standards for per- and polyfluoroalkyl substances. The program will combine state funds with available federal emerging contaminant funds to provide grants for 80% of project costs up to a maximum of $5,000,000. Eligible projects must be listed on the Department of Health (MDH) Drinking Water State Revolving Fund Project Priority List and be reviewed and certified according to the MDH's rules. The MPFA shall not award a grant until the applicant has submitted as-bid construction costs.

Project Rationale

Not all municipal public water suppliers exceed state and federal standards for emerging contaminants. MDH testing shows that an estimated 40 municipalities across the state will not be able to meet the federal and state drinking water standards for PFAS and 24 municipalities are currently unable to meet the state drinking water guidance values for manganese.

The strongest and most consistently observed evidence for harmful impacts on human health from PFAS is immune suppression (such as decreased vaccination response), changes in liver function (such as higher cholesterol, elevated liver enzymes), and lower birth weight. In addition, perfluorooctanoic acid (PFOA) has also been associated with kidney cancer. There is evidence for additional health effects from different PFAS, including nonalcoholic liver disease and dyslipidemia, preeclampsia and pregnancy-related hypertension, and hypothyroidism and increased thyroid disease. The latest information indicates that fetuses and infants are more vulnerable. Long-term exposure to PFAS such as PFOA, perfluorooctane sulfonate (PFOS), and perfluorohexane sulfonate (PFHxS) leads to a buildup of these chemicals in the body. In women of child-bearing age who experience long-term exposure, the buildup of these chemicals can be passed on to the fetus and breastfed babies.

Similarly, children and adults who drink water with high levels of manganese for a long time may have problems with memory, attention, and motor skills. Infants (babies under one year old) may develop

learning and behavior problems if they drink water contaminated with manganese.

Analysis by MDH has shown that the communities impacted by PFAS and manganese have no recourse other than to construct projects such as drinking water treatment facilities or new wells to be able to provide safe water to their residents. These project expenses are significant and in addition to the costs that local governments face to operate and maintain their public water supply systems.

Project Timeline

Other Considerations

The federal Infrastructure Investment and Jobs Act (IIJA) included dedicated funding over five years to address emerging contaminants in community water systems. Minnesota expects to receive approximately $120 million over five years, including federal funds through the DWSRF and dedicated federal funds for small and disadvantaged communities. The requested state funds will supplement the available federal funds to provide 50% grants up to $5 million to local governments for projects to address emerging contaminants. The MDH estimates the total cost to provide these grants to all impacted municipalities is $450 million.

MDH and PFA strive to improve, maintain, and protect the health of all Minnesotans through the incorporation of affordability criteria in the project funding framework. All community public water systems provide water to Minnesotans in their homes, where they have the highest exposure to drinking water. Of these approximately 1,000 public water suppliers serve smaller cities in Minnesota, with half of these serving populations less than 500 and another third serving populations between 501 and 3,300. The small customer base and limited user revenues makes it very difficult for these cities to invest in the essential infrastructure needed to ensure an uninterrupted supply of safe drinking water while keeping user rates affordable. Access to the proposed state funding dedicated to addressing the human health risks posed by emerging contaminants will be especially important to those communities that most need the assistance.

Impact on Agency Operating Budgets

MPFA administrative costs are paid from loan servicing fees.

Description of Previous Appropriations

Prior appropriations for the Emerging Contaminants Grant Program:

2025: $18 million in GO bonds

Prior Governor funding recommendations for the Emerging Contaminants Grant Program:

2024: $18 million in GO bonds

2025: $18 million in GO bonds

Project Contact Person

Steve Walter

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Public Safety — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
BCA Bemidji Regional Office and Laboratory Expansion	1	GO	$ 46,833	$ 0	$ 0
Total Project Requests			$ 46,833	$ 0	$ 0
General Obligation Bonds (GO) Total			$ 46,833	$ 0	$ 0

($ in thousands)

BCA Bemidji Regional Office and Laboratory Expansion

AT A GLANCE

2026 Request Amount:	$46,833
Priority Ranking:	1
Project Summary:	The Minnesota Department of Public Safety's Bureau of Criminal Apprehension is requesting $46.833 million in general obligation bonds to acquire land, design, construct, furnish, and equip the renovation and expansion of the Bemidji Regional Facility located in Bemidji, MN.

Project Description

This project includes renovating the 26,000 square foot Bemidji Regional Office and Forensic Science Laboratory and a 27,000 square foot expansion. The renovation and expansion project will provide additional space and resources to support the increases in demand for investigatory and laboratory analysis for criminal investigations in the northern region of Minnesota. This project will also increase available training space for use by BCA training, local law enforcement, and for informational sessions to various groups and community members. Pre-design for this renovation and expansion was completed in 2021.

Project Rationale

The Minnesota Bureau of Criminal Apprehension (BCA) is the state's criminal investigative law enforcement agency providing specialized investigative assistance in complex criminal cases, forensic laboratory testing and analysis, maintenance and dissemination of criminal justice information and records, and law enforcement training to local, state, and federal partners in all 87 counties statewide.

The BCA headquarters location is in St. Paul, a regional laboratory and facility location is in Bemidji, and funding for construction of a new southern regional facility in Mankato was appropriated by the Minnesota Legislature in 2025. In addition, the BCA maintains 11 investigative field offices co-located with local law enforcement across Minnesota to provide support to criminal justice partners and an evidence drop-off and limited drug testing in St. Cloud.

The Bemidji regional facility was built in 2001 with the goal to provide equitable services and response times to those served in the northern portion of the state. Over the past 24 years, this facility has provided exceptional services in support of northern Minnesota criminal justice efforts. However, the existing facility is no longer adequate to address the needs of the region as the service demands continue to increase in volume and complexity. Staffing has more than doubled since 2001, and renovation and expansion of the existing facility is needed to continue providing critical services in northern Minnesota.

BCA anticipates the new Mankato facility will be at full capacity shortly after opening with

approximately 50 employees. Despite the additional space at the new location, the BCA is also over capacity at its headquarters location by more than 150 staff. There is a critical need for the renovation and addition in Bemidji so that BCA can continue delivering essential forensic science services.

When the Bemidji facility first opened, the forensic laboratory was staffed with less than 10 full-time employees (FTE) and has since grown to 27 FTEs who provide forensic analysis in firearms, latent prints, biology, chemistry, and crime scene response. The demand for forensic services on this laboratory has grown from approximately 5,060 items submitted in 2003 to more than 12,000 items in 2024. The addition of Rapid DNA technology, the firearms database program, and digital and multimedia evidence analysis capabilities, as well as increased expedited evidence screening services, have further challenged the limited space for staff, equipment, and specialized space.

Crime labs throughout the nation continue to experience dramatic increases in requests for forensic science services. The BCA is no exception to this upward trend and is currently experiencing large backlogs due to the number of requests and reliance on forensic evidence in criminal investigations and court proceedings. The overall demand for forensic testing has increased over the last decade. For example, the demand for DNA analysis has increased steadily every year with an overall increase of five times in the last two decades; controlled substance submissions have become larger and more complex; and requests for analysis of digital media evidence, which was unheard of ten years ago, continue to exceed current capacity.

The BCA Investigations Division currently has ten special agents and four analysts located in the Bemidji regional office. These agents work closely with all law enforcement agencies in the northern portion of the state. Currently, this office lacks an interview room, secure evidence vault, and polygraph room. There is a critical need to expand digital evidence examination, but there is no space available to expand these services. This expansion would allow specialized investigative functions such as polygraph exams, facial reconstruction, digital evidence examination, audio/video enhancement, and 3D scanner data review and preparation, to be conducted within this new facility.

With the formation of the Force Investigations Unit in recent years, the BCA has shifted resources to northern Minnesota to be more efficient and responsive when it's requested to investigate an officer involved shooting or use of force case. This unit should remain physically separated from local law enforcement so that there are no conflicts of interest when called upon to investigate these crimes.

The BCA is also statutorily responsible for providing law enforcement training throughout the state of Minnesota. Although the Bemidji facility has some training space, it is too small for most training classes. The pre-design planning of a renovated and expanded Bemidji facility includes a significant increase in space allotted for training activities. By expanding BCA training opportunities, the BCA would be able to accommodate local law enforcement more efficiently by significantly reducing costs associated with lodging, drive time, and duty backup coverage associated with required continuing education.

Project Timeline

Pre-design: Completed June 2021

Design: September 2026 to May 2027

Bidding & Award: June 2027 to August 2027

Construction: September 2027 to August 2028

Occupancy: September 2028

Other Considerations

None.

Impact on Agency Operating Budgets

This project will add an additional 27,000 square feet of space. The projected lease rate for FY27 is $29.45. The expansion will increase the lease costs by an additional $795,150 per year. It is expected that the Department of Administration will pay all utilities and include that cost as part of the lease rate.

Description of Previous Appropriations

None.

2024 Governor Recommendation - $4.061 million

2025 Governor Recommendation - $4.203 million

Project Contact Person

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State Academies — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Pre-Design: MSAD Student Center	1	GO	$ 500	$ 0	$ 0
Pre-Design: MSAB Therapy Pool and Related Improvements	2	GO	$ 450	$ 0	$ 0
Asset Preservation	3	GO	$ 3,000	$ 3,000	$ 3,000
MSAB Library Renovations	4	GO	$ 6,000	$ 0	$ 0
Total Project Requests			$ 9,950	$ 3,000	$ 3,000
General Obligation Bonds (GO) Total			$ 9,950	$ 3,000	$ 3,000

($ in thousands)

Pre-Design: MSAD Student Center

AT A GLANCE

2026 Request Amount:	$500
Priority Ranking:	1
Project Summary:	The Minnesota State Academies are requesting $500,000 to complete a predesign for the MSAD Student Center - with the goal of replacing up to 5 aging and inefficient buildings into a single accessible building that matches our current students' academic, physical, and transition needs.

Project Description

To hire architects to evaluate our needs and recommend an energy efficient/low-maintenance building that is fully accessible and code compliant, potentially replacing up to 5 aging, high-maintenance buildings and outdated/inaccessible facilities. This center will incorporate our athletic/PE facilities; cafeteria; career/technical education; storage; and other needs on our MSAD campus.

Buildings that will be evaluated include Mott Hall (our outdated vocational instructional building); Lauritsen Gym (our outdated and inaccessible gymnasium and athletic facilities); Rodman Hall (our cafeteria and related spaces); Laundry Building (unsafe and unused); and Rodman Garage (storage space for our physical plant).

Additional considerations include physical access, ease of use, exterior spaces around this building, and additional athletic, educational, and transition needs.

Project Rationale

We have aging and inefficient buildings on our MSAD campus that do not match our current safety, accessibility, and educational needs. Multiple buildings are over 90 years old and we need assistance in determining if renovation or replacement is more feasible. We anticipate reviewing the use of 5 buildings and other facilities on the MSAD campus and potentially replacing them with a single building, saving costs in energy, maintenance, workmen compensation, and other related costs.

Our current buildings have been repaired/renovated numerous times, draining funds from our Asset Preservation and General Funds and we believe that replacement is a more cost effective approach towards having buildings on our campuses that match our students' current needs. An increasing number of students at MSAD have additional physical challenges and our current buildings are not fully accessible for them.

Project Timeline

After funding is obtained, we hope to consult with architects quickly and come up with a plan for consideration during the next legislative session.

Other Considerations

According to our most recent facilities condition report, the 5 buildings that we are examining in this process are either in Crisis or Poor condition. The deferred maintenance costs of those buildings add up to over $9,000,000 - we believe that replacement with a modern, efficient, and low maintenance building will serve us better and reduce the use of future Asset Preservation/General Funds.

Impact on Agency Operating Budgets

Future savings will be determined during the design process. Significant savings are anticipated (energy, maintenance, asset preservation, staffing)

Description of Previous Appropriations

This is a request that has not been funded yet. We have requested funds during previous legislative sessions, but this has not been included in previous bonding bills.

Project Contact Person

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($ in thousands)

Pre-Design: MSAB Therapy Pool and Related Improvements

AT A GLANCE

2026 Request Amount:	$450
Priority Ranking:	2
Project Summary:	The Minnesota State Academies are asking for $450,000 to complete a predesign plan for the replacement of our existing MSAB therapy pool/therapeutic hot tub and related campus/building improvements. This project will include building an addition to our MSAB instructional building to house a new pool/hot tub that is designed appropriately for our students' physical therapy needs-with the goal of improving the existing spaces for other academic needs.

Project Description

To hire an architectural firm to investigate and evaluate our existing pool/building conditions and propose a new design and cost estimates for relocating and building an accessible, energy efficient, and low maintenance pool area, including renovations of the existing pool area for academic/transition spaces/performing arts center, relocation of utilities, parking spaces and roads, security measures, and other necessary site improvements required to relocate the therapy pool and therapeutic hot tub so that they are fully accessible and compliant with current codes. Aligned with this, anticipated changes in the layout of the building will require other upgrades to be completed (relocation of roads/parking spaces; power/water supply, security measures, etc.).

Project Rationale

We have a therapy pool/therapeutic hot tub that is aging (over 50 years old) - we have spent considerable time and funds trying to maintain and use the equipment/facilities and due to a variety of factors, it is our intent to replace them instead of continuing to invest additional funds/time. The current pool and hot tub are also minimally accessible, and it is difficult for our students to enter/exit the pool/hot tub. We need a fully accessible environment for our students, many of whom have numerous physical challenges requiring the use of assistive technology.

Furthermore, we anticipate expanding our academic/transition/performing arts courses for our students into the current pool area in order to meet our school's mission and goals. When designing and replacing the pool, we anticipate that this will require the removal of an existing road that passes through our campus to the Faribault Correctional Facility and will require additional site/campus improvements to ensure that our campus remains safe (fencing, cameras, lighting, etc.).

Project Timeline

After funding is obtained, we hope to consult with architects quickly and come up with a plan for consideration during the next legislative session.

Other Considerations

By replacing this pool, we will reduce the need for future Asset Preservation funds. The pool/hot tub have undergone numerous repairs/renovations over the past 8-10 years and have reached the end of its operational life.

Impact on Agency Operating Budgets

Future savings would be determined through the design process. Significant savings are anticipated (energy, maintenance, asset preservation, safety).

Description of Previous Appropriations

This request has not been funded yet. We have requested funds during previous legislative sessions, but this has not been included in previous bonding bills.

Project Contact Person

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($ in thousands)

Asset Preservation

AT A GLANCE

2026 Request Amount:	$3,000
Priority Ranking:	3
Project Summary:	The State Academies are requesting $3 million in asset preservation funds to continue work on completion of projects and renovations to ensure compliance with ADA, safety/security concerns, and DHH/BVI accessibility needs on both campuses of the Minnesota State Academies. We are asking for continued funding to catch up with our backlog of necessary repairs/renovations.

Project Description

The State Academies operate boarding schools for deaf and blind students that reside throughout the state of Minnesota on their two campuses in Faribault. The campuses both contain dorms, cafeterias, classrooms, gyms, and offices. Asset Preservation appropriations, along with operating funds, are the only source of money the Academies have for maintaining their historic and varied facilities.

Projects covered by this include, but are not limited to, the following:

-Replacement of deteriorated walks and drives

- Safety upgrades to doors and windows
- Tuck pointing
- Wheelchair lift project for accessibility
- Update restroom facilities to bring them up to current accessibility codes
- Accessibility upgrades to older buildings to support our students with physical challenges
- Security upgrades to improve the safety of our students on both campuses
- Replacement of heating boilers and piping
- Replacement of HVAC systems
- Playground accessibility/expansion

Project Rationale

Our capital needs are extensive because our campuses have multiple buildings that are aging and require continued attention and renovations to meet current safety and accessibility codes. Our student population is also changing and requires additional accessibility and safety features to be implemented. Several of our buildings are in Crisis, Poor, or Fair condition and need to be maintained/upgraded to ensure the safety and function of those buildings for our students' needs.

The money that we are requesting will allow us to address many projects that have been deferred over the years.

Project Timeline

We will utilize the funds over the next 3-4 years to complete projects; however, the exact timing will rely on guidance from RECS and the overall bidding process.

Other Considerations

Our student population includes students who are deaf, hard-of-hearing, deafblind, blind, and visually impaired. Many of those students also have additional physical, cognitive, and sensory disabilities which means that we need to continually evaluate and upgrade our buildings and facilities to ensure that our students are safe and supported appropriately during their educational activities on our campuses.

Impact on Agency Operating Budgets

By improving the safety and accessibility of our buildings, we will reduce workmen compensation claims; avoid any litigation regarding accessibility; and ensure compliance with current laws, regulations, and codes. Some renovations will also reduce the manpower needed within our physical plant department to maintain our buildings.

Description of Previous Appropriations

The State Academies received $700,000 in 2014, $2,000,000 in 2017, $2,000,000 in 2018, $3,150,000 in 2020, $1,200,000 in 2023, and $1,000,000 in 2025 for Asset Preservation.

Project Contact Person

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($ in thousands)

MSAB Library Renovations

AT A GLANCE

2026 Request Amount:	$6,000
Priority Ranking:	4
Project Summary:	The Minnesota State Academies is requesting $6 million for predesign, design, and renovations of the Minnesota State Academy for the Blind Library building that was previously vacated by the Minnesota Department of Education (MDE). The space was previously leased by MDE and called the Minnesota Talking Book and Braille Library.

Project Description

To design and renovate the MSAB Library building to match our students' current needs. The predesign plan, along with the overall design will allow us to maximize the use of the building, ensure safety and accessibility, increase energy efficiency, reduce maintenance needs, and remedy asbestos and any other potentially dangerous materials in the building. We are requesting funds to design and implement upgrades to make the building accessible and functional for our students' use.

The upgrades include building a connection between the library and the main instructional building for safety/security reasons; adding a new boiler/mechanical room to serve the heating and cooling needs of the entire campus; and demolition of another building (Industrial Building) after the functions of this aging building are transferred into the renovated library building. By removing this other building once renovations are complete, it will give us the ability to relocate services, activities, and essential functions. By doing this, our maintenance, energy, upkeep, and staffing needs will be reduced, supporting our current and long-term budget and staffing needs.

Project Rationale

The MSAB Library building previously housed the Minnesota Talking Book and Braille Library that is managed by the Minnesota Department of Education (MDE). After MDE made the decision to relocate their services to Minneapolis, this building became vacant. We need to ensure that the building is safe and designed appropriately for our students to use.

We want to preserve the building and move classes, services, and other functions from another aging building so that our needs are better served. By connecting the library building to the main instructional building, we will enhance the safety/security of all students, staff, and visitors to our campus. This is especially critical as we are located adjacent to the Faribault Correctional Facility, and we want to ensure that our students and staff are safe.

Project Timeline

After funding is obtained, we hope to start the project within one year. The anticipated duration of the project is also approximately one year.

Other Considerations

We are hoping to reduce the square footage that we are required to maintain (staff, heating/cooling, energy use, cleaning/maintenance, and so forth). By improving the quality and function of this library building, we believe we can become more efficient and use our state funding more wisely, setting us up well for the future.

Impact on Agency Operating Budgets

By improving the safety and accessibility of this building, we will reduce workmen compensation claims; avoid any litigation regarding accessibility; and ensure compliance with current laws, regulations, and codes. Some renovations will also reduce the manpower needed within our physical plant department to maintain buildings on our campuses. Demolition of an existing aging building after this building has been renovated will reduce the square footage that we need to maintain.

Description of Previous Appropriations

This is a request that has not been funded yet. We requested funds during the previous legislative session, but this has not been included in previous bonding bills.

Project Contact Person

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Transportation — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Local Bridge Replacement Program	1	GO	$ 160,000	$ 160,000	$ 160,000
Local Road Improvement Fund Grants	2	GO	$ 150,000	$ 150,000	$ 150,000
		GF	$ 4,500	$ 0	$ 0
High-Priority Pavement Projects	3	THB	$ 200,000	$ 200,000	$ 200,000
Port Development Assistance Program	4	GO	$ 45,000	$ 45,000	$ 45,000
Drainage Asset Management Program	5	GO	$ 2,000	$ 2,000	$ 2,000
		GF	$ 6,000	$ 6,000	$ 6,000
Greater Minnesota Transit	6	GO	$ 10,000	$ 10,000	$ 10,000
Highway Railroad Grade Crossing-Warning Devices Installation & Replacement	7	GO	$ 10,000	$ 10,000	$ 10,000
Weigh Station Improvements	8	THB	$ 20,000	$ 0	$ 0
Minnesota Rail Service Improvement Program	9	GO	$ 20,000	$ 0	$ 0
Minnesota Rural Airport Program	10	GO	$ 10,000	$ 0	$ 0
Revolving Hangar Loan Program	11	GF	$ 10,000	$ 0	$ 0
Livable Communities Pilot Program	12	GO	$ 5,000	$ 0	$ 0
Facilities Capital Improvement Program	13	THB	$ 30,000	$ 0	$ 0
		THC	$ 5,000	$ 0	$ 0
ARMER Radio Communication Tower and Building Replacement	14	GO	$ 11,500	$ 0	$ 0
Safe Routes to School Infrastructure Program (SRTS)	15	GO	$ 10,500	$ 0	$ 0
		GF	$ 2,500	$ 0	$ 0
Active Transportation	16	GO	$ 780	$ 0	$ 0
		GF	$ 220	$ 0	$ 0
Transportation Building Consolidation and Remodel	17	GO	$ 5,000	$ 0	$ 0
		THC	$ 15,000	$ 0	$ 0
Electric Vehicle Infrastructure Program	18	GF	$ 5,000	$ 0	$ 0
Total Project Requests			$ 738,000	$ 583,000	$ 583,000
General Obligation Bonds (GO) Total			$ 439,780	$ 377,000	$ 377,000
General Fund Cash (GF) Total			$ 28,220	$ 6,000	$ 6,000
Trunk Highway Bonds (THB) Total			$ 250,000	$ 200,000	$ 200,000
Trunk Highway Cash (THC) Total			$ 20,000	$ 0	$ 0

($ in thousands)

Local Bridge Replacement Program

AT A GLANCE

2026 Request Amount:	$160,000
Priority Ranking:	1
Project Summary:	$160 million in general obligation (GO) bonds for the rehabilitation and replacement of local bridges across the state, as well as professional services, rehabilitation, stabilization, or relocation of salvageable components of historic bridges.

Project Description

This capital budget request will provide funding to replace or rehabilitate deficient bridges owned by local governments throughout the state. There are 16,374 bridges on the local system. Of these bridges, 1,062 meet the eligibility criteria to be replaced.

Local bridge replacement program funds are used in three ways:

1. To leverage or supplement other types of bridge funding, including federal-aid, state-aid, and town bridge funds.
2. For engineering and construction of local bridges in cities with a population less than 5,000 and county and city bridges with limited other transportation funding sources.
3. For engineering and construction costs to rehabilitate, stabilize, and relocate some historic bridges.

Most of these bridges require local governments to assume costs for design and construction engineering, right of way acquisition, bridge removal, and items not directly attributable to the bridge, such as roadway approach grading on either side of the bridge and roadway surfacing costs.

Project Rationale

Preserving the structural integrity of Minnesota's bridges is a priority for MnDOT, counties, cities, and townships. Bridges are a critical link in the transportation system and benefit the economy by providing connections for people and markets throughout the state, regionally, and around the world. State financial assistance to local units of government is necessary because of the significant number of bridges and the associated relatively high cost for replacement of these important highway assets.

A small percentage of local bridges are eligible for federal aid through the Area Transportation Partnership (ATP) process if they are on the federal aid system or selected by qualifications if they are off the federal aid system. Project sponsors can also apply for discretionary grants or seek congressionally directed spending for bridge projects. These federal projects require a match of local funds that may range from 20% or more of the total project cost. The state bridge funds are considered a priority for the local match on federal bridge projects in the State Transportation

Improvement Plan (STIP). Over the next four years, 63 local, federally funded projects have been identified, with $157 million in federal funds requiring an estimated local match from state bridge funds of $25 million in funding.

Of the 1,010 bridges prioritized by the counties and cities, 195 of these are large bridges with an estimated replacement cost of more than $1 million. Funding these larger bridge replacements can be especially challenging for the local agencies because of the size and cost of the projects and the local agency's limited transportation resources.

In 2024, local agencies received funding to replace or rehabilitate 183 bridges statewide, totaling approximately $283 million in construction costs, with approximately $118 million from state bridge funds. Counties and cities have adopted county board and city council resolutions that have prioritized an additional 1,010 bridges for replacement over the next five years with an estimated total replacement cost of $875 million, including anticipated requests of $272 million in state bridge funds. With inflation, it is anticipated that the state bridge fund need will be closer to $325 million, which represents an approximate 20% increase.

Project Timeline

The bridge program has projects designed, approved, and waiting for funding. Typically, the timeline for awarding bridge projects is winter/spring to have a full construction season to build the bridges. Counties and cities anticipate funding in the bridge program and currently have projects in various stages of project development.

Other Considerations

MnDOT manages several capital programs that widely impact traveler safety, critical connections, and asset management across the state. The Local Bridge Replacement Program keeps up with the replacement of deficient bridges on local road systems that cannot be funded locally. Critical freight, commerce, agriculture, or regular vehicular connections often include bridges as part of that transportation connection. Replacement of deficient bridges strengthens the connections alleviating detours and creating continuity.

Impact on Agency Operating Budgets

Administration of this program is through MnDOT's Office of State Aid for Local Transportation and will be completed using the existing organization and budget.

Description of Previous Appropriations

2020: $30 million GO bonds; $52 million GO bond earmark

2021: $14 million general funds

2022: $0

2023: $67 million GO bonds; $18.013 million general funds; $28.5 million GO bond earmarks (2 projects); $10.75 million general fund earmarks (4 projects)

2024: $0

2025: $31 million GO bonds

Project Contact Person

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Local Road Improvement Fund Grants

AT A GLANCE

2026 Request Amount:	$154,500
Priority Ranking:	2
Project Summary:	$150 million of general obligation (GO) bonds for rural road safety projects, routes of regional significance projects, and the local components associated with trunk highway improvement projects. An additional $4.5 million of general funds for grants to federally recognized Indian Tribes, since tribes are not eligible to receive general obligation bond funds.

Project Description

The Local Road Improvement Program provides funding assistance to local agencies for construction, reconstruction, or reconditioning projects. This includes:

- Assistance for counties with rural road safety projects to reduce traffic crashes resulting in deaths, injuries, and property damage.
- Assistance for counties, cities, townships, and tribes with local and tribal road projects that have statewide or regional significance and reduce traffic crashes, deaths, injuries, and property damage. Projects with complete streets elements receive additional consideration. Projects may support economic development, provide capacity or congestion relief, provide connections to interregional corridors, other major highways, and eliminate hazards.
- Assistance for local agencies and tribes to pay for costs of non-trunk highway components associated with trunk highway projects.

$4.5 million of general funds from this request will be guaranteed for use by Tribes who apply to the Local Road Improvement Program. Any additional general funds not pursued by Tribes will be made available to all applicants of the program.

Project Rationale

Local roads, meant to include roads at the county, city, township, and tribal levels, provide critical connections to the state's interregional corridors and other trunk highways from towns, shipping points, industries, farms, recreational areas, and other markets. A well-developed local system is vital to the communities and solutions for reducing congestion on trunk highways.

State assistance is needed to supplement local and tribal efforts and the Highway User Tax Distribution Fund (HUTDF) in financing capital improvements to preserve and develop a balanced transportation system throughout the state. In 2002, the legislature created the Local Road Improvement Program (Minnesota Statute 174.52) to help local communities finance transportation improvements on county, city, and township roads that meet the eligibility criteria of being regionally significant. Tribes were added as eligible grant recipients in 2023.

The most recent solicitation was completed in April of 2024 for $102.967 million of funding appropriated by the legislature in Minnesota Laws 2023, Chapter 68, Article 1, Section 2, Subd. 4(c)(2) and Minnesota Laws Chapter 72, Article 1, Section 16, Subd. 2. This resulted in the submittal of 378 applications for the program funding. The requested need for those applications was over $417 million with a total project cost of $921 million. The $102.967 million awarded in 2024 has funded 86 local road projects throughout the state.

The current capital budget request for $154.5 million, combined with local and tribal contributions, will be used to fully fund additional local road projects which would be selected from a future competitive solicitation.

Project Timeline

Projects are selected through an open, competitive solicitation that is administered by MnDOT's Office of State Aid for Local Transportation in partnership with MnDOT's Office of Tribal Affairs after an appropriation has been signed into law. The solicitation is typically released 2-3 months following enactment of the appropriation, with three months for applications and 3-4 months to review and develop draft recommended grant awards. After the LRIP advisory committee recommends projects for awards consistent with Minnesota Statute 174.52, grant awards are announced.

Grantees then develop plans, specifications, and cost estimates for State Aid or Tribal Affairs review. Following plan approval, projects are advertised, construction contracts are executed, and the improvements are constructed. The design and construction process typically takes between one and two years to complete, depending on the size and complexity of the project. This results in projects funded with LRIP funds typically being constructed 2-3 years following enactment of an appropriation.

Other Considerations

MnDOT manages several capital programs that widely impact traveler safety, critical connections, and asset management across the state. There is an existing demand to improve the safety and mobility for rural roads, routes of regional significance, and fund local components associated with trunk highway improvements.

Impact on Agency Operating Budgets

Administration of this program is through MnDOT's Office of State Aid for Local Transportation in partnership with MnDOT's Office of Tribal Affairs and will be completed using the existing organization and budget.

Description of Previous Appropriations

2020 $75 million (GO bonds, competitive solicitation)
$109.9 million (GO bonds for earmarks to 23 projects)

2021 $5.5 million (general funds, competitive solicitation)
$30.9 million (general funds for earmarks to 10 projects)

2022 $0

2023 $84.954 million (GO bonds, competitive solicitation, with minimum $6 million for townships)

$18.013 million (general funds, competitive solicitation)
$38.76 million (GO bond earmarks to 8 projects)
$204.153 million (general fund earmarks to 32 projects)

2024 $1 million (general fund earmark to 1 project)

2025 $47 million (GO bonds, competitive solicitation, $5 million for township roads)

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($ in thousands)

High-Priority Pavement Projects

AT A GLANCE

2026 Request Amount:	$200,000
Priority Ranking:	3
Project Summary:	$200 million in trunk highway bonds for high-priority pavement projects across the state.

Project Description

MnDOT's trunk highway system, approximately 12,000 centerline miles, consists of bituminous, concrete, and composite pavement with a wide range of conditions, ages, and performance. Despite significant investment, pavement conditions are projected to worsen over the next ten years and exceed most state system targets. Pavement projects are high-visibility and have a direct impact on commerce, tourism, and daily travel. MnDOT's State Transportation Improvement Program (STIP) and Capital Highway Investment Plan (CHIP) include forecasted pavement condition and identify priority for statewide pavement projects. This capital request will fund construction and engineering activities for high-priority pavement projects.

Project Rationale

Strategic bonding aligns funds with critical needs identified in the STIP and CHIP. Addressing high-priority pavement projects reduces the long-term need for pavement investments and curbs the decline of pavement conditions statewide. Capital funding enables the agency to invest in the state highway system to achieve both performance targets and key system goals. With this capital funding, MnDOT will improve asset management by preserving and improving pavement condition ratings statewide. Funding these projects through the use of bonds would free up MnDOT's annual state road construction funds to address other road and bridge projects across the state.

MnDOT tracks the performance of the Trunk Highway system with measures which are published on the Performance Measure Dashboard (https://www.dot.state.mn.us/measures/).

MnDOT tracks the annual percentage of total interstate, other National Highway System (NHS), and non-NHS state highways rated as having good or poor ride quality. Roadways with good ride quality have even surfaces and pavement that provides safe driving experiences. Roadways with poor ride quality range from uneven surfaces to cracks in the road surface that can make driving quality poor. Pavement rated poor can still be driven on, but the ride is sufficiently rough that most people would find it uncomfortable and may reduce their speed. Rough pavement can also negatively impact freight movement by increasing the risk of damaging cargo.

The target for the percent of miles in poor ride quality condition on NHS interstate routes is less than 2 percent. The target for NHS non-interstate routes is less than 4 percent. Poor ride quality is projected to increase to the target for NHS Interstate miles in 2034. Non-Interstate miles are

projected to increase to above the target after 2028.

Project Timeline

MnDOT scores and selects pavement sections that need work five to ten years before construction. Construction timelines will be unique to individual pavement projects.

Other Considerations

Investments in the pavement program will be delivered with existing MnDOT staff and resources.

Impact on Agency Operating Budgets

The administration of this program is funded with existing budgets within MnDOT.

Description of Previous Appropriations

2020: $242 million TH bonds (state highway construction, rail grade separations, project development, and flood mitigation projects)

2021: $413 million TH bonds (state highway construction and Corridors of Commerce Program)

2022: $0

2023: $511 million TH bonds (state highway construction, Corridors of Commerce Program, and named projects).

2024: $30 million TH bonds (state highway construction and Corridors of Commerce Program)

2025: $0

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($ in thousands)

Port Development Assistance Program

AT A GLANCE

2026 Request Amount:	$45,000
Priority Ranking:	4
Project Summary:	$45 million in general obligation (GO) bonds for the Minnesota Port Development Assistance Program which supports the infrastructure needs of Minnesota's public ports on the Great Lakes and Inland River Navigation Systems.

Project Description

The Port Development Assistance Program:

- Expedites the movement of commodities and passengers on the commercial navigation system.
- Enhances the commercial vessel construction and repair industry in Minnesota.
- Promotes economic development in and around ports and harbors in the state.

Eligible projects are funded by program grants that provide up to 80 percent state funds and a minimum 20 percent local share. Past projects include replacement of a warehouse roof, rehabilitation of a barge terminal dock wall, a newly constructed municipal dock, and rehabilitation of a dock area for truck parking.

Project Rationale

The Port Development Assistance Program helps to improve access to waterway transportation that benefits Minnesota industries and the public by upgrading facilities and infrastructure, as well as rehabilitating and expanding port capacity. Ports across the state provide multimodal connection options and access for freight. Ports also reduce truck demand on the highway and rail systems. When designed, maintained, and operated adequately, connector routes facilitate the best use of the marine system, and improve the overall efficiency of the road and rail system.

Available funding for the federal Maritime Administration's Port Infrastructure Development Program is expected to be at least $450 million for FY 2026. Port Development Assistance Program funds can provide the non-federal match ports need to succeed in these upcoming rounds of federal funding. An example of this is the rehabilitation of Port Terminal Drive in Duluth. Federal and city funds were used with Port Development Assistance funds to complete a total road project that would not have been possible without this partnership.

The four public ports have provided a list of future project needs for 2026 and beyond, totaling $52 million. This $45 million request, along with their local share, will be used to carry out the projects on this list which will be prioritized based on need, employment generated, and overall economic benefit.

Project Timeline

Example project timeline:

July 2026 - State Register Notice of Funds Availability/Request for project proposal applications

September 2026 - deadline for submission of application

March 2027 - execution of grant agreements and encumbrance

April 2027 - project construction begins

April 2028 - mid-point of project construction

March 2029 - project construction complete

Other Considerations

The four public ports in the state are a critical link in shipping routes. Modernization and improvements are needed to maintain these links and be competitive.

Impact on Agency Operating Budgets

The funding of this program will have no impact on department operating budgets or state operating subsidies.

Description of Previous Appropriations

2020: $14.0 million GO bonds

2021: $0

2022: $0

2023: $18.1 million GO bonds

2024: $0

2025: $0

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($ in thousands)

Drainage Asset Management Program

AT A GLANCE

2026 Request Amount:	$8,000
Priority Ranking:	5
Project Summary:	$6 million in general funds and $2 million in general obligation bonds to improve drainage asset resiliency by finding vulnerabilities, repairing assets, and tracking condition ratings.

Project Description

This capital request will provide $8 million to help MnDOT inventory, assess, and repair vulnerable hydraulic assets across the state. The program will prioritize rehabilitation of culverts and storm sewer systems, reduce flooding risk, and provide long-term tracking of hydraulic infrastructure condition and performance.

General funds will be used for inventory and assessment as well as for resources like training, inspection and monitoring equipment, remote water surface elevation monitoring and stream gaging, and other tools that improve road and bridge construction project development during planning and scoping phases. General Obligation bonds will be used for repairs to damaged assets.

Project Rationale

MnDOT is the fourth largest public road system in the nation and the largest owner of hydraulic infrastructure in state. The agency currently owns and maintains 2,700 bridges over water, 70,000 culverts, 75,000 storm sewers, and 1,700 stormwater treatment basins.

Maintaining this hydraulic infrastructure inventory is an ongoing, but challenging, effort. Many assets are difficult to access (e.g., in confined spaces, filled with sediment, or underwater) and require the need for specialty equipment (e.g., robotic inspection vehicles, divers) to record and document condition. By building up asset inventories, MnDOT will be better able to identify vulnerable assets and communicate agency needs to help maximize federal formula and discretionary funds. Monitoring hydraulic infrastructure will help the agency better forecast, respond to, and mitigate the effects of extreme weather events across the state, including natural disasters, droughts, and floods.

Hydraulic infrastructure is especially vulnerable to changes in climate. Most existing infrastructure was designed using historical rainfall or flood data. The increased frequency of extreme precipitation events is degrading asset conditions, leading to costly emergency repairs and road closures. This request will allow MnDOT to repair or replace vulnerable assets to improve the resiliency of Minnesota's transportation network.

This request supports goals identified in the 2020 State Water Plan. Potential projects and resources provided by this program would aide MnDOT's efforts towards the goal of managing built environments and infrastructure for great resiliency. This request also supports MnDOT's Strategic Plan and MnDOT's Resiliency Improvement Plan as well as advances goals identified in the

Transportation Asset Management Plan and by the Infrastructure Resilience Advisory Task Force.

Project Timeline

Summer/Fall 2026 – Solicitation request sent to MnDOT districts to update needs list

Fall/Winter 2026 – Requests reviewed and approved, and money distributed

Winter/Spring 2027 – Initiate contracting and purchase requests

Summer 2027 – Fund additional requests, like maintenance fixes, as allowable

Fall/Winter 2027 – Projects and purchases completed

Summer 2027 – Contracts concluded

Other Considerations

Drainage asset management projects support the goals of many partnering organizations working towards building resilient infrastructure to protect water quality, reduce the risk of flooding, and minimize road failure. Funding for these projects allows MnDOT districts to better utilize maintenance funding by repairing vulnerable assets before they reach a point of critical failure.

Impact on Agency Operating Budgets

Administration of the program and delivery of infrastructure projects is absorbed by MnDOT.

Description of Previous Appropriations

None

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($ in thousands)

Greater Minnesota Transit

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	6
Project Summary:	$10 million in general obligation (GO) bonds to support public transit service throughout Greater Minnesota. Funding will be used to preserve current and develop new public transit facilities.

Project Description

This capital request will fund Greater Minnesota transit systems for facility repair and improvements specifically designed to meet vehicle storage, maintenance, operations, and administrative activities. In the absence of appropriate space, these functions are often separated and poorly housed. Suitable facilities add useful life to transit vehicles, provide safe storage, improve overall vehicle and service performance, and make pre and post-trip inspections more thorough.

With support from MnDOT, Minnesota's rural transit agencies (those serving rural areas and cities of less than 50,000 in population) have completed individual five-year transit investment plans. Minnesota's small urban systems (serving cities with a population of 50,000 to 200,000) maintain transit development plans. Both the five-year system plans and the transit development plans include facility needs throughout the projected duration of each plan.

MnDOT has developed a four-year program to solicit, schedule, and manage candidate facility projects. In August/September of 2024, a solicitation was conducted for capital facility projects that would be incorporated into calendar years 2026-2029. MnDOT received eight applications for major rehabilitation/expansion of existing facilities or construction of new facilities. The total needs identified by this solicitation were $29.2 million. Three facility projects have been scheduled for 2026/2027 with an estimated cost of $7.4 million. All were prioritized with a criteria-based assessment of need, local support, and construction readiness or ability to become construction ready.

In August 2025 MnDOT will solicit applications for projects in 2027-2030. The following projects may be eligible for bonding and may include predesign, design, constructing, and equipping transit facilities:

- Hubbard County – Cost: ~$3.8 million - A new facility including offices, bus storage, and bus wash.
- Watonwan County – Cost: over $2 million – A new facility including offices and bus storage.

Available federal, state, and local funding for facility development and other capital investments over this period is anticipated to fall far short of the identified need.

Project Rationale

Obsolescence: Existing facilities have reached the end of their useful life. Facilities have become structurally deficient or functionally obsolete to the point that replacement or major renovation is the

best alternative for maintaining efficiency.

Growth: The transit system has outgrown its current facilities.

Regionalization: Over the past decade several smaller rural transit agencies have merged. Although overall operational efficiency is gained, the purpose and location of facilities may no longer match the current service design.

Project Timeline

Summer 2025 - Solicitation opens and applications available

Fall 2025 - Project selections made and incorporated into program years (2027-2030)

Winter 2025-2026 - MnDOT contracting begins for 2026 scheduled projects

Fall/Winter 2028 - Project construction completed

Other Considerations

The Public Transit Participation Program provides grants for capital assistance to Greater Minnesota transit agencies on an annual basis. Bond projects will be incorporated into MnDOT's four-year program in an appropriate calendar year.

Critical connections are a key factor in enhancing commerce, tourism, and industry. Funding these facilities projects will ensure vehicles are available and increase access for persons and businesses to ensure economic well-being and quality of life.

Impact on Agency Operating Budgets

Under M.S. 16A.695 subd 5, a grantee's operating budget for new facility and property financed by a capital bonding grant will be reviewed by MnDOT and must be determined adequate for operating and funding the intended program.

Description of Previous Appropriations

Bond funds were appropriated in the following years and amounts for other Greater Minnesota transit projects:

2020: $2.0 million GO bonds

2021: $0

2022: $0

2023: $3.0 million GO bonds

2024: $0

2025: $0

In addition, MnDOT receives annual funding for the Greater Minnesota transit program through a statutory dedication of revenues, primarily the motor vehicle sales tax.

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($ in thousands)

Highway Railroad Grade Crossing-Warning Devices Installation & Replacement

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	7
Project Summary:	$10 million in general obligation (GO) bonds for the replacement of aging or installation of new highway/rail grade crossing safety gates and signal warning systems, along with closure and consolidation of highway/rail crossings.

Project Description

This capital request will provide funding to repair or replace a portion of the aging grade crossing warning devices in the state and to install new warning systems at high-risk locations. The oldest highway/rail grade crossing signal systems on local roads in the state will be replaced with flashing light signals and gates, which cost approximately $400,000 per location. New systems will be installed at the highest risk locations at approximately $400,000 per location. The cost of closures and consolidations varies dependent on the roadwork necessary to eliminate the crossing, but Minnesota has seen a steady increase in project costs over the last five years.

Aging signal systems are prioritized and submitted as candidate projects by each operating railroad. MnDOT then selects projects based on multiple factors, including roadway traffic volumes, train counts, cost participation, and safety concerns. Existing crossings that will be closed or consolidated are the highest investment priority for the grade crossing safety program. MnDOT also uses federal funds for the installation of new and antiquated systems at hazardous locations on both local and state roads.

A federal set-aside program, which provides $6 million in federal funds annually, addresses an estimated 20 projects of all types per year. This is a small percentage of the grade crossing safety needs throughout the state.

Project Rationale

The reliability of grade crossing warning devices is of utmost importance to the traveling public. Rapid advancements in technology have made older grade crossing warning devices obsolete and, at times, difficult to repair due to lack of parts. When a crossing signal malfunctions, the lights flash in the same manner as if a train were approaching the crossing. Flashing lights continue until the problem is corrected, which could take several hours. Drivers can confuse a signal with a long warning time with one that is malfunctioning. A driver may assume that a signal has malfunctioned and attempt to cross the tracks despite the flashing signal or lowered gates. Altering driver expectations in this manner can have dangerous consequences.

There are approximately 1,600 railroad highway/rail grade crossings signals in the state of Minnesota. The normal life cycle for highway/rail grade crossing signals is 20 years. These signal systems need to be replaced as they get to the end of their useful life. Based on inventory data prepared by MnDOT, there are over 750 signal systems that should be replaced. MnDOT has developed a statewide lifecycle planning process to manage system replacement.

Since older signal systems malfunction more than newer equipment, signal modernization is an integral component of MnDOT's efforts to maintain safety at highway/rail grade crossings. MnDOT estimates it will cost approximately $30 million per year (75 crossings per year x $400,000) to fully address the state's highway/rail grade crossing signal modernization needs.

MnDOT has developed a risk ranking system to select passive crossings for new warning devices. This system uses grade crossing characteristics to rank the risk at each crossing in the state. This includes deficient approaching and clearing sight distances as well as geometric factors such as skew and vertical alignments. This request will address a significant portion of upgrades at high-risk crossings.

Project Timeline

Project selection including solicitation, technical review, estimate: 12 months

Agreement development and execution: 4 months

Project construction: up to 18 months

Project closeout, including final inspection and audit: 6 months

Other Considerations

Traveler safety is of the utmost importance to MnDOT. To advance this priority MnDOT monitors the safety performance of approximately 1,600 railroad highway/rail grade crossings signals throughout the state and looks to invest in reliable devices that limit accidents and ensure travelers' safety.

A portion of appropriated funds may be used for consultant project management assistance. A portion of federal funds may be included to ensure pre-emption of state and railroad tort liability.

Impact on Agency Operating Budgets

The funding of this program will require resources to develop and administer the agreements with the railroads. Since most crossings are not on the Trunk Highway system and not eligible for Trunk Highway funds, MnDOT will attempt to identify internal resources and possibly seek a funding increase if necessary.

Description of Previous Appropriations

2020: $0

2021: $0

2022: $0

2023: $3.6 million in GO bonds

2024: $0

2025: $1 million in GO bonds

In addition to this funding, the program receives $2 million annually from the Minnesota Grade Crossing Safety Account in the special revenue fund (Minnesota Statutes 219.1651). This account is used for smaller safety improvements at crossings such as circuitry upgrades.

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($ in thousands)

Weigh Station Improvements

AT A GLANCE

2026 Request Amount:	$20,000
Priority Ranking:	8
Project Summary:	$20 million in trunk highway bonds to acquire land, predesign, design, construct, furnish, and equip a new Class A Weigh Station near St. Cloud for the Department of Transportation and Department of Public Safety.

Project Description

This capital request will include the construction of a full weigh station, including scale and building. The scale will be designed to allow legal size/weight vehicles to bypass within or near the site. This site will be staffed by the Department of Public Safety (DPS) and open approximately 60-80 hours/week. The weigh station will feature a permanent building (approx. 5,000 sq.ft.) and will be enhanced with additional technology (weigh-in-motion, over-height detection, vehicle detection). Scales will be on multiple platforms to allow most trucks to be weighed in one stage.

Project Rationale

Weigh stations are an important part of Minnesota's truck size and weight enforcement efforts. They play a key role in protecting the state's roadway infrastructure and protecting motorists from unsafe vehicles and unqualified drivers. According to the draft Weight Enforcement Investment Plan, this Interstate location qualifies for a Class A facility. Analysis of I-94 westbound showed that only 5 percent of trucks at St. Croix would be screened on I-94 west of Minneapolis, which is far below desired screening levels. Therefore, it is recommended that a Class A facility on I-94 be considered at this location.

Project Timeline

FY 2026/2027 - Location scoping and property acquisition

FY 2028 - Predesign and engineering

FY 2029 - Engineering and design

FY 2030 - Construction

FY 2031 - Staffing and operation

Other Considerations

A portion of appropriated funds for this activity may be used for consultant project management assistance and/or preliminary design.

Impact on Agency Operating Budgets

Since the proposed facility is located on or adjacent to state trunk highways, these requests are

eligible for trunk highway funds. Internal staff will continue to manage the proposed projects under existing timelines.

Description of Previous Appropriations

The Weigh Station program receives $2.5 million annually in State Road Construction funds. This does not include the cost of routine maintenance activities, such as mowing, snow removal, and janitorial services, which are done by MnDOT districts.

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Minnesota Rail Service Improvement Program

AT A GLANCE

2026 Request Amount:	$20,000
Priority Ranking:	9
Project Summary:	$20 million in general obligation (GO) bonds for the Minnesota Rail Service Improvement (MRSI) Program to acquire land, predesign, design, and construct projects that improve freight rail service in Minnesota.

Project Description

This capital request will provide grants or loans to railroads, shippers, local governments, and other qualified applicants for eligible publicly or privately owned freight rail projects that demonstrate a clear tie to economic development. This includes projects that improve rail facilities and increase rail shipping.

Regional and statewide freight studies, as well as the State Rail Plan, identify needs that may be addressed by the MRSI Program. This request seeks the flexibility to use these funds for loans, if needed, as grant applications have consistently exceeded the available grant funds. The loan program enables eligible capital improvement applicants to use program funds if they demonstrate the ability to pay back the loans even when there is not a current grant solicitation (i.e. they are ready to start a project more immediately) or they are not selected for grant funds in a solicitation.

The requested funds will also be leveraged at the local level. Funds appropriated to the MRSI Program for grants or loans frequently include matching funds recipients contribute to the projects. For competively-awarded grants, the scoring process prioritizes projects that include matching funds. Selected grantees in 2024 committed to contribute over 50% of the $9.6 million appropriated to the program. For loans, recipients typically contribute more than 10% of their own funds to the projects and all loan funds are repaid to the program.

Project Rationale

Minnesota's short line and regional railroads provide a critical function in the rail network. Short line and regional railroads are lighter-density railroad lines that have typically been spun off larger railroads and operate independently. Short line and regional railroads provide important freight connections between communities and between national and international markets served by the Class 1 railroads. Many of the smaller railroads in Minnesota need capital improvements and rehabilitation to operate safely and reliably. In addition, businesses that wish to ship or receive goods by rail must have adequate rail infrastructure such as rail spurs, sidings, and loading equipment. The MRSI Program assists with these needs.

In 2023, the MRSI program was appropriated $9.6 million. In the grant solicitation held that year, MnDOT received 19 grant applications totaling over $22 million and was able to award funds to 11 projects. The program did not receive additional funding in 2024 and has received multiple incoming loan requests. Without new funds, MnDOT was not able to hold an additional solicitation in 2024 and

expects to receive additional incoming loan requests.

The most recent Minnesota State Rail Plan (2015) identified $250 million in long-term rail funding needs in Minnesota. In addition, according to the recently released The Scope Report: Ninth Annual Summary of Investment Capital Needs (Forecast 2025-2030), created by consultants Busch & Partners Inc., the 5-year Minnesota freight rail repair, improvement, and economic development need is now $274.4 million. Due to these needs, the Minnesota Regional Rail Authority (MRRA) has supported a $20 million bonding request for rail service improvements in 2025.

The MRSI Program assists with both significant rail infrastructure rehabilitation that often becomes more costly if postponed as well as statewide economic development (rail grant and loan applicants must show how they will support Minnesota economic development in their applications).

Project Timeline

Timelines for projects funded under this program will be project-specific, but will generally follow the following timeline:

Fall 2027 – grant applications open

Winter 2028 – deadline for grant applications

Spring 2028 – grants awarded

Spring/Summer 2028 – construction on projects begins

Loan applications are currently accepted on a quarterly basis, dependent on available funds.

Other Considerations

The Minnesota Rail Service Improvement Program was established in 1976 to preserve and improve essential rail service within the State of Minnesota and to assist with the development of complex and costly railroad projects that might not occur without public financial assistance.

The Minnesota Legislature established the grant program for freight rail service improvement projects that support economic development in 2017 after a need to provide financial assistance for rail improvements beyond what was traditionally provided through loan programs. The grant program allows for funding of projects supporting economic development that may not otherwise qualify for public or private financing. The grant program also furthers the goals of the Minnesota State Rail Plan.

The loan program continues to provide needed funding for applicants that seek to complete a project when there is not a grant solicitation or if they are not selected in the competive grant solicitation. Because recent appropriations have specifically funded only the grant program, the availability of funds for loans has diminished enough to threaten sustainability of the loan program.

Impact on Agency Operating Budgets

This would fund an ongoing program with is delivered with existing resources.

Description of Previous Appropriations

2020: $4.0 million in GO bonds

2021: $13.0 million in general funds

2022: $0

2023: $9.6 million in GO bonds

2024: $0

2025: $1.0 million in GO bonds

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($ in thousands)

Minnesota Rural Airport Program

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	10
Project Summary:	$10 million in general obligation (GO) bonds to establish the new Minnesota Rural Airport Program (MRAP) to provide grants for capital development projects to local governments that own airports in communities which do not have access to federal funding.

Project Description

MnDOT, in collaboration with stakeholders from smaller/rural non-federally funded airports throughout the state, seeks to establish the Minnesota Rural Airport Program (MRAP) to provide funding for airport capital improvements in less populous Minnesota communities that will benefit the state's airport system and economy.

Funds appropriated for the MRAP will be used for capital improvements at airports that do not have access to federal funding support. These are publicly-owned and publicly-used airports that are not part of the Federal Aviation Administration (FAA) National Plan of Integrated Airport Systems (NPIAS). In Minnesota, there are 132 public-use airports, 96 of which are included in the FAA NPIAS and therefore eligible for federal funding. The remaining 36 public-use airports, referred to as Non-NPIAS airports, rely on revenue generated, local funding, and state funding.

Capital improvement projects may include but are not limited to: clear zone land acquisition, eligible airport buildings, navigational aids, fuel system, lighting, and both runway and non-runway pavements.

Project Rationale

This funding will support improvement projects at airports that are vitally important to the state but that are not eligible for federal support due to FAA criteria for entry to NPIAS. These airports did not benefit from the millions of dollars in federal pandemic relief directed to Minnesota's federally eligible airports. They are also not eligible for the $300 million in Infrastructure Investment and Jobs Act (IIJA) funding directed to Minnesota. These non-NPIAS airports also did not benefit from the $36 million in federal matching funds provided by the Legislature during the 2023 session.

In the Statewide Capital Improvement Program (CIP) for airport capital development, total funding (from local, state, and federal) is greater than $1.2 billion across Minnesota's 132 public-use airports. For non-NPIAS airports, the total is around $100 million. Most of that $100 million ($83 million) has been identified as coming from state funding sources. For comparison, for the 96 NPIAS airports that receive federal funding, only $132 million has been identified as state funding sources. That means that the average NPIAS airport in our system requests $1.38 million in state funding for capital development projects and the average non-NPIAS airport requests $2.3 million in state funding (66% higher), demonstrating a larger need for non-NPIAS airports.

Project Timeline

Capital improvement project timelines will be unique for each airport. Funding would be used throughout state fiscal years 2027 and 2028.

Other Considerations

None

Impact on Agency Operating Budgets

Grants would be administered by existing MnDOT staff. MnDOT does not anticipate new or additional local government operating needs for those projects.

Some projects may expand the system by building a new facility. MnDOT provides operational funding to airports based on a formula that considers infrastructure. A local match to these funds is required. This formula is periodically updated, therefore additional state and local operating dollars may be needed for those projects.

Description of Previous Appropriations

MnDOT receives an annual appropriation exceeding $20 million from the state airports fund to acquire, construct, improve, maintain, and operate airports and other air navigation facilities.

No funds have previously been appropriated for MRAP. An additional $15 million in onetime funding from the state airports fund was provided during the 2023 session for the 2024-25 biennium.

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($ in thousands)

Revolving Hangar Loan Program

AT A GLANCE

2026 Request Amount:	$10,000
Priority Ranking:	11
Project Summary:	$10 million in general fund cash for the Revolving Hangar Loan Program, which funds airport hangar construction, improvements, rehabilitation, and maintenance.

Project Description

This capital budget request will provide funding for airport hangar construction loans in areas with high aircraft storage demand. Funding may be used for site design and engineering, site preparations, hangar construction, hangar rehabilitation and maintenance, hangar upgrades (e.g., lighting, heating), and door replacements.

Currently, the Aeronautics Revolving Hangar Loan Program has $4.4 million. There are six outstanding hangar loans to the airports in Alexandria, Bemidji, Chisholm-Hibbing, Granite Falls, Worthington, and Tracy. Loan payments from the revolving fund annually generate about $200,000. Depending on local contributions or other funding sources, it takes four to five years of loan payments to generate enough money in the revolving fund to issue another hangar loan.

Project Rationale

Hangars are critical infrastructure at Minnesota airports. In addition to protecting aircraft, they generate revenue and support long-term airport financial sustainability. Of Minnesota's 132 publicly owned, public-use airports, 96 receive Federal Aviation Administration (FAA) funding. However, the FAA does not fund hangar construction. With typical hangar costs ranging from $1 to $2 million, many airports struggle to fund new development. Currently, there are 11 airports on MnDOT's hangar loan waitlist with requests totaling $11.8 million.

The Minnesota State Aviation System Plan (MnSASP) identified hangar availability as one of the top systemwide challenges. Statewide, 95.7% of hangars are occupied, rising to 97.3% at key general aviation airports. Projects supported by this request will be prioritized based on storage demand and aligned with the MnSASP prioritization model to advance statewide aviation goals.

Airports maintain capital investment programs (CIPs) that prioritize future capital development projects. The CIPs are used to make funding requests to both the FAA and MnDOT for capital development grants. In the statewide CIP for all Minnesota public-use airports (132), there are 193 hangar projects totaling $130.5 million in capital investment. $22.9 million of that total was noted for state funding and contributions.

Project Timeline

If funded in State Fiscal Year 2026, the additional $10 million investment is expected to support the immediate construction of five to 10 hangars. Loan repayments, estimated at approximately

$840,000 per year, may help replenish the fund over time and support future projects. This investment will allow the program to shift from funding a new hangar every four to five years to potentially funding one hangar each year.

Other Considerations

Once built, these hangars will ease aircraft storage demand at key airports statewide, supporting the strength and sustainability of Minnesota's airport system. Because the loan program recycles funds as loans are repaid, the $10 million increase will help generate more hangar projects in the future, creating a lasting impact.

Impact on Agency Operating Budgets

Administration of the Revolving Hangar Loan Program will be managed by existing MnDOT staff, resulting in no additional operating costs or need for increased state operating subsidies.

Description of Previous Appropriations

The Revolving Hangar Loan Program was established by the Minnesota Legislature in 1957. In 1994, statutory language was added that directed $4.1 million into the revolving account. In 2002, the amount was increased to $4.4 million. Hangar loans have been issued at 0% interest rates and therefore the fund balance remains at $4.4 million.

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($ in thousands)

Livable Communities Pilot Program

AT A GLANCE

2026 Request Amount:	$5,000
Priority Ranking:	12
Project Summary:	$5 million of general fund cash for a Livable Communities Pilot Program for transportation infrastructure projects focused on improving connectivity across state highways in Minnesota.

Project Description

This capital request will leverage local partnerships to improve livability by providing up to $5 million in grants to local partners such as cities, counties, towns, and federally recognized tribes, nonprofits and community-based partners. Grants will be used for infrastructure projects in MnDOT rights of way to improve connectivity, safety, and sense of place. By improving transportation environments, people living near highways may better connect to workplaces, business districts, schools, neighborhoods, recreation areas, and other community activity centers. These investments will lead to higher quality of life, better health, increased mobility, and improved access to opportunities.

Projects may include but are not limited to improved under-bridge environments, new public spaces adjacent to rural main streets, widened bridges, small bridge caps/stiches, lighting, placemaking, and bike and pedestrian facilities. Livability projects may be included in new MnDOT construction projects, be part of retrofitting existing facilities or mitigating existing transportation facilities. Eligible costs may include site preparation, demolition, construction, rehabilitation, reconstruction, and equipping the eligible sites for improvements.

Project Rationale

Communities living adjacent to highway infrastructure disproportionately experience infrastructure development impacts, including reduced connectivity and livability, health disparities, and community fragmentation. Livable communities projects will have numerous benefits in creating better environments for walking and biking, enhancing safety, improving access to jobs and key destinations, supporting economic competitiveness, and improving quality of life for underserved, disadvantaged, or overburdened communities across the state of Minnesota.

Since 2018, MnDOT has expanded a focus on increasing livability and public-private partnerships that improve transportation rights of way to support quality of life, economic vitality, health, climate resilience, sense of place, connectivity, and safety. MnDOT's Livability Framework has articulated a need for investment in transportation projects that reflect and support community goals while enhancing transportation choices, reducing emissions, and supporting the human scale.

The 2022 Statewide Multimodal Transportation plan is the highest policy plan at MnDOT that prioritizes transportation that supports public health and emission reduction. The 2023-2042 Minnesota State Highway Investment Plan included a priority to create a Livable Communities Pilot Program to improve connectivity across highways for disadvantaged communities.

The Livable Communities Pilot Program directly supports the goals of the One Minnesota plan by creating safer spaces for children and families around transportation infrastructure, providing better connectivity to jobs, housing, and community activity centers, as well as promoting healthy and active transportation options for underserved communities that will improve mobility and reduce emissions.

The projects supported by the Livable Communities Pilot Program would directly address climate resiliency goals for green infrastructure and low-carbon transportation options within the 2022 Climate Action Framework. This pilot program may support transportation investments in green infrastructure that improve quality of life, reduces urban heat islands, increase water filtration, and improve the resiliency of highway rights of way.

Project Timeline

Summer/Fall 2026 – Application materials developed

Fall/Winter 2026 – Solicitation opens and applications available

Winter/Spring 2027 – Project selections made and announced

Summer 2027 – Contracting begins

Summer 2028 – Projects completed

Other Considerations

Livability enhancements will be on transportation facilities that are in MnDOT rights of way.

Impact on Agency Operating Budgets

Administration of this program is through existing resources in MnDOT's Office of Sustainability and Public Health.

Description of Previous Appropriations

None

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($ in thousands)

Facilities Capital Improvement Program

AT A GLANCE

2026 Request Amount:	$35,000
Priority Ranking:	13
Project Summary:	$30 million in trunk highway bonds and $5 million in trunk Highway cash for MnDOT's Facilities Capital Improvement Program to extend the useful life of existing facilities through renovation, expansion, and new construction to meet current operational needs, reduce long-term operating costs, and improve energy efficiency.

Project Description

This capital funding request will provide support for MnDOT's building infrastructure needs. Agency facilities are strategically located across the entire state so that customer needs, especially snow and ice operations and system emergencies, are addressed promptly. These facilities provide building space for staff, equipment, and material, including snowplows and salt. MnDOT has custodial control of 905 individual buildings at 279 sites. The types of buildings include truck stations, regional headquarters, maintenance sites, research facilities, training facilities, salt/sand storage, brine facilities, unheated storage, safety rest areas, weigh scales and truck inspection buildings.

Project Rationale

The Facilities Capital Improvement Program provides a systematic approach to the maintenance, renovation, and replacement of MnDOT buildings. Continued maintenance and improvement to facilities are essential to supporting MnDOT's core mission to "plan, build, operate and maintain a safe, accessible, efficient and reliable multimodal transportation system that connects people to destinations and markets throughout the state, regionally and around the world."

Facility plans are based on data captured in the Enterprise Real Property Facilities Condition Assessment completed on facilities managed and maintained by the facility managers and craftspeople in MnDOT's eight districts and four special service sites. This assessment indicates that overall, 198 buildings are rated excellent, 329 are rated good, 307 are rated fair, 60 are rated poor, and 11 are rated crisis/emergency condition. Facility project proposals are prioritized based on need, condition and operational deficiencies of the existing facilities, and overall economic benefit.

The current replacement value of all MnDOT buildings is approximately $1.53 billion and deferred maintenance is approximately $215 million. Both numbers are generated using the Department of Administration's standardized FCA program. Deferred maintenance is the total of essential, but unfunded, facilities maintenance work necessary to bring facilities and collateral equipment to the required facilities maintenance standards including unfunded maintenance requirements, repairs, and replacement of obsolete items. This is the total work that should be accomplished to maintain the facilities but that cannot be achieved within available resources. It does not include new construction, additions, or modifications.

Project Timeline

Timelines are specific to each building project.

Other Considerations

Impact on Agency Operating Budgets

None

Description of Previous Appropriations

2020: $58 million TH bonds

- Eden Prairie TS addition ($15.2 million)
- Mendota Heights TS addition ($15.8 million)
- Clearwater TS construction ($10.5 million)
- Jordan TS construction ($14.1 million)
- Virginia HQ Design ($2.4 million)

2021: $0

2022: $0

2023: $87.44 million TH bonds

- Virginia HQ construction ($78.42 million)
- Virginia HQ design – additional funds ($5.44 million)
- 2020 bonded inflationary project cost increases: $3.58 million

2024: $20.1 million TH cash for St. Cloud mechanics addition

2025: $2 million TH cash for truck station modernization

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($ in thousands)

ARMER Radio Communication Tower and Building Replacement

AT A GLANCE

2026 Request Amount:	$11,500
Priority Ranking:	14
Project Summary:	$11.5 million in general obligation (GO) bonds for the replacement of Allied Radio Matrix for Emergency Response (ARMER) system radio communication towers and equipment buildings.

Project Description

This capital request will provide funding to replace ten aging ARMER radio towers, seven equipment buildings owned by the state, as well as two radio communication towers and two equipment buildings owned by Cook County that are used for the ARMER system. These towers were originally constructed in the late 1950s and 1960s and do not meet current structural radio communication tower standards. The nine buildings requiring replacement are undersized for their current use, have structural deficiencies, and need updates to the electrical and HVAC systems.

Project Rationale

The ARMER system is critical for all public safety communications in Minnesota. ARMER is Minnesota's shared public safety radio communication system that provides around-the-clock interoperable radio communication service to multiple federal, tribal, state, and local agencies. ARMER serves the emergency and day-to-day two-way radio communication needs of MnDOT, the Department of Public Safety (DPS) and other state agencies, as well as most local and regional law enforcement agencies. This includes fire, emergency medical, and public works services. This system needs to be operational and available during all public safety day to day operations, emergency, or disaster events.

The original ARMER system construction made use of existing state and county-owned radio communication towers and buildings that were built in the 1950s and 1960s. These facilities met the initial ARMER implementation needs without replacement. Original project plans included replacing these older facilities with ARMER project funds. Several towers and buildings have been replaced but there were insufficient funds available to replace all the radio communication towers and buildings that have structural deficiencies.

Project Timeline

Ten of the radio tower replacements are planned to be a one-for-one replacement and will not require new environmental consultation. These sites would be ready for the 2027 construction season.

Two of the radio communication tower replacements increase the height of the tower and will require environmental consultation. These sites would be ready for the 2028 construction season.

Other Considerations

None

Impact on Agency Operating Budgets

Administration of this program through MnDOT Statewide Radio Communications will be completed using the existing organization and budget.

Description of Previous Appropriations

In the past, MnDOT has received funding for radio communication towers and equipment buildings, including GO and revenue bonds. In 2007, MnDOT received $186 million from the 911 Account for construction buildout of ARMER tower sites statewide.

2023: $2 million general funds

2025: $14 million 911 funds

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($ in thousands)

Safe Routes to School Infrastructure Program (SRTS)

AT A GLANCE

2026 Request Amount:	$13,000
Priority Ranking:	15
Project Summary:	$10.5 million of general obligation (GO) bonds and $2.5 million of general fund cash for transportation infrastructure projects focused on improving safety for youth and encouraging more walking and biking to and from school in communities throughout Minnesota.

Project Description

This capital request will provide $13 million for the Safe Routes to School (SRTS) program to assist cities, counties, and federally recognized tribes with funding for infrastructure projects for students walking and bicycling to and from school. Projects may include, but are not limited to, new sidewalks and bike paths, traffic calming, roadway reconfigurations, and pedestrian-level lighting.

SRTS projects have numerous benefits including enhancing safety for youth and families, reducing congestion and carbon emissions around schools, reducing school transportation costs, and providing an opportunity for physical activity which improves health, reduces behavioral issues, and supports academic achievement.

Project Rationale

SRTS Program was created in 2006 as a federal program and funded under federal authorization. Since that time, federal authorization bills have not identified specific funding for the SRTS Program. In 2012, a state SRTS Program was established to assist in capital investments for safe and easy active transportation to and from schools. The Minnesota program follows many of the guidelines established for the federal SRTS legislation. The law identifies specific program administration requirements and evaluation criteria. In 2020, MnDOT updated the Minnesota SRTS strategic plan that confirms program goals and objectives and identifies needs and priorities for many agencies, organizations, and individuals working to improve walking and biking to school across Minnesota.

Since its creation, the SRTS program has funded Safe Routes to School plans in over 500 schools in Minnesota that engage community members, identify community-specific barriers, and develop priorities for making it safer and easier to walk and bike to school. Community-based SRTS plans are often the first step in evaluating and developing potential strategies that lead to the implementation of local infrastructure projects.

MnDOT has goals to decarbonize transportation, and supporting improvements around schools to support more youth to walk, bike, or roll to school can help reduce the 10% of morning traffic congestion attributed to school transportation.

The requested funding amount of $13 million was estimated to support 50 percent of the 58 SRTS Plans that have been funded and developed with MnDOT support over the last four years. It provides

for an estimated need of $450,000 per plan (based on 2024 average infrastructure project selection) to improve the built environment for youth to get to and from school safely. Robust funding will support numerous smaller scale projects to benefit the 355 school districts across the state each solicitation cycle.

The 2024 SRTS infrastructure solicitation resulted in $10.285 million in project selections and received $18 million in grant requests for infrastructure funds.

$2.5 million of general funds from this request will be guaranteed for use by Tribes who apply to the SRTS Program since they are not eligible to receive general obligation bond funds. Any additional general funds not pursued by Tribes will be made available to all applicants of the program.

Safe Routes to School Program project selection summaries and rankings can be viewed here:

- https://www.dot.state.mn.us/saferoutes/grants-solicitation-results.html
- https://www.dot.state.mn.us/saferoutes/infrastructure-grants.html

Project Timeline

Summer/Fall 2026 – Application materials developed

Fall/Winter 2026 – Solicitation opens and applications available

Winter/Spring 2027 – Project selections made and announced

Spring 2027 – Planning assistance (non-infrastructure projects) begins

Summer 2027 – Construction (infrastructure projects) begins; planning assistance concludes

Summer 2030 – Infrastructure projects completed

Other Considerations

SRTS supports the goals of many partnering organizations working towards the safety, health, and educational excellence of students. Funding provides opportunities for local agencies and schools to invest in providing Minnesota students improved opportunities to walk or bike to school, which supports thriving communities for families.

Impact on Agency Operating Budgets

Administration of this program is through MnDOT's Office of State Aid for Local Transportation and will be completed using the existing organization and budget.

Description of Previous Appropriations

2020: $3.0 million GO bonds

2022: $6.0 million general funds

2023: $25.797 million in general funds and $2.4 million GO bonds

2024: $0

2025: $0

This program also receives an annual $1.5 million general fund appropriation through the operating budget.

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($ in thousands)

Active Transportation

AT A GLANCE

2026 Request Amount:	$1,000
Priority Ranking:	16
Project Summary:	$780 thousand of general obligation (GO) bonds and $220 thousand of general fund cash for active transportation infrastructure projects focused on improving safety and encouraging more walking and biking throughout Minnesota.

Project Description

This capital request would provide $1 million to assist cities, counties, towns, and federally recognized tribes with funding for infrastructure projects for walking and bicycling. Projects may include, but are not limited to, new sidewalks and bicycle trails, ADA improvements, and traffic diversion controls. Active Transportation (AT) projects have numerous benefits including enhancing safety, stimulating economic activity, reducing congestion, and providing an opportunity for physical activity which decreases obesity, improves health, and supports academic achievement.

Project Rationale

Pedestrian and bicycle paths provide critical access to goods and services. Creating accessible routes for non-motorized transportation will enhance safety, reduce congestion, and provide opportunities for physical activity. The estimated cost of pedestrian crashes over the next 20 years is $4 billion. Implementing proven safety countermeasures can reduce crash risk at a fraction of the cost of crashes.

The Active Transportation Program was created in 2017 as an unfunded state program. The law required the commissioner must establish a project evaluation and selection process that is competitive, criteria-based, and objective.

MnDOT's Active Transportation Program has funded 31 non-infrastructure initiatives to assist communities with corridors, parks and trails, and community-wide planning. The program has also assisted communities with various types of implementation technical assistance, including design and installation of 10 quick-build/demonstration projects (with an additional seven planned for 2025). MnDOT is engaged in strategic planning for the AT Program and will identify further methods for supporting and preparing communities of all sizes for active transportation infrastructure deployment and maintenance.

The 2024 AT infrastructure solicitation resulted in $11.93 million in project selections of received requests for $24.6 million in AT infrastructure funds.

$220 thousand of general funds from this request will be guaranteed for use by Tribes who apply to the AT Program since they are not eligible to receive general obligation bond funds. Any additional general funds not pursued by Tribes will be made available to all applicants of the program.

Project Timeline

Summer/Fall 2026 – Application materials developed

Fall/Winter 2026 – Solicitation opens and applications available

Winter/Spring 2027 – Project selections made and announced

Spring 2027 – Planning assistance (non-infrastructure projects) begins

Summer 2027 – Contracting (infrastructure projects) begins; planning assistance concludes

Summer 2030 – Infrastructure projects completed

Other Considerations

AT supports the goals of many partnering organizations working towards safety and health. Funding for the program provides opportunities for local agencies to invest in providing improved opportunities to walk or bike.

Impact on Agency Operating Budgets

For the administration of the program and delivery of infrastructure projects, the commissioner is prohibited from expending more than one percent of available funds in a fiscal year under this section on program administration.

Description of Previous Appropriations

2021: $5 million in general funds

2023: $38.615 million in general funds for 24-25

2024: $1.2 million in GO bonds and $3.75 million in general funds for a named project

2025: $5.439 million in general funds for 26-27

This program receives an annual general fund appropriation through the operating budget.

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($ in thousands)

Transportation Building Consolidation and Remodel

AT A GLANCE

2026 Request Amount:	$20,000
Priority Ranking:	17
Project Summary:	$15 million in trunk highway cash and $5 million in general fund cash to remodel the Transportation Building.

Project Description

This capital funding request will enable MnDOT to renovate existing workspaces in the Transportation Building located on the Capitol Complex. Changes to the building will be designed to meet enterprise standards, maximize energy savings, improve security measures, and reduce overall lease costs. A modernization effort will create relevant work environments for MnDOT and MNIT employees and open space for other state agencies to leverage as needed.

Funds will be used to improve energy efficiency by changing the configuration of offices and cubicles. This will make building HVAC systems more effective. Modernizations to the cabling structure will allow the Transportation Building to leverage new and future technological advancements. Updated working environments will create a functional and comfortable building for employees and visitors alike by emphasizing collaboration spaces and maximizing natural light.

Project Rationale

The Transportation Building is the permanent work location for over 1,300 State of Minnesota employees. The building was constructed in the 1950s and was last remodeled in the 1990s. While the building has been well-cared for during its life, it is overdue for upgrades in technology, energy efficiency, security measures, accessibility, and employee collaboration space.

The shift to in-person work requirements for the enterprise has changed MnDOT's space-use plans. Renovations to the Transportation Building will maximize shared space to align with the enterprise goal of increased collaboration through in-person work. Renovations will also ensure building space is used efficiently, allowing MnDOT to vacate some floors of the building.

Each floor of the Transportation Building that MnDOT vacates will save an estimated $500,000 annually for the agency. MnDOT aims to vacate 2 floors, or 25% of its footprint, within the Transportation Building through this project. MnDOT would recoup approximately $1 million each year from lease savings. Other agencies may move into the vacant spaces within the Transportation Building, increasing the enterprise return on investment.

Project Timeline

Pre-design: May – July 2025

Design: May 2025 – December 2025

Procurement: January 2026 – June 2026

Phased construction: July 2026 – December 2027

Move in: December 2027

Other Considerations

MnDOT will not be able to vacate space in the transportation building for use by other agencies without this funding.

Impact on Agency Operating Budgets

MnDOT's ongoing lease costs would be decreased by $1 million annually as a result of this remodel.

Description of Previous Appropriations

None

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($ in thousands)

Electric Vehicle Infrastructure Program

AT A GLANCE

2026 Request Amount:	$5,000
Priority Ranking:	18
Project Summary:	$5 million in general fund cash for transportation infrastructure projects to develop Electric Vehicle (EV) charging infrastructure.

Project Description

This capital request provides $5 million for grants to eligible entities (private or public) to design, install, operate and maintain EV charging infrastructure in locations that will facilitate long-distance travel in Minnesota. These funds will focus on fast charging using the EV Infrastructure Needs Assessment (EVINA) report (June 2025) completed by MnDOT. MnDOT estimates the requested $5 million could fund charging infrastructure at 10-15 locations.

Project Rationale

Transportation is the largest contributor to greenhouse gas (GHG) emissions in Minnesota. One practice to reduce GHGs from transportation is to transition away from internal combustion engine (ICE) vehicles to electric vehicles (EVs). EV adoption provides additional benefits including improved air quality and health, cost savings, and workforce development. Charging availability has a major influence on EV adoption especially in rural parts of the state. ICE vehicles are refueled at gas stations largely located along commercial corridors and interstate exits. Direct current fast-charging stations are needed in strategic locations around the state along highway corridors to support EV drivers taking trips that exceed the range of their vehicles and encourage EV adoption.

The EVINA project highlighted that Minnesota is not on track to meet our EV adoption goal. National surveys and research indicate that concerns about long-distance travel ("range anxiety") are a major deterrent EV adoption. Public infrastructure to support long-distance travel in rural parts of the state and areas that experience high volumes of tourism travel is necessary to increase EV ownership.

Project Timeline

Summer 2026 – Develop application process and materials using EVINA (June 2025) list of 83 clusters around the state to provide for geographic distribution.

Fall/Winter 2026 – Open funding round

Spring 2027 - Score applications and award funds

Summer 2027 - Contracts with awardees

Fall 2027 - Contracts begin

Other Considerations

Both the 2022 Statewide Multimodal Transportation Plan and 2022 Statewide Climate Action Framework have the goal of 20% of vehicles on the road to be EVs by 2030. MnDOT's EVINA report finding is that the state is not on track to meet those goals and one of the barriers to EV adoption is "range anxiety" caused by lack of public charging infrastructure.

Other states, such as Colorado, Oregon, California, and New York, have state-funded programs to build out their charging network.

Impact on Agency Operating Budgets

Administration of this program would be through MnDOT's Office of Sustainability and Public Health that is already administering a grant program with a mix of federal and state funds, including from the 2023 Minnesota Legislative session.

Description of Previous Appropriations

2023: $13,790,000 in FY 2024 and $190,000 in FY 2025 and ongoing from the general fund for matching federal aid, related state investments, and staff costs for the electric vehicle infrastructure program

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University of Minnesota

Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Higher Education Asset Preservation and Replacement (HEAPR)	1	GO	$ 100,000	$ 0	$ 0
Space Consolidation and Decommissioning	2	GO	$ 40,000	$ 0	$ 0
Biomanufacturing Innovation Lab	3	GO	$ 40,000	$ 0	$ 0
Academic Health Sciences, Duluth - Design	4	GO	$ 15,000	$ 0	$ 0
Total Project Requests			$ 195,000	$ 0	$ 0
General Obligation Bonds (GO) Total			$ 195,000	$ 0	$ 0

($ in thousands)

Higher Education Asset Preservation and Replacement (HEAPR)

AT A GLANCE

2026 Request Amount:	$100,000
Priority Ranking:	1
Project Summary:	$100 million in general obligation bonds to renew existing campus facilities and infrastructure in accordance with Minnesota Statutes, section 135A.046 Asset Preservation and Replacement.

Project Description

The purpose and use of Higher Education Asset Preservation and Replacement (HEAPR) funds is defined in statute 135A.046 Asset Preservation and Replacement. Funds are intended to preserve and renew existing campus facilities by supporting five categories of projects: Accessibility, Health and Safety (e.g. hazardous material abatement, building code compliance), Building Systems (e.g. exterior envelope, mechanical, and electrical systems), Energy Efficiency, and Infrastructure. HEAPR funds are used throughout the University of Minnesota system. Funds are allocated to campuses and research stations based on facility need and overall quantity of space. The University regularly reports on the status of its HEAPR funding to Minnesota Management and Budget and the Legislature.

Project Rationale

HEAPR funds are essential in supporting the University of Minnesota's mission of teaching and learning, research and discovery, and outreach and public service. This mission will be compromised without continued, sustained reinvestment in buildings and infrastructure to extend and maximize useful life while ensuring the health, safety, and well-being of facility occupants and visitors.

Rigorous process ensures every HEAPR dollar supports the most urgent and impactful needs. Individual projects are identified and prioritized through the University's Facility Condition Assessment (FCA). The FCA is a comprehensive systemwide evaluation of the condition of campus facilities and infrastructure portfolio. FCA data is used to triage existing buildings into those that need long-term investments, those that need short-term investments, and those where no investment is required, in alignment with academic priorities.

HEAPR funds are used throughout the University of Minnesota system and are allocated to campuses and research stations based on facility need and overall space. Funds keep people safe and make the campuses accessible for all Minnesotans. Funds leverage the State's past investment in buildings and infrastructure by extending the functionality and useful life of those assets. HEAPR projects are green, since renewing an existing facility and maximizing useful life is always more sustainable than new construction. HEAPR dollars are flexible, allowing the University to respond quickly to emergencies and to respond to unique opportunities. Regulatory compliance items, e.g. elevators, storm water and building code compliance are funded with HEAPR allocations. HEAPR projects move faster, put people to work quicker, and provide different firms an opportunity to participate in design and

construction at the University of Minnesota.

Project Timeline

Timelines vary by project

Other Considerations

None

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

Description of Previous Appropriations

The University includes HEAPR in each capital request. Over the previous 10 year period, the University received $60 million in 2025, $43.35 million in 2023, $38.495 million in 2020, no appropriation in 2019, $45 million in 2018, $20.6 million in 2017, and no appropriation in 2016. The Governor's recommendations for HEAPR included $84.885 million in 2025 and $102.994 million in 2024.

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($ in thousands)

Space Consolidation and Decommissioning

AT A GLANCE

2026 Request Amount:	$40,000
Priority Ranking:	2
Project Summary:	$40 million in general obligation bonds to predesign, design and renovate office spaces to enable the consolidation of workforce and programs, allowing for the decommissioning and demolition of priority buildings.

Project Description

This project will carry out the predesign, design, and renovation of office spaces to support the strategic consolidation of workforces and programs currently housed across multiple aging or underutilized facilities. By creating modern, efficient, and flexible work environments, the renovated spaces will accommodate relocated staff and functions, enabling the University to vacate, decommission, and ultimately demolish a set of priority buildings identified for removal. This approach not only supports long-term space optimization but also aligns with institutional goals to reduce operational costs, improve space utilization, and minimize deferred maintenance associated with obsolete infrastructure.

Since the 2020 pandemic, the University of Minnesota Twin Cities campus has maintained a hybrid work model for office-based use. Hybrid work provides an opportunity to consolidate multiple units who work part time on campus to targeted shared spaces, therefore reducing the amount of space assigned to each unit. The consolidation efforts will focus on aggregating office space for both staff and faculty and will allocate space by type of activity and academic priority, use technology to support efficient and shared use of space, and design flexibility within office spaces to support a variety of users over time. The end result of these investments will advance the demolition of 2-3 buildings on the Twin Cities campus. Project costs will include relocation and demolition as well as physical renovation costs for spaces that house consolidated units.

Project Rationale

Space is a major cost driver for the University. Institutionally, the cost for building, operating and maintaining facilities is a fixed cost. Without reductions in the level of service or quality of upkeep, the only way to reduce facility costs is to reduce the overall physical footprint required to support University programs and operations. Because the cost of energy, building maintenance, and custodial services for University facilities represents a significant portion of the University's operating budget, the University's stewardship responsibilities demand that its facilities be utilized efficiently. More prudent utilization of the University's space inventory will save money and move toward a more sustainable facilities model.

Project Timeline

Design for renovation of target consolidation buildings to accommodate a higher population of users is anticipated to require 6 months.

Construction timing and duration will be determined by the final scope of work and number of buildings identified.

Other Considerations

N/A

Impact on Agency Operating Budgets

Consolidation will enable decommissioning and demolition of poor quality, less adaptable buildings. Reducing the number of buildings on campus will save on recurring operating costs and avoid the need for capital renewal, both current (deferred renewal) and future (life-cycle repair and replacement).

Description of Previous Appropriations

N/A

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($ in thousands)

Biomanufacturing Innovation Lab

AT A GLANCE

2026 Request Amount:	$40,000
Priority Ranking:	3
Project Summary:	$40 million in general obligation bonds for The Biomanufacturing Innovation Lab (BIL). The BIL will create a dedicated, state-wide“Biomanufacturing Hub” to drive research innovation for the development of new industrial biotechnology processes, and advance biotechnology and biomanufacturing as drivers of America’s Next Manufacturing in Minnesota.

Project Description

The University's strategic plan, MPact 2025, calls for high-impact research and discovery, increased multidisciplinary opportunities in research, and enhanced opportunities for new start-ups and partnerships in Minnesota.

The BIL will complete construction of 24,000 GSF of first-level shell space of the recently built Microbial Cell Production Facility building on the University of Minnesota’s St. Paul campus. It will feature adaptable open lab spaces with touch-down workstations, collaboration zones, and small conference rooms, all designed to foster an innovative research environment, facilitate workforce training, and provide maximum flexibility to support the University research community and Minnesota partners.

Project Rationale

Minnesota is uniquely positioned to become a national bioeconomy hub, with distinctive resources, expertise, and a strong concentration of organizations dedicated to biomanufacturing. The Biomanufacturing Innovation Lab (BIL) will provide the UMN research community and Minnesota partners with collaborative laboratory space and state-of-the-art instrumentation and equipment not currently available at the University. Cross-disciplinary collaboration in this facility will drive innovation, facilitate workforce training and build partnerships with companies, business groups, and state and higher-education institutions for the University's biotech initiatives supporting transformational and translational research.

Project Timeline

Predesign was completed in Spring 2025. Full design will occur over a period of approximately 12 months upon funding. When design is complete, construction will occur over a period of approximately 18 months.

Other Considerations

N/A

Impact on Agency Operating Budgets

This project is anticipated to increase facility operating expenses by approximately $400,000 per year.

Description of Previous Appropriations

N/A

Project Contact Person

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($ in thousands)

Academic Health Sciences, Duluth - Design

AT A GLANCE

2026 Request Amount:	$15,000
Priority Ranking:	4
Project Summary:	$15 million in general obligation bonds for predesign, design, site acquisition, and preconstruction services for a new University of Minnesota academic health facility to be located in the Duluth Medical District.

Project Description

The University is proposing to design a new teaching and clinical research facility for the Medical School and other health sciences units including Pharmacy, Nursing and potentially Dentistry, to be co-located in downtown Duluth and to complement existing patient care, clinical research and professional training that occurs in the area today. As of June 2025, a site has not been selected.

Project Rationale

With the expansion of the downtown Medical District in Duluth as a destination for regional health care, the University proposes to expand its decades-long commitment to rural health and tribal communities by expanding its academic medicine degree curriculum from a 2 year on-site program to a 4 year on-site program.

A new building would accommodate both Pharmacy and Medical School students, providers, and clinical researchers, adjacent to patients and health care providers in the 4th Street Corridor neighborhood of downtown Duluth. Teaching spaces, clinical training and clinical research spaces will be designed and built based on the needs of the University community and be fully integrated with the amenities and features of the broader Medical District. The training, learning and clinical research opportunities offered at the new facility will support innovative ways of addressing health care systems workforce needs.

Project Timeline

Design will occur over a period of approximately 18 months. New construction of a downtown facility would likely take 24-28 months, contingent on completion of design and site selection.

Other Considerations

N/A

Impact on Agency Operating Budgets

This request is for predesign, design, site acquisition, and site preparation only. More information about the impact on operating budgets will accompany any future request for construction funding.

Description of Previous Appropriations

N/A

Project Contact Person

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Veterans Affairs

Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
MDVA Asset Preservation	1	GO	$ 41,152	$ 41,152	$ 41,152
Minneapolis Veterans Home - Building 16 Remodel	2	GO	$ 17,200	$ 0	$ 0
Minneapolis Veterans Home - Building 6 Exterior	3	GO	$ 9,250	$ 0	$ 0
State Veterans Cemeteries Site Irrigation Improvements	4	GO	$ 4,067	$ 0	$ 0
Minneapolis Veterans Home - Security Upgrades	5	GF	$ 3,500	$ 0	$ 0
State Veteran Cemeteries - Security Upgrades	6	GF	$ 1,080	$ 0	$ 0
State Veterans Cemetery Little Falls - Curb & Gutter	7	GO	$ 900	$ 0	$ 0
State Veterans Cemetery Bemidji- Land Acquisition	8	GO	$ 2,673	$ 0	$ 0
State Veterans Cemetery Little Falls - Pedestrain Access to the MN Military & Veterans Museum	9	GO	$ 800	$ 0	$ 0
State Veterans Cemeteries - Green Power Improvements	10	GF	$ 950	$ 0	$ 0
Total Project Requests			$ 81,572	$ 41,152	$ 41,152
General Obligation Bonds (GO) Total			$ 76,042	$ 41,152	$ 41,152
General Fund Cash (GF) Total			$ 5,530	$ 0	$ 0

($ in thousands)

MDVA Asset Preservation

AT A GLANCE

2026 Request Amount:	$41,152
Priority Ranking:	1
Project Summary:	This request is for $41.152 million to replace components in the 64 buildings maintained by this agency. This request will address building components that have exceeded their intended useful life of each facility and will ensure facilities used to care for over 700 residents and the State Veterans Cemeteries are in good condition.

Project Description

The Minnesota Veterans Homes and the State Veterans Cemeteries occupy 1.2 million square feet in 64 buildings with a replacement value of $453.3 million dollars. This request is for $41.152 million to replace outdated systems and components in these buildings. Nine of these buildings have 24/7 occupancy. This request will address building systems that have exceeded their intended useful life. This request will also ensure facilities used to care for over 700 residents and the State Veterans Cemeteries are in good condition.

This request would repair and replace a variety of resident and cemetery building components. These projects serve to maintain a safe, efficient, and manageable environment for the residents, staff, and the public. Examples of projects in this request includes roofs, chillers, boilers, tuck-pointing, elevator repairs, window and door replacement, mechanical and electrical replacements, structural water damage repairs, and major communication system replacements.

The amount identified in this asset preservation request reflects a backlog of asset preservation needs to replace major systems that have exceeded their intended useful life.

Project Rationale

- Provides funding for upgrades to 64 buildings statewide.
- Continues to ensure buildings meet State and Federal building codes, life/safety codes, Department of Health and other licensing code agencies.
- Enables MDVA to provide a safe environment to care for vulnerable adults.
- Ensures continued, full use of all physical assets.
- Timely replacement of building components eliminates future higher costs.
- Projects are located at the Minnesota Veterans Homes (Minneapolis, Hastings, Luverne, Fergus Falls, Silver Bay) and Cemeteries (Little Falls, Preston, Duluth).

Project Timeline

Project timeline will be spread out over 36 months, depending on funding levels, due to project management availability at the state level. MDVA will prioritize projects based on level of need, and we will work with other state agencies and local partners as required to complete all projects within this time frame.

Other Considerations

Without necessary Asset Preservation funding, the agency's facilities will continue to deteriorate, increasing repair costs. In the absence of appropriate maintenance funding, failures can occur, forcing the agency to spend operational funds. This can potentially erode the quality of care for our residents, requiring the agency to request additional general fund appropriations for operations.

Impact on Agency Operating Budgets

Agency repair and betterment funds, which are operating dollars, have been used in recent years to address portions of asset preservation projects. This funding will allow future repair and betterment funds to be spent on more routine maintenance and repair projects.

Description of Previous Appropriations

The Department of Veterans Affairs received $4 million in 2008, $4 million in 2010, $3 million in 2012, $2 million in 2014, $5 million in FY17, $9 million in 2018, $6.3 million in FY20, $12.3 million in FY23, $7.5 million in FY25 for Asset Preservation.

Project Contact Person

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($ in thousands)

Minneapolis Veterans Home - Building 16 Remodel

AT A GLANCE

2026 Request Amount:	$17,200
Priority Ranking:	2
Project Summary:	The MN Veterans Home– Minneapolis campus is seeking $17.2M for updates to Building 16– the Domiciliary Program. Building 16 is currently used for Domiciliary care for up to 50 Veterans and is in need of significant updates to improve life safety, clinical service delivery and other environment updates.

Project Description

The MN Veterans Home – Minneapolis Building 16 is currently licensed as a Federal VA Domiciliary Program and Boarding Care Home with the MN Department of Health and home to 50 Veteran residents. This facility is needing significant updates to meet the state and federal regulatory requirements for life safety and to improve the care and clinical service delivery for the residents of the program. The agency is requesting a one-time allocation of $17.2 million to design and remodel Building 16 on the Minneapolis Campus.

Project Rationale

Minneapolis Veterans Home, building 16 is a resident building that is occupied 24/7. Pre-Design work is complete , and the funding would enable the agency to move to the next stages of design and construct the remodeling of Building 16 to meet the needs of the residents.

The facility currently has several mechanical system vulnerabilities and cosmetic enhancements are required to meet the resident care needs currently and into the future. The HVAC system has periodic failures and through the discovery process in predesign many other building systems are past their useful lives and need replacement. The remodel of building 16 will ensure the MDVA meets State and Federal building codes, life/safety codes, and Department of Health surveys. And it will enable the MDVA to provide a safe environment for vulnerable adults.

Project Timeline

Aug-Nov 2025: Schematic Design and Drawings complete.

July – Sept 2026: DD Drawings Completed, Contracts Reviewed

Sept. - Nov. 2026: RFP – Construction/Engineering

March 2026: Notice to Proceed Contractors

February 2027: Mid-point of construction

Aug 2027: Complete construction Other Considerations

Other Considerations

This proposal to completely renovate and update mechanical systems for Building 16 supports MDVA's strategic goal to "ensure a seamless continuum of support through collaborative relationships at the federal, state and community level that addresses the evolving needs of Veterans and their families". The MDVA Domiciliary program is a unique program that is unlike any other in the country – at times being noted as the "MN Model". It provides a comprehensive program to Veteran residents who are primarily experiencing challenges from mental illness and chemical dependency and seeking a safe and supportive living environment. Ensuring Building 16 is best positioned to meet the current and future needs of this Veteran population is a high priority for the agency and state.

Impact on Agency Operating Budgets

There is no significant impact on the agency's overall operating budget at this time. There could be a slight decrease in utility costs due to new technologies and updating the systems. This funding would allow future repair and betterment funds to be spent on more routine maintenance and repair projects.

Description of Previous Appropriations

$65,000 2015 Asset Preservation funds to repair fence.

$4.8 million 2010 Bond funds to renovate to accommodate 52 residents.

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($ in thousands)

Minneapolis Veterans Home - Building 6 Exterior

AT A GLANCE

2026 Request Amount:	$9,250
Priority Ranking:	3
Project Summary:	This request is for $9.25 million to renovate the exterior of Minneapolis Veterans Home Building 6. This request is written considering a phased approach to renovating this prominent historical building, focusing on the exterior of the building to ensure it is maintained for the future.

Project Description

Historical Building 6, located on the Minneapolis Veterans Home campus, has stood as a cornerstone of the State of Minnesota's commitment to military veterans since its construction in 1905. This historic building reflects the mission established in the aftermath of the Civil War and the mission to serve military Veterans and their families. Following the completion of the full campus reconstruction in 2018, the building has remained vacant of resident care services and currently houses the fixed dental clinic for the MN Veterans Home – Minneapolis, as well as limited-use storage spaces on the lower level.

This legislative request of $9.25 million seeks to fully restore and preserve the building's historic exterior and maintaining the buildings systems, ensuring that the architectural integrity and legacy of the campus remain intact. By investing in this structure, the proposal reinforces the continuity of the campus's historical presence and honors the over century-long tradition of service to Minnesota's veterans.

Project Rationale

Historical Building 6 is a distinguished three-story – with additional garden level/lower level - 14,000 square foot structure connected to the main skilled nursing campus of the Minneapolis Veterans Home.

The Minneapolis Veterans Home campus is our MN Veterans Home flagship campus with the largest number of licensed beds, three different levels of care and a campus that brings extensive history to the mission of the agency. Overlooking the Mississippi River, its striking white pillars, porticos and grand staircases make it the defining visual landmark for both visitors and residents. This building serves as a lasting symbol of Minnesota's commitment to honoring its military veterans. The building is visible in almost all locations on the Minneapolis campus and is the current main visual for residents and those visiting. Ensuring that this landmark is maintained into the future is of the utmost importance and priority for the agency.

A full study was completed in 2019 that included the key maintenance and exterior updates that would need to be made for full preservation. This list is inclusive of all interior systems and preservation of the exterior of the building from further deterioration.

Project Timeline

2019 – Facility Condition Assessment/Study with recommendations from external contracted vendor.

7/1/2026 – Starting Timeline for construction

Other Considerations

Building 6 was vacated in March of 2018 and all 91 residents receiving skilled care were moved to the new 100 bed building (building #22) on the Minneapolis Veterans Home Campus. This completed a multi-year construction project on the Minneapolis campus over the span of ten years to update and rebuild the three hundred skilled nursing beds – with three new buildings (Building 19, 21 and #22). Building 6 is over 120 years old and is on the state historic registry as part of the historic Minneapolis Veterans Home Campus. Building 6 continues to deteriorate both inside and out, and the agency continues to incur significant costs to heat, cool, and provide regular maintenance on the building and its systems, while receiving little benefit or use of the building.

This proposal to renovate the exterior of historic building 6 supports MDVA‘s strategic goals, and most importantly it preserves the history of the campus and ensures that its most recognized building remains intact and without further decline. This building is the most recognized on the campus and remains the prominent location for all visiting or residing.

In 2019, MDVA and the Department of Administration contracted to complete a full study and analysis with recommendations for immediate repair needs, occupying and maintaining at current state, and performing a major renovation. This study provided essential perspective in the future life of the building and needs under three different recommendations/funding plans. Specifically, the analysis provided a full maintenance of existing building option to include updates into major mechanical systems, exterior renovation for preservation and safety improvements and structural updates in alignment with the historic society preservation guidelines.

This proposal seeks to primarily restore the full interior mechanical systems and the exterior of Building 6, aligning with MDVA’s strategic goals and reinforcing the commitment to historical preservation. While a full renovation—including interior restoration—would be ideal, the associated costs are significant. As a pragmatic approach, MDVA is focusing on maintaining the current structure and preserving the exterior, ensuring that this landmark remains a visual cornerstone of the campus for future generations, and is prepared for any future interior renovation that may be considered.

Impact on Agency Operating Budgets

Additional operating funds are minimal to preserve the exterior of the facility.

Description of Previous Appropriations

$186,000 in asset preservation funds were used in 2008 on this building.

Project Contact Person

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State Veterans Cemeteries – Site Irrigation Improvements

AT A GLANCE

2026 Request Amount:	$4,067
Priority Ranking:	4
Project Summary:	This request is for $4.067 million to design and construct irrigation system improvements at the Duluth, Little Falls, and Preston sites. This request will ensure that the Memorial Affairs Division can; optimize water supply sources, guarantee adequate irrigation water throughput while at the same time mitigate perennial & ongoing water quality issues.

Project Description

The request for $4.067 million in state funds to design and construct irrigation system improvements will allow MDVA to ensure the Memorial Affairs Division can accomplish the following across the State Veterans Cemetery System locations at Duluth, Little Falls, and Preston:

1) Optimize water supply sources (retention ponds, rivers, wells, natural springs, and surrounding regional storm water shed systems) to ensure redundant water supply sources can provide adequate irrigation. This may include:

• Expanding existing retention ponds to ensure retention of 100% of water runoff from our road systems, especially at the Little Falls and Preston locations (approx. $901K and $984K, respectively).

• The drilling of a new well for irrigation purposes at the Little Falls location (approx. $300K).

• Provide irrigation backup to areas initially developed with drought tolerant ground cover at the Duluth location (approx. $96K).

2) Mitigate water quality issues from all water supply sources properly to prevent headstone staining, especially at the Little Falls and Preston locations (approx. $893K per site). This may include the inclusion of advanced water filtration systems and changes to surrounding regional storm water flow and retention strategies.

3) Guarantee water throughput of our water supply sources to ensure adequate supply to support sustained irrigation during drought conditions.

4) Optimize and implement automation wherever possible to reduce the number of staff hours to manage irrigation systems.

5) Inclusion of all relevant stakeholders (i.e. DNR, BWSR, Watershed Districts, etc.) in the consultation and design process to ensure a holistic approach is taken and all relevant policies and adherence to all permitting requirements.

Project Rationale

MDVA will contract with an engineering firm to design and construct irrigation system improvements

at the State Veterans Cemetery sites as required to ensure that the facilities can continue to establish and maintain pristine turf areas that meet the guidelines of the US Department of Veterans Affairs National Cemetery Administration (NCA) as well as the high standards of excellence expected of Minnesota State Veterans Cemeteries that honor the memory and sacrifices of those who have served. MDVA will pursue these improvements while mitigating known issues that continue to hinder our operations.

The pristine turf sections of Minnesota State Veterans Cemeteries provide the families of loved ones their first impression of how the State of Minnesota honors and takes care of their loved one's final resting place and can establish a lasting impression that they will remember for years. It's important to always demonstrate, through a high standard of excellence, the honor and dignity bestowed on a Veteran's final resting place. Without the proper irrigation improvements which will result in an increased number of quality water supply sources, Minnesota State Veterans Cemeteries will continue to experience dormant and dying turf during drought conditions, the promotion of various drought resistant weed species, and the staining of headstones which requires increased staff time and resources to mitigate. It can take multiple years to recover from dead and dormant turf sections depending on when proper irrigation can be restored and the seasonal optimal germination cycles.

In keeping with Minnesota State and MDVA sustainability goals, it is an objective to capture 100% of the water runoff from the roadways within the State Veterans Cemetery System. However, the existing retention pond at the Little Falls location is insufficient to retain 100% of that runoff and some of it flows into the Mississippi River through the overflow outlet structure. Enlarging the retention pond will allow better management of water resources with the least environmental impact.

Likewise, the Preston location continues to have issues with runoff from area watersheds and naturally occurring springs, prompting a need to augment current mitigation processes by creating additional holding ponds in drainage areas, increasing the height of pond edges, and increasing the depth of irrigation ponds. This will assist with increasing the water quality and preventing the staining of the granite headstones.

Furthermore, the Little Falls location has utilized the adjacent Mississippi River for years as the primary water supply source for irrigation. However, this has presented many challenges arising from the need to continually adapt to differing water levels and changes to the pump sled system to respond to variable river water levels. During prolonged drought conditions, the river has proven an unreliable water source and the Little Falls location’s watering permit can be suspended at any time when low water levels are observed for extended periods of time. In fact, while the site’s watering permit was never suspended during the first 25 years of operation, over the past five (5) years the watering permit has been outright suspended twice, causing significant additional effort on the part of maintenance staff to recover following resumption of irrigation. Regardless of permit status, over the past five (5) years the water in the river is too low four (4) over those years to operate the pumps, which also prevents adequate irrigation. Presently, irrigation wells are used in all the State Veterans Cemeteries, except for the Little Falls location. Adding an irrigation well at that site as an additional water supply source to the location’s irrigation system will ensure the ability to maintain a water supply to continue to establish and maintain turf areas. In conjunction with adding a well is the need to mitigate the known water quality issues with groundwater sources in the Little Falls area to prevent the staining of headstones.

Additionally, the Duluth location developed approximately 50% of the manicured turf along roadways with drought tolerant groundcover, to include the main cemetery entrance, the Avenue of Flags

entrance boulevard, and a significant portion of the site's ring road. This was intentionally instituted in keeping with Minnesota State and MDVA sustainability goals. These areas were intended to thrive with little to no intervention while relying on natural weather cycles for sustainment. However, extreme drought conditions over the past several years undermined this initiative, requiring intervention by Cemetery Staff, with inconsistent results. Installation of irrigation infrastructure in line with the rest of the site will allow for the proper establishment of turfgrass/groundcover in those areas, allow for staff intervention to augment the natural weather cycle as needed to mitigate continued extreme drought conditions, and ensure State Veterans Cemetery -Duluth continues to meet the high standard of appearance required by the NCA.

Yet another irrigation-related concern involves the Little Falls and Preston locations, both of which have known issues with water quality that have a secondary effect of staining the granite headstones. In fact, this was noted during recent NCA formal inspections/evaluations. Upright headstones aligned with precision in perfectly symmetrical columns and rows is a pillar of US Veterans cemeteries world-wide. It is a visualization that resonates in everyone's minds as an example of the honor and dignity afforded to our Veterans in their final resting place. The staff at the Preston location have especially battled water quality issues for years that result in visually obvious headstone staining. While there are labor intensive ways to clean the headstones as well as some irrigation system improvements that have provided an opportunity to more accurately diagnose the problem, the State Veterans Cemeteries are at the juncture where a broad holistic improvement design process needs to be undertaken to address the broader issue which includes (1) the reduction of particulates thru sand filtration, (2) reduction of iron thru increased aeration and large-scale filtration, and (3) reduction of vegetation thru mechanical skimming processes and/or potentially thru biological means.

Lastly, tying these new improvement measures together will be automation where it can be applied to streamline our irrigation system and reduce human error and the need for staff intervention.

Project Timeline

These projects are expected to take approximately one year and could be delayed depending on when the projects break ground, as frost levels are a considering factor, in addition to construction schedules of other projects at these locations. These projects have not undergone any design or engineering phase, although benchmarking irrigation infrastructure design & construction conducted in previous phases of development at various State Veterans Cemetery System sites could be used to shorten this phase.

Other Considerations

N/A

Impact on Agency Operating Budgets

Irrigation infrastructure improvements will lower annual operations and maintenance costs related to (1) staff efforts dedicated to turf development/recovery (due to drought conditions) and (2) mitigating the staining of headstones (due to water quality issues).

Description of Previous Appropriations

N/A

Project Contact Person

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($ in thousands)

Minneapolis Veterans Home - Security Upgrades

AT A GLANCE

2026 Request Amount:	$3,500
Priority Ranking:	5
Project Summary:	The MN Veterans Home– Minneapolis campus is seeking $3.5 million for security upgrades to the 53 acres campus. This is the flagship campus of the MN Department of Veterans Affairs and because of its location has safety and security risks that could be further mitigated with the below articulated enhancements.

Project Description

The MN Veterans Home – Minneapolis campus is the Minnesota Department of Veterans Affairs flagship state Veterans Home campus, built on 53 acres overlooking the Mississippi River near the Minnehaha Falls. The campus contains 16 buildings occupying 300 skill nursing facility licensed beds, 50 boarding care home licensed beds, an adult day healthcare program, and other administrative function buildings for the agency. With over 350 residents in our care each day and over 600 staff, this campus presents great security challenges with its size, scope and number of occupied and unoccupied buildings. The public access presents potential risk and challenges, and it is the recommendation of the agency that additional security upgrades be put in place to further mitigate the concerns.

The current recommendations are structure based and will have limited impact to the homes operational budget moving forward. In the past, some suggestions have been made to include a guard post and gated system for access, however with the requirements that that be in place 24 hours per day/7 days per week, the operational costs are too significant to move forward with that high level of security.

Previous studies and analysis reports have been provided that articulate the following recommended security upgrades:

- Perimeter Fencing – decorative iron material to match the aesthetic of the facility (not chain link)
- Updated electronic access control systems to all ingress/egress, critical infrastructure areas, med rooms, IT rooms and maintenance areas
- Improved exterior lighting
- Hardening of the centralized pharmacy
- Door prop alarms and mitigation systems – with 16 exterior doors
- Defenselite Pro Glazing

Currently, MN Veterans Home – Minneapolis has a variety of systems and several vendors that provide inconsistent support, and various levels of security apparatus, some of which lack the recommended level for securing the large campus. This request will ensure the campus, which is home to 350 licensed beds and a 35 licensed adult day healthcare program are safe. There has been an increase in the number of incidents at this campus that have required various levels of staff and local authority intervention, which has raised the alertness of MDVA Senior Management as it relates to the care of our vulnerable adults and safety of our over 600 employees. This project will provide funding for upgrades and security enhancements at our MN Veterans Home - Minneapolis and enable MDVA to provide a safe environment to care for vulnerable adults, employees, and guests.

Project Rationale

Currently, MN Veterans Home – Minneapolis has a variety of systems and several vendors that provide inconsistent support, and various levels of security apparatus, some of which lack the recommended level for securing the large campus. This request will ensure the campus, which is home to 350 licensed beds and a 35 licensed adult day healthcare program are safe. There has been an increase in the number of incidents at this campus that have required various levels of staff and local authority intervention, which has raised the alertness of MDVA Senior Management as it relates to the care of our vulnerable adults and safety of our over 600 employees. This project will provide funding for upgrades and security enhancements at our MN Veterans Home - Minneapolis and enable MDVA to provide a safe environment to care for vulnerable adults, employees, and guests.

Project Timeline

2019 – Homeland Security Report complete

April 2022 – IMEG Contracted Study with recommendations

Other Considerations

In recent year, the MN Veterans Home – Minneapolis campus has experienced various security incidents that present risk to current operations. Specifically, we have experienced car thefts from outside parties, foot traffic on the campus with the opening of the historic Truss bridge and other unusual incidents. To mitigate concerns, the agency has invested increased contracted security detail to ensure that 24/7 coverage is present and available to residents, visitors and staff.

Impact on Agency Operating Budgets

Agency repair and betterment funds, which are operating dollars, have been used in recent years to address portions of current security systems. This funding will allow future repair and betterment funds to be spent on more routine maintenance and repair projects.

Description of Previous Appropriations

Project Contact Person

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($ in thousands)

State Veteran Cemeteries - Security Upgrades

AT A GLANCE

2026 Request Amount:	$1,080
Priority Ranking:	6
Project Summary:	This request is for $1.080 million to design, construct, and equip security improvements at the Duluth, Little Falls, Preston, and Redwood Falls sites. This request will allow that the Memorial Affairs Division to improve security for cemetery facilities, agency staff members and the public plus improve controlled access to private and public spaces at Veterans cemetery locations.

Project Description

The request for $1.080 million in state funds to design, construct, and equip security improvements will allow MDVA to upgrade the physical security elements and systems to ensure the Memorial Affairs Division has full implementation of an integrated physical security system across the State Veterans Cemetery System locations at Duluth, Little Falls, Preston, and Redwood Falls including:

1) Installation of key card access systems for controlled entry to facilities

2) Retro fitting all interior/exterior doors with powered door locks to eliminate the need for physical keys to lock/unlock doors

3) Deployment of interior and exterior security cameras for comprehensive video surveillance

4) Installation of powered sliding gates at maintenance facilities to control and monitor vehicle access

5) Placement of license plate capture cameras at each main cemetery entrance to enhance vehicle identification and tracking

All components will be centrally managed through the Genetec Security Center application, enabling unified access control and real-time video monitoring.

Project Rationale

This project is designed to strengthen site security, enhance employee and visitor safety, deter and prevent vandalism, and ensure the continued safety and respectful environment of Minnesota's State Veterans Cemeteries. As such, this request leverages the recommendations resulting from the 2019

security assessment conducted by the US Department of Homeland Security at the Minneapolis, Hastings, and Silver Bay Veterans Homes and campuses. While the four (4) State Veterans Cemeteries constitute a different operating environment, the number of incidents at MDVA facilities state-wide has raised the alertness of MDVA Senior Management as it relates to the safety of the Agency's employees and promoted the extension of many of the observations and recommendations from the 2019 security assessment to the State Veterans Cemetery System. Additionally, this project incorporates many of the same provisions included in the Capitol Complex – Physical Security Upgrades project contained in the 2025 Special Session Capital Investment bill, passed by the MN Legislature, citing: upgrades that include but are not limited to the installation of door access controls, surveillance systems, lighting system upgrades, locking devices, and traffic control devices.

Project Timeline

Approximately 14 months to address items identified. Progress could be delayed depending on when the projects break ground, as frost levels are a considering factor, in addition to construction schedules of other projects at these locations. These projects have not undergone any design or engineering phase, although benchmarking the physical security improvement design & construction efforts conducted at the State Veterans Home sites could be used to shorten this phase. Engaging contractors/bidding is the next step in this process.

Other Considerations

Impact on Agency Operating Budgets

Completion of this project should have no appreciable impact on the Agency's operating budget.

Description of Previous Appropriations

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($ in thousands)

State Veterans Cemetery Little Falls - Curb & Gutter

AT A GLANCE

2026 Request Amount:	$900
Priority Ranking:	7
Project Summary:	This request is for $900 thousand to design and construct curb and gutter repair measures at the Little Falls site.

Project Description

The request for $900 thousand in state funds will allow MDVA to implement design and construction of curb and gutter repair/replacement measures at the State Veterans Cemetery Little Falls. This effort will include removing and replacing all curb and gutter sections and associated storm water catch basins within the system of roadways at the cemetery. Due to likely damage to the asphalt roadway during the curb & gutter removal process, the roadways will also require removal and resurfacing.

Project Rationale

The existing nearly two (2) linear miles of curb and gutter sections are 20+ years old and were negatively impacted by a 2017 roadway mill and overlay project. Some of this residual damage was subsequently repaired but the overall effect reduced the normal life expectancy of the location's water management system and roadway components. Water pooling at intersections has further degraded the water management system/roadway components. Overall, the degradation of the location's curbs & gutters has accelerated the functional failure timeline of the site's road network.

Project Timeline

This project is expected to take approximately one season and could be delayed depending on when the project breaks ground, as frost levels are a considering factor, in addition to construction schedules of other projects at this location. Additionally, State Veterans Cemetery - Little Falls is coordinating with the National Cemetery Administration on expanding the site's burial infrastructure and with the Minnesota Military & Veterans Museum, adjacent to our property, on new sidewalks and access points. As this project moves forward construction could be delayed/extended up to ten (10) months depending on the level of coordination required.

Jul 2026: RFP Design Contracts

Aug-Dec 2026: Design and Engineering

Jan 2027: Go out for Bid

Mar 2027: Award Contracts

April 2027: Notice to Proceed on Projects

Nov 2027: Complete construction

Other Considerations

Impact on Agency Operating Budgets

Completion of this project should have no appreciable impact on the Agency's operating budget.

Description of Previous Appropriations

N/A

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($ in thousands)

State Veterans Cemetery Bemidji - Land Acquisition

AT A GLANCE

2026 Request Amount:	$2,673
Priority Ranking:	8
Project Summary:	This request is for $2.673 million in state funds for the State Veterans Cemetery System to conduct predesign, design, and land acquisition actions for a projected State Veterans Cemetery - Bemidji.

Project Description

The request for $2.673 million in state funds will allow the MN State Veterans Cemetery network to conduct predesign and land acquisition actions for State Veterans Cemetery - Bemidji, which will enable the state to compete for federal funds to construct the new cemetery.

Specifically, this request is to initiate predesign, design, and land acquisition actions for a future 60-120 acre fifth State Veterans Cemetery in-line with the currently established State Veterans Cemetery and US Department of Veterans Affairs (USDVA) National Cemetery Administration (NCA) guidelines. This project will include the predesign, design, and land acquisition costs, but does not constitute the full funding for state construction cost share or equipping. This legislative appropriation is a required prerequisite to MDVA submission of a conforming pre-application for construction funding to the National Cemetery Administration (NCA) for federal funding opportunity consideration.

Project Rationale

This project aligns Minnesota with the NCA strategic goal of providing 95% of Veterans nation-wide with a burial option within 75 miles of their home. In addition to the NCA-managed Ft. Snelling National Cemetery, the State of Minnesota currently operates four State Veterans Cemeteries (SVC) in Little Falls, Preston, Duluth and Redwood Falls, which leaves an area that is unserved in Northwestern Minnesota. This project will impact an estimated 12,000 Veterans and their families who reside within 75 miles of the Bemidji area and an additional 3,000 Veterans and their families residing in the remaining “unserviced” region of northwestern MN. Veterans in this northwestern region of Minnesota are currently served by two Veterans cemetery locations: the MN State Veterans Cemetery in Little Falls and the Fargo National Cemetery (a small NCA Rural National Cemetery). Both locations require Veterans in the Bemidji area to travel more than 125 miles for burial in one of these cemeteries. Without legislative support to add an additional location in the Bemidji area, Minnesota will have a gap for Veterans in northwestern Minnesota that doesn’t exist in other regions of the State. This request will allow MDVA to acquire the land and proceed with predesign and design efforts that will qualify the location for “conforming” pre-application eligibility within the Veterans Cemetery Grant Program (VCGP) process in the summer of 2026. Note: this subsequent federal funding approval will result in reimbursement of predesign and design funding back to the State.

Project Timeline

Timing is contingent upon completion of the search for potential sites for State Veterans Cemetery – Bemidji, which could take upwards of a year or more to properly identify a parcel(s) that will have (1) sufficient acreage for continued operations well into the future, (2) is representative of the geographical region in which it serves, and (3) provides easy access to those it serves. Beyond that, it is expected to take less than a year to execute acquisition and predesign actions. However, delays may arise due to the necessary negotiations with the current owners of the real estate over price and timing of availability for sale.

Apr 2026: Certification of State funding availability

May 2026: Conforming pre-application Grant ready for submission to VCGP

Oct 2026: VCGP pre-application Grant inclusion on the conforming list for federal funding opportunities. If approved, RFP Design Contracts issued

Nov 2026 – May 2027: Design and Engineering

June 2027: Project Bids

Sep 2027: Federal Funding Approval

Other Considerations

This proposal is one of two complementary Veterans Cemetery projects in the western/northwestern region to address unserved/underserved MN Veterans. The other project involves improvements to the Fargo National Cemetery (details below).

- While the Fargo National Cemetery is already established, the status of this facility as a small NCA Rural National Cemetery means it has little supporting infrastructure. This situation prompted local organizations to develop a "Memorial Building" project involving a $3M North Dakota state-sponsored "line of credit" approval for construction of a chapel/gathering hall/admin building and associated parking lot. The Federal VA will assume annual O&M costs for these new facilities upon completion of construction.

- Completion of this project will improve the provision of Veteran/eligible dependent burial benefits to over 7,000 MN Veterans within the 75-mile radius "catchment area" of the Fargo National Cemetery

- Additionally, during the 2025 Legislative Session Sen Kupec introduced SF2550, a blank FY26 appropriation "from the general fund to the Commissioner of Veterans Affairs for a grant to [North Dakota] to support their project related to the Veterans National Cemetery in North Dakota." As there was no House companion bill, SF2550 was ultimately not included in the Veterans and Military Affairs Omnibus. However, this initiative may be refreshed during the 2026 Legislative Session to leverage the momentum of the ongoing design/construction process.

- Given limited MN budgetary resources, MDVA advocates that establishment of a new State Veterans Cemetery in NW MN providing Veteran/eligible dependent burial benefits to 12,000-15,000 currently unserved/underserved Veterans in northwestern MN serves a greater number of Veterans and best aligns Minnesota with the NCA nation-wide strategic goal.

Additionally, as stated above, this request will allow MDVA to acquire the land and proceed with predesign and design efforts that will qualify the location for "conforming" pre-application eligibility

within the Veterans Cemetery Grant Program (VCGP) process in the summer of 2026. Upon federal approval of grant funding for construction of this cemetery, funding appropriated for predesign and design (approximately $1.870M of the $2.673M requested) will be reimbursed back to the State.

Impact on Agency Operating Budgets

Beyond limited cost outlays related to site selection activities, eventual addition of a projected fifth State Veterans Cemetery will drive an eventual increase to the operating budgets required to maintain the sites. However, the fact of acquiring the real estate for the proposed site does not provide a significant impact to our agency's overall operating budget with this project at this time.

Description of Previous Appropriations

N/A

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($ in thousands)

State Veterans Cemetery Little Falls - Pedestrain Access to the MN Military & Veterans Museum

AT A GLANCE

2026 Request Amount:	$800
Priority Ranking:	9
Project Summary:	This request is for $800 thousand to design, construct, and equip a new security/pedestrian access point connecting to the future Minnesota Military & Veterans Museum, which is currently under construction.

Project Description

The request for $800 thousand in state funds will allow MDVA to establish a new security/pedestrian access point directly connecting State Veterans Cemetery Little Falls to the future Minnesota Military and Veterans Museum as well as providing utility tie-in access to co-located utility provisioning to the museum complex. The outside security access point component will include sidewalks, landscaping, security lighting, and an improved perimeter security fence between the facilities, to include an entry gate to serve as a pedestrian access point/security gate connecting the Minnesota Military & Veterans Museum to the eastern perimeter of the Little Falls location. This access point will match the architectural details/motif of the site's main entry, in accordance with State Historic Preservation Office (SHPO) standards and will connect to a sidewalk and crosswalk leading to the future museum.

The separate museum project scope includes the adjacent crosswalk and sidewalk, which is not part of this project.

Project Rationale

This secure pedestrian access point will provide key integration with the adjacent Minnesota Military & Veterans Museum while simultaneously maintaining site security standards. Additionally, development of this access point promotes safe pedestrian transit between the two adjacent facilities, as they would otherwise be forced to walk along County Road 76 and Trunk Highway 115 to access the main cemetery entrance. The State Veterans Cemetery - Little Falls will enhance the public's experience at the Minnesota Military & Veterans Museum by affording visitors the chance to visit and pay respects to those who have served and paid the ultimate sacrifice. The Minnesota Military & Veterans Museum will enhance the State Veterans Cemetery - Little Falls by allowing the public who are visiting their loved one's final resting place an opportunity to learn about their sacrifices and experiences in the military. It will also act as a support facility for our large public events such as Memorial Day by providing increased parking and ancillary event space as MDVA further develops the annual Memorial Day programs at the cemetery.

Project Timeline

This project is expected to take approximately one year and could be delayed depending on when the project breaks ground, as frost levels are a considering factor, in addition to construction schedules of other projects at this location. Additionally, State Veterans Cemetery - Little Falls is coordinating with

the National Cemetery Administration on expanding the site's burial infrastructure and with the Minnesota Military & Veterans Museum, adjacent to our property, on new sidewalks and access points. As this project moves forward construction could be delayed/extended up to ten (10) months depending on the level of coordination required.

Jul 2026: RFP Design Contracts
Aug-Dec 2026: Design and Engineering
Jan 2027: Go out for Bid
Mar 2027: Award Contracts
April 2027: Notice to Proceed on Projects
Jun 2028: Complete construction

Other Considerations

N/A

Impact on Agency Operating Budgets

Completion of this project should have no appreciable impact on the Agency’s operating budget.

Description of Previous Appropriations

N/A

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($ in thousands)

State Veterans Cemeteries - Green Power Improvements

AT A GLANCE

2026 Request Amount:	$950
Priority Ranking:	10
Project Summary:	This request is for $950 thousand to design, construct, and equip Green Design power infrastructure/backup improvements at the Duluth and Preston locations. Neither of these locations currently have backup power capability.

Project Description

The request for $950 thousand in state funds will allow MDVA to establish Green Power infrastructure and power backup improvements at any one or more of the State Veterans Cemetery locations:

The design and construction of green design power infrastructure and backup improvements will ensure that MDVA can accomplish the following at the State Veterans Cemetery sites in Duluth and Preston (approx. $475,000 per site):

1) Installation of a 40kW solar array and a power backup system to optimize electricity supply sources to significantly reduce the negative impact of the site on the environment and to mitigate the impact of power loss during inclement weather conditions.

2) The optimization and implementation of automation wherever possible to reduce the necessity of staff to be on-site to manage/maintain the systems and effect power transfer operations in the case of local/regional power loss.

3) Inclusion of all relevant stakeholders (i.e., DNR, etc.) in the design process to ensure a holistic approach is taken and adherence to all relevant policies and permitting requirements.

Project Rationale

MDVA will contract with an engineering firm to design and construct 40kW solar arrays and backup power infrastructure at State Veterans Cemetery sites in alignment with the Agency's environmental sustainability initiatives of reducing energy use, fossil fuel consumption and greenhouse gas emissions. These sustainability initiatives were established in compliance with Governor Walz's Executive Order 19-27 and will ensure that the facilities can continue to reduce environmental impacts and costs while meeting the guidelines of the US Department of Veterans Affairs National Cemetery Administration as well as the high standards of excellence expected of Minnesota State Veterans Cemeteries that honor the memory and sacrifices of those who have served.

The design and construction of green design power infrastructure and backup improvements for the State Veterans Cemeteries at Duluth and Preston will follow the model established in the design and establishment of sustainability features at the new State Veterans Cemetery at Redwood Falls, which already includes a solar array and will soon incorporate a backup system. Inclusion of green design

power infrastructure at Duluth and Preston will:

1) Standardize energy efficiency and resource conservation measures across all sites within the State Veterans Cemetery System. This not only reduces the cost of electricity, but also decreases power supply volatility by hedging current electricity use, provides price certainty through warrantied solar PV production, and maximizes savings through coincident solar production and daily load peaking.

2) Optimize electricity supply sources to significantly reduce the negative impact of the site on the environment.

3) Mitigate impact of power loss during inclement weather conditions.

4) Implement automation to reduce the necessity of staff to be on-site to manage/maintain the systems and effect seamless power transfer operations in the case of local/regional power loss.

Project Timeline

This project is expected to take approximately one year and could be delayed depending on when the project breaks ground, as frost levels are a considering factor, in addition to construction schedules of other projects. As those projects move forward construction could be delayed/extended up to ten (10) months depending on the level of coordination required. This project has not undergone any design or engineering phase, although benchmarking solar array planning conducted for the Redwood Falls location could be used to shorten this phase.

Jul 2026: RFP Design Contracts

Aug-Dec 2026: Design and Engineering

Jan 2027: Go out for Bid

Mar 2027: Award Contracts

April 2027: Notice to Proceed on Projects

Jun 2027: Complete construction

Other Considerations

N/A

Impact on Agency Operating Budgets

Overall, implementation of green design power will reduce overall utility costs across the State Veterans Cemetery System.

Description of Previous Appropriations

N/A

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Water and Soil Resources Board — Projects Summary

($ in thousands)

Project Title	Priority Ranking	Funding Source	Project Requests for State Funds 2026	2028	2030
Local Government Roads Wetlands Replacement	1	GO	$ 18,500	$ 0	$ 0
		GF	$ 16,500	$ 0	$ 0
Reinvest in Minnesota (RIM) and Conservation Reserve Enhancement Program (CREP)	2	GO	$ 40,000	$ 20,000	$ 20,000
Water Quality and Storage Program	3	GF	$ 9,000	$ 0	$ 0
Restored Wetlands Asset Preservation	4	GO	$ 2,000	$ 0	$ 0
Total Project Requests			$ 86,000	$ 20,000	$ 20,000
General Obligation Bonds (GO) Total			$ 60,500	$ 20,000	$ 20,000
General Fund Cash (GF) Total			$ 25,500	$ 0	$ 0

($ in thousands)

Local Government Roads Wetlands Replacement

AT A GLANCE

2026 Request Amount:	$35,000
Priority Ranking:	1
Project Summary:	$18.5 million in GO bonds and $16.5 million in general fund cash are requested to meet the requirements of MS 103G.222 to replace wetlands drained or filled by public transportation projects that repair and upgrade existing local roads to address safety issues. These funds will purchase easements and restore and permanently protect approximately 800-1,200 acres of wetlands, generating up to 800 wetland replacement credits to fulfill permit requirements for approximately 350 local road projects.

Project Description

Local public road safety improvement projects often include unavoidable impacts to wetlands, and the state has a statutory obligation to provide the required mitigation for the wetlands lost to these local road projects. Since its inception in 1996, the Local Government Roads Wetlands Replacement Program (LGRWRP) has provided approximately 5,900 compensatory wetland mitigation credits to offset 4,100 acres of wetlands impacted by eligible public road projects.

The requested $35 million will provide for the planning, design, construction, restoration, and permanent protection of 800 to 1,200 acres of wetlands to generate up to 800 wetland replacement credits over seven to ten years to comply with state and federal permitting requirements. The wetland restoration projects are completed in accordance with state and federal rules, and credits are typically allocated two to ten years after initiation of the project, necessitating a long-term approach to program planning and funding.

Project Rationale

Local road improvement projects are necessary for public safety and transportation, and both state and federal law require any associated wetland impacts to be “replaced” with other wetland resources (e.g. a previously drained wetland that has been restored). Lacking these replacement wetlands, local road authorities cannot obtain the necessary permits to complete construction of planned road improvement projects. Statute requires the state to provide required wetland mitigation for qualifying local road improvement projects. Public benefits generated by the program include:

- On-time and on-budget completion of local public transportation projects.
- Improved permitting efficiency due to agreements and coordination with the U.S. Army Corps of Engineers (Section 404 of the Federal Clean Water Act).
- Lower public costs due to program efficiencies and economies of scale.

- Higher quality wetland mitigation, providing greater water quality, habitat, and other natural resource benefits.

The program is implemented on a regional basis consisting of ten watershed-based “bank service areas” (BSAs). In early 2020, the LGRWRP was on the verge of default statewide. The state contributed $12 million in 2023, which was half of the program's need. Funds appropriated for this program to date are not projected to meet the demands. As a result, the program currently has less than one year's worth of credits in six of the state's ten BSAs, with three having a balance at or near zero. In addition, the program has a debt of approximately $560,000 in wetland credits to MnDOT resulting from credits previously loaned to the program. Finally, when allowable under federal law, credits can be taken from certain other BSAs with a penalty when sufficient credits were not available in a given BSA, which results in spending credits at an even faster rate.

This funding request accounts for the expected credits that will result from past funding, the debt to MnDOT, and the projected credit needs from approximately 75 to 100 local government road projects annually. In the absence of sufficient funding, local governments would be unable to obtain permits unless and until alternative mitigation is obtained, causing significant delays and cost increases for many road safety projects. This funding request is part of the agency’s long-term plan to bring the program into statewide solvency and meet the State’s statutory obligations.

To address recurrent funding shortages, BWSR and MnDOT convened a workgroup of transportation and local government organizations in 2024 to review the status of the LGRWRP and develop recommendations for predictable and adequate funding to ensure its long-term viability. The workgroup met in 2024 and recommended funding the program through a combination of operating budget (general fund cash) and the capital budget (GO bond funds and general fund cash), in addition to pursuing “catch-up funding." This request is consistent with the workgroup's recommendations.

Project Timeline

Wetland restoration projects that generate wetland replacement credits (AKA "wetland banks" under state and federal regulatory programs) have a typical development timeline of 7-10 years:

- After a project is identified and selected, it takes 1-3 years to develop the restoration (wetland bank) plan and gain regulatory approvals.
- Construction and implementation of the wetland bank plan typically takes 1-2 years and is affected by the limited construction season in Minnesota and the seasonality of native vegetation restoration.
- After construction and initial vegetation establishment activities have been completed, the wetland bank enters the mandatory 5-year (minimum) monitoring and credit release period, where wetland credits are released as the site meets required performance standards over this period. This monitoring and credit release period can also be extended if the site encounters difficulties in its development and is not meeting performance standards.

Other Considerations

Without a full state funding commitment to this program, planned and funded local road

improvement projects will either not be completed or will be delayed and incur substantial increased costs. Specifically, inadequate state funding will result in the following negative consequences:

- Increased costs of mitigation that will be transferred to local governments.
- Higher costs of mitigation originating from outside the watershed-based service area.
- Increased permitting costs and timelines due to elimination of the streamlined process that currently exists with the U.S. Army Corps of Engineers.
- Increased program implementation costs for local, state, and federal agency staff due to the elimination of program efficiencies.
- Decreased wetland mitigation quality resulting in reduced water quality, habitat, and other benefits.
- Reversal of the stakeholder consensus that resulted in wetland regulatory reforms (Laws 1996, Chap. 462 and Laws 2000, Chap. 382).

Impact on Agency Operating Budgets

All of the requested bond funds will be allocated for construction, wetland establishment activities, and acquisition of necessary property rights (i.e. perpetual conservation easements).

The general fund cash will be utilized as follows:

- Up to $10 million for the purchase of private wetland bank credits to meet short-term needs.
- Up to $2.5 million for easement stewardship.
- Remaining funds will be used for planning, design, permitting, easement acquisition, construction oversight, replacement wetland establishment activities, credit allocation, and program administration.

Description of Previous Appropriations

2020: $15 million GO bonds, $8 million general fund cash

2023: $12 million GO bonds

2025: $5 million GO bonds, $3 million general fund cash

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($ in thousands)

Reinvest in Minnesota (RIM) and Conservation Reserve Enhancement Program (CREP)

AT A GLANCE

2026 Request Amount:	$40,000
Priority Ranking:	2
Project Summary:	$40 million in GO bonds is requested to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, as well as restore and enhance rivers and streams, riparian lands, and associated uplands to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, increase climate resiliency, and provide other public benefits.

Project Description

The Reinvest in Minnesota (RIM) Reserve program is a critical component of the state's efforts to improve water quality by reducing soil erosion, phosphorus, and nitrogen loading, to improve wildlife habitat and water attenuation, and increase climate resiliency on private lands. The RIM Reserve program compensates landowners for granting conservation easements and establishing native vegetation that improves both water quality and habitat on economically marginal, flood-prone, environmentally sensitive, or highly erodible lands. The program protects the state's water and soil resources by permanently restoring wetlands, grassland wildlife habitat complexes, and riparian buffers, and protecting existing high quality land cover. BWSR acquires conservation easements to protect, restore, and manage critical natural resources on private lands. BWSR provides statewide program coordination and administration and implementation at the local level is accomplished by Soil & Water Conservation Districts (SWCDs). This project would secure easements throughout Minnesota.

Project Rationale

The state has invested heavily in assessing water quality and wildlife habitat. There are numerous reports that document water quality impairments and declining habitat. This project will improve water quality, protect sources of drinking water, protect and restore watercourses, and provide wildlife habitat through permanent protection of sensitive landscapes, and restoration of buffers, wetlands, and wellhead areas. Easements could be secured under a state-only funded easement or under the current federal Conservation Reserve Enhancement Program (CREP) agreement with USDA. Securing easements within the CREP area will be a priority due to the possibility of leveraging federal funds. The CREP agreement was amended in January 2025, which extended the life of the agreement, added a conservation practice, increased the maximum acres, and added 12 counties where CREP is available. The request of $40M will create significant opportunities for landowners in the 66 CREP counties and will replace the $2.848M in general fund grassland funding lost for FY2026.

Project Timeline

Easements will be recorded within 18 months of receiving applications. Restoration, where necessary, will occur within three years of the easement recording.

Other Considerations

Landowner interest continues to be strong in RIM and CREP easements, whether to enroll into easements on marginal land with restoration or to protect existing high quality sensitive natural areas.

Impact on Agency Operating Budgets

BWSR will utilize these funds for landowner payments and program support. Up to $3.7 million is necessary to support engineering and easement acquisition functions and for establishment of conservation practices on easement lands.

Description of Previous Appropriations

Since 2014, Capital Investment funds have provided a total of $37.7M towards the RIM program (including CREP but not disaster relief). This year's request would be for easements either enrolled via CREP or RIM-only easements that are not part of the CREP federal partnership. Bonding has been a historically consistent source of RIM funding.

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($ in thousands)

Water Quality and Storage Program

AT A GLANCE

2026 Request Amount:	$9,000
Priority Ranking:	3
Project Summary:	$9 million in general fund cash is requested to construct water storage projects to control runoff and reduce runoff volume to protect infrastructure from flooding, improve water quality, and to mitigate climate change impacts. These projects slow down and/or temporarily hold back water before it enters a stream or river, helping to mitigate the negative impacts from more frequent and intense rainfall events.

Project Description

The Water Quality and Storage Program has been extremely successful over the past four years by providing funds to local partners to construct storage in the Minnesota River Basin and the Lower Mississippi River Basin in Minnesota. This area of the state is especially susceptible to erosion of its ditches and rivers due to large storm events. Reducing the peak flow rates in these systems is key to improving the water quality in the Minnesota River and the Mississippi River.

Each site is selected based on its ability to reduce runoff rates or runoff volume and each site has measurable flood reduction benefits or water quality benefits. This program supports the state's Climate Action Framework through adaptation to the more intense and frequent rainfall events that flood our cropland, roads, and other infrastructure and also mitigation by replacing lost wetlands throughout the state. The funds for the Water Quality and Storage Program pay for final design, construction, and easements for the storage sites.

Projects funded by the Water Quality and Storage Program are typically storage ponds, restored wetlands, and large outlet control structures placed on ravines to slowly release runoff.

Project Rationale

While this program supports the individuals living near the newly constructed projects, it also supports many of state strategies. For example, this work directly aligns with the Climate Action Framework Initiative by better managing our agricultural landscapes to hold water and reduce runoff. The Nutrient Reduction Strategy estimates that 29% of the statewide phosphorus load and 73% of the state's nitrogen load is due to agricultural practices. Water storage practices to hold back sediment are a key best management practice to reduce total phosphorus, and best management practices such as wetland restorations are the best way to reducing the nitrogen in our agricultural runoff. Lastly, in the Sediment Reduction Strategy for the Minnesota River Basin, there is a call to reduce peak streamflow in order to reduce near channel erosion. Reduced flows will be a direct result of

implementing storage projects throughout the basin.

Project Timeline

The Board of Water and Soil Resources (BWSR) can typically approve funding for projects within six months. Final design and construction can take anywhere from 12 months to 24 months depending on the complexity of the project and the number of landowners involved.

Other Considerations

BWSR has found that the Water Quality and Storage program is one area where conservation efforts are very supported by landowners that benefit from drainage systems. While the goal of drainage systems is usually to remove water from the landscape quickly, BWSR has found that by offering storage as a solution that is paid for mostly by the state, landowners are willing to be more creative with holding back their runoff.

Impact on Agency Operating Budgets

The majority of the funds will be allocated for construction and easements. Up to $300,000 will be used for an operating budget to oversee grant funds, partner support, and project evaluation.

Description of Previous Appropriations

FY22-23: $2 million general fund

FY24-25: $17 million general fund

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($ in thousands)

Restored Wetlands Asset Preservation

AT A GLANCE

2026 Request Amount:	$2,000
Priority Ranking:	4
Project Summary:	$2 million in GO bonds is requested to preserve the aging wetland restoration projects throughout the state, which includes major modifications or replacement of infrastructure such as cement outlet structures or steel sheet pile weirs. These are necessary modifications required to state-owned infrastructure that have reached the end of lifespan or have been damaged during flood events - these are not maintenance issues or minor repairs.

Project Description

The requested funds would be used to replace failing or near-failing infrastructure of our wetland restoration sites throughout the state. These are large infrastructure projects, such as large concrete culverts and manholes, or steel sheet pile weirs that are driven 10-20 feet into the ground to support the structure above the ground - they are not minor repairs or maintenance activities.

The number of sites that can be preserved will depend on the final construction cost of each site, but BWSR estimates that with $2M BWSR will be able to preserve approximately 85 wetland restorations.

Project Rationale

BWSR has been designing and restoring wetlands in Minnesota since the 1980s, and older projects have hit the end of their design lifespan. The harsh conditions of freeze/thaw cycles, numerous floods, and even vandalism at these sites can result in failure or near failure of the restoration sites. Upon failure, these sites may no longer act as wetlands or provide the wetland restoration characteristics that benefit our state, such as improved hydrology, upland storage for groundwater recharge, flood prevention, and flow regulation to reduce erosion. It is much more cost effective to restore or replace the failing infrastructure than to secure new easements and design and construct a new wetland project.

A number of wetland restorations in Minnesota have reached the end of their design lifespan or have become damaged due to harsh weather conditions. There has been no plan or funding in place to preserve these sites, and a failed site will not provide the same benefits as the original restoration. In addition, design and construction of a new wetland restoration site is much more expensive than preserving an existing site.

Project Timeline

The Board of Water and Soil Resources already has a list of 26 sites that are in need of infrastructure replacement or updates. Work can begin on these sites as soon as funding becomes available. New sites are added to this list as they are reported by the Soil & Water Conservation Districts (SWCDs) or are evaluated by BWSR staff.

Other Considerations

Impact on Agency Operating Budgets

Approximately $250,000 will be used by BWSR for design of the infrastructure replacement and development of cost estimates and bidding documents. The remaining $1.75M will be used for preservation of the wetland restoration sites.

Description of Previous Appropriations

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