

GRANTS TO POLITICAL SUBDIVISIONS

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2002-07
Minnesota
Capital Budget

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



HJ11
.M6425c
2002/
2007
Grants

2002-07 CAPITAL BUDGET

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GRANTS TO POLITICAL SUBDIVISIONS

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

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

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

Administration, Department of

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

Funding Source

GF = General Fund
GO = General Obligation Bonds

OTH = Other Funding Sources
THB = Trunk Highway Fund Bonding

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STATE OF MINNESOTA
Agency Request
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GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)
(\$ In Thousands)

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

Children, Families & Learning

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

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

Commerce, Department of

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

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(\$ In Thousands)

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Corrections, Department of

MCF-LL - 416-Bed Offender Housing Unit	1	356	GO	4,160	0	0	4,160	0	0
DOC - Asset Preservation	2	445	GO	23,100	15,000	15,000	23,100	15,000	15,000
MCF-SHK - ILC Renovation & Support Space	3	250	GO	3,070	0	0	3,070	0	0
MCF-STW - New Seg. Unit Design/Pre-design	4	260	GO	906	0	0	90	0	0
MCF-RW - New Vocational Building	5	260	GO	4,938	0	0	0	0	0
MCF-FRB - Kitchen Renovation Pre-design/Design	6	135	GO	346	0	0	0	0	0
MCF-WR/ML - Activities Building	7	195	GO	1,523	0	0	0	0	0
MCF-SCL - New Vocational Building	8	100	GO	8,070	0	0	0	0	0
MCF-SHK - 62-Bed Living Unit (Phase II)			GO	0	3,409	0	0	0	0
MCF-STW - Renovation of Old Ed & Admin Bldg.			GO	0	1,500	0	0	0	0
MCF-STW - Electronic Locks for CHA & CHD			GO	0	4,000	0	0	0	0
MCF-OPH - Security System Upgrade			GO	0	4,029	0	0	0	0
MCF-WR/ML - Industry Warehouse - ML			GO	0	596	0	0	0	0
MCF-WR/ML - Vehicle Garage - ML			GO	0	148	0	0	0	0
MCF-WR/ML - Kitchen Expansion - WR			GO	0	34	0	0	0	0
MCF-WR/ML - Industry Building Addition - ML			GO	0	51	708	0	0	0

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Corrections, Department of

MCF-WR/ML - Building Maint. Shop - ML	GO	0	116	0	0	0	0	0
MCF-STW - Electrical Upgrade - Industry	GO	0	800	0	0	0	0	0
MCF-STW - Sewer Vent - Replace Water Main	GO	0	2,000	0	0	0	0	0
MCF-STW - Receiving Complex & Warehouse	GO	0	17,608	0	0	0	0	0
MCF-STW - Tuckpointing	GO	0	800	0	0	0	0	0
MCF-STW - Master Control Renovation	GO	0	1,611	0	0	0	0	0
MCF-OPH - Razor Ribbon Replacement	GO	0	350	0	0	0	0	0
MCF-SCL - Replace Facility Sewer System	GO	0	3,214	0	0	0	0	0
MCF-SCL - Replace Phone Equipment & Lines	GO	0	444	0	0	0	0	0
Dept. - Roof & Window Replacement	GO	0	7,776	7,776	0	0	0	0
MCF-SCL - Expand Floor - Balcony Level	GO	0	0	318	0	0	0	0
MCF-SCL - Toilet Carrier Replacement	GO	0	0	493	0	0	0	0
MCF-SCL - Remodel Administration Building	GO	0	0	4,504	0	0	0	0
MCF-SCL - Facility Climate Control	GO	0	0	1,291	0	0	0	0
MCF-SCL - Construct New Warehouse	GO	0	0	1,171	0	0	0	0
MCF-SCL - Retube Boilers	GO	0	0	517	0	0	0	0

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Corrections, Department of

MCF-SCL - Upgrade Security System		GO	0	0	749	0	0	0
MCF-RW - New Living Unit		GO	0	0	1,470	0	0	0
MCF-LL - Replace HVAC Systems - Living Units		GO	0	0	700	0	0	0
MCF-SCL - Loop Wiring, High Voltage		GO	0	0	350	0	0	0
MCF-SCL - Install Sprinkler System		GO	0	0	500	0	0	0
MCF-RW - Admin. Building Porch Repair		GO	0	0	125	0	0	0
MCF-STW - Second Floor Kitchen Renovation		GO	0	0	75	0	0	0

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

Finance, Department of

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

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Grants to Political Subdivisions

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

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Grants to Political Subdivisions

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

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Grants to Political Subdivisions

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

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Grants to Political Subdivisions

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

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

Health, Department of

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

Funding Source

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STATE OF MINNESOTA
Agency Request

F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Housing Finance Agency

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

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			F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006	
Human Services, Department of									
System-Wide Roof Replacement	1	470	GO	2,789	4,167	2,145	2,789	1,500	1,500
System-Wide Asset Preservation	2	470	GO	6,500	8,450	8,400	6,500	4,000	4,000
FFRTC – Upgrade Program Facilities	3	385	GO	3,000	3,000	0	0	0	0
System-Wide Building/Structure Demolition	4	395	GO	2,250	1,650	1,065	2,000	1,650	1,065
BRHSC – Building #20 Improvements	5	315	GO	6,305	0	0	0	0	0
SPRTC – Convert Power Plant to Low Pressure	6	280	GO	3,619	0	0	3,619	0	0
BRHSC – Convert Power Plant to Low Pressure	7	255	GO	2,965	4,414	0	0	0	0
AGC – B/C Residential Unit Remodeling			GO	0	2,750	0	0	0	0
AGC – A/D Residential Unit Remodeling			GO	0	2,750	0	0	0	0
AMRTC – Remodel Miller Building			GO	0	6,000	0	0	0	0
AMRTC – Construct Vehicle Maintenance/Storage Bldg			GO	0	250	0	0	0	0
BRHSC – Remodel Dietary Department			GO	0	1,000	0	0	0	0
MSPPTC – Reconfigure Industry Ship/Rec. Area			GO	0	250	0	0	0	0
MSPPTC – Construct Storage Building			GO	0	100	0	0	0	0
SPRTC – Bartlett/Sunrise Building Improvements			GO	0	4,000	0	0	0	0
SPRTC – Storm/Saniatary Sewer Separation/Upgrades			GO	0	1,500	0	0	0	0

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Human Services, Department of

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

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

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Iron Range Resources & Rehabilitation Bd

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

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

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Metropolitan Council

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

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

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STATE OF MINNESOTA
Agency Request

F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Military Affairs, Department of

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

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

Funding Source

GF = General Fund
GO = General Obligation Bonds

OTH = Other Funding Sources
THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund
UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request

F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Minnesota Historical Society

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

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

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STATE OF MINNESOTA
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GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Minnesota Historical Society

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

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STATE OF MINNESOTA
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GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Minnesota State Academies

Asset Preservation	1	415	GO	2,000	2,000	2,000	1,500	1,500	1,500
West Wing Noyes Hall Phase Two	2	315	GO	2,896	0	0	0	0	0
Safety Improvements/Roadway Related Construction	3	280	GO	1,400	0	0	0	0	0
MSAB Dorm Expansion			GO	0	3,225	0	0	0	0
Mott Hall Vocational Renovation			GO	0	2,416	0	0	0	0
MSAD Frechette Renovation			GO	0	4,247	0	0	0	0
MSAD Rodman Dining			GO	0	0	6,359	0	0	0
MSAB Vocational Building/Industrial Building			GO	0	0	1,257	0	0	0
MSAD Garage			GO	0	0	1,034	0	0	0
MSAD Lauritsen Recreation & Fitness Center			GO	0	0	5,217	0	0	0

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

Funding Source

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STATE OF MINNESOTA
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F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Minnesota State Colleges & Universities

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

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

Minnesota State Colleges & Universities

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

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

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

Natural Resources, Department of

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

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(BY FUNDING SOURCES)
(\$ In Thousands)

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				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006

Natural Resources, Department of

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

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

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

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

Natural Resources, Department of

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

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

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GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Perpich Center for Arts Education

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

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

Pollution Control Agency

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

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

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F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

Trade & Economic Development

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

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

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				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006
Transportation, Department of									
Northstar Corridor Rail Project	GO-1	319	GO	120,000	0	0	120,000	0	0
Local Bridge Replacement and Rehabilitation	GO-2	385	GO	48,000	65,000	70,000	30,000	30,000	30,000
Red Rock Corridor Rail Project	GO-3	270	GO	5,000	12,000	163,000	0	0	0
Midwest Regional Rail Initiative (Inter-City)	GO-4	256	GO	10,000	30,000	30,000	0	0	0
Rail Service Improvement	GO-5	270	GO	12,000	6,000	6,000	0	0	0
Port Development Assistance	GO-6	230	GO	8,000	8,000	6,000	0	0	0
Statewide Public Safety Radio System	GO-7	95	GO	36,690	35,000	35,000	0	0	0
Consolidated Operations Support Facility	THF-1	160	THF	9,500	0	0	9,500	0	0
Mankato Headquarters Building	THF-2	175	THF	14,000	0	0	14,000	0	0
Communications Backbone Digital Conversion	THF-3	145	THF	11,000	0	0	2,000	0	0
Rochester Headquarters Addition			THF	0	4,000	0	0	0	0
Golden Valley Building Addition			THF	0	4,000	0	0	0	0
Materials Lab Building Addition			THF	0	3,490	0	0	0	0
Training Center Building Addition			THF	0	4,600	0	0	0	0
State Bridge Replacement and Rehabilitation			THB	0	70,000	70,000	0	0	0
Duluth Headquarters Addition/Remodel			THF	0	0	1,250	0	0	0

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Transportation, Department of

Crookston Headquarters Building Addition	THF	0	0	1,000	0	0	0
Willmar Headquarters Building Addition	THF	0	0	1,700	0	0	0
Shakopee/Jordan Truck Station Addition	THF	0	0	4,675	0	0	0
Eden Prairie Truck Station Addition	THF	0	0	2,000	0	0	0
Maple Grove Truck Station Replacement	THF	0	0	2,500	0	0	0
Plymouth Truck Station Addition	THF	0	0	2,000	0	0	0

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

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				F.Y. 2002	F.Y. 2004	F.Y. 2006	F.Y. 2002	F.Y. 2004	F.Y. 2006
University of Minnesota									
Systemwide – HEAPR	1	470	GO	80,000	80,000	80,000	35,000	35,000	35,000
St. Paul – Plant Growth Facilities, Phase II	2	428	GO/UF	18,700	0	0	3,400	14,300	0
Duluth – Laboratory Science Building	3	288	GO/UF	25,500	0	0	25,500	0	0
Minneapolis – Nicholson Hall	4	298	GO/UF	24,000	0	0	10,000	0	0
Minneapolis – Mineral Resources Research Center	5	298	GO/UF	18,400	0	0	0	0	0
Systemwide – Classroom Improvements	6	213	GO/UF	4,000	4,000	1,500	4,000	0	0
Minneapolis – Translational Research Facility	7	233	GO/UF	37,000	0	0	0	0	0
Crookston – Bede Hall Replacement	8	313	GO/UF	7,701	0	0	7,701	0	0
Morris – Social Science Building & Sprinklers	9	213	GO/UF	9,000	0	0	0	0	0
Minneapolis – Teaching & Technology Center	10	213	GO/UF	3,000	0	0	0	0	0
Statewide – Research & Outreach Centers	11	248	GO/UF	3,000	3,000	3,000	0	0	0
Minneapolis – Northrop Auditorium	12	248	GO/UF	2,000	10,000	0	0	0	0
Minneapolis – AHC Precinct Plan Phase I			GO/UF	0	20,000	0	0	0	0
Crookston – Academic Program Improvement I			GO/UF	0	4,500	0	0	0	0
Minneapolis – Folwell Hall			GO/UF	0	27,000	0	0	0	0
Morris – Academic Program Improvements I			GO/UF	0	3,000	0	0	0	0

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STATE OF MINNESOTA
Agency Request

F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

University of Minnesota

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

Funding Source

GF = General Fund
GO = General Obligation Bonds

OTH = Other Funding Sources
THB = Trunk Highway Fund Bonding

THF = Trunk Highway Fund
UF = User Finance Bonding

STATE OF MINNESOTA
Agency Request

F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

University of Minnesota

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

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(BY FUNDING SOURCES)
 (\$ In Thousands)

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

Veterans Homes Board

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

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

Funding Source

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

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

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

Water & Soil Resources Board

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

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

Zoological Gardens

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

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

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STATE OF MINNESOTA
Agency Request

F.Y. 2002-2007

GOVERNOR'S RECOMMENDATIONS
(BY FUNDING SOURCES)

(\$ In Thousands)

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

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

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Grants to Political Subdivisions

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

Projects Summary

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
Regional Sludge Management Demonstration Project	ARL-1	\$500	\$0	\$0	\$500		\$0	\$0	\$0
Blazing Star Trail	AUS-1	2,500	0	0	2,500		0	0	0
Bayport Storm Sewer Reconstruction	BAY-1	1,550	0	0	1,550		0	0	0
Bloomington Center for the Arts	BLO-1	1,000	0	0	1,000		0	0	0
Dakota County Flood Mitigation	DAK-1	750	0	0	750		0	0	0
Coleraine Street and Utility Improvements	COL-1	50	250	0	300		0	0	0
North Shore Sanitary Districts	DUA-1	11,638	0	0	11,638		0	0	0
Duluth -- Aerial Lift Bridge Repainting	DUL-1	1,900	0	0	1,900		0	0	0
Eveleth Sanitary Sewer Collection Improvements	EVE-1	251	0	0	251		0	0	0
Duluth -- Spirit Mountain Improvements	DUL-2	3,175	0	0	3,175		0	0	0
Municipal Solid Waste Combustor Replacement	FF-1	1,150	0	0	1,150		0	0	0
Fergus Falls Public Library Expansion	FF-2	1,835	0	0	1,835		0	0	0
Visitor Center at Historic Murphy's Landing	HP-1	3,191	0	0	3,191		0	0	0
Campaign for the Children's Theatre Company	HEN-1	12,000	0	0	12,000		0	0	0
Colin Powell Youth Leadership Center	HEN-2	6,000	0	0	6,000		0	0	0
Restoration of Historic Fort Belmont	JAC-1	200	200	100	500		0	0	0
Regional Cold Weather Testing Facility	KOO-1	3,628	0	0	3,628		0	0	0
Big Bear Education Center	KOO-2	6,200	0	0	6,200		0	0	0
Trollwood Performing Arts School	MOR-1	5,500	0	0	5,500		0	0	0
Minneapolis Park Improvements	MPB-1	33,102	0	0	33,102		0	0	0
Minneapolis Empowerment Zone Projects	MPL-1	12,000	7,900	8,400	28,300		0	0	0
Minnesota Space Discovery Center & Planetarium	MPL-2	30,000	0	0	30,000		0	0	0
Guthrie Theater on the River	MPL-3	35,000	0	0	35,000		0	0	0
Minnesota Shubert Performing Arts Center	MPL-4	10,000	0	0	10,000		0	0	0
Minnesota Valley Academy	MPS-1	3,500	0	0	3,500		0	0	0
Minnetonka -- Affordable Scattered Site Housing	MTK-1	1,000	0	0	1,000		0	0	0
Glencoe -- Railroad Switching Yard	MTK-1	796	0	0	796		0	0	0
Casey Jones Trail	MUR-1	4,200	3,400	3,600	11,200		0	0	0
Minnesota Prairie Line Rehabilitation	MV-1	7,500	0	0	7,500		0	0	0
Olmsted County Materials Recovery Facility	OLM-1	3,000	0	0	3,000		0	0	0
Minnesota Center for Agricultural Innovation	OLV-1	2,000	0	0	2,000		0	0	0
Pipestone County Museum Improvements	PIP-1	125	0	0	125		0	0	0
Gibbs Museum Interpretive Center	RAM-1	137	1,436	0	1,573		0	0	0
Regional Public Safety Training Center	ROC-1	550	1,286	0	1,836		0	0	0

Project Title	2002 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimate	
		2002	2004	2006	Total			2004	2006
The New Rochester Arts Center	ROC-2	2,300	0	0	2,300		0	0	0
DM&E Railroad Corridor Mitigation	ROC-3	50,000	0	0	50,000		0	0	0
Improving Access to the Ports of Savage	SAV-1	11,500	0	0	11,500		0	0	0
St. Louis Park -- Pedestrian/Trail Crossing	SLP-1	492	0	0	492		0	0	0
St. Paul -- The New Roy Wilkins Auditorium	STP-1	70,000	0	0	70,000		0	0	0
St. Paul -- Phalen Boulevard	STP-2	8,000	0	0	8,000		0	0	0
St. Paul -- Como Park Conservatory Restoration	STP-3	2,700	0	0	2,700		0	0	0
St. Paul -- 2004 Renaissance Project	STP-4	8,375	0	0	8,375		0	0	0
Neighborhood House/El Rio Vista Facility Expansion	STP-5	5,000	0	0	5,000		0	0	0
American Lung Association Healthy Design Project	STP-6	3,000	0	0	3,000		0	0	0
St. Cloud Civic Center Expansion	ST-1	45,000	0	0	45,000		0	0	0
Central Minnesota Regional Parks and Trails	STC-1	8,560	0	0	8,560		0	0	0
New Ulm Recreational Trail	ULM-1	1,150	0	0	1,150		0	0	0
Virginia/Eveleth Progress Park Expansion	VEE-1	1,500	0	0	1,500		0	0	0
District Steam Heating System Infrastructure	VIR-1	5,000	0	0	5,000		0	0	0
Northeast Park Community Center -- Waseca	WAS-1	1,800	0	0	1,800		0	0	0
WMEP Southwest Integration Magnet School	WES-1	27,714	0	0	27,714		0	0	0
Winona Harbor Intermodal Transp Improvements	WIN-1	6,300	0	0	6,300		0	0	0
Total Project Requests		\$464,319	\$14,472	\$12,100	\$490,891		\$0	\$0	\$0

DESCRIPTION OF THIS "GRANTS TO POLITICAL SUBDIVISIONS" SECTION OF THE CAPITAL BUDGET:

The Department of Finance (DOF) has received requests from a variety of political subdivisions throughout the state as provided in the following pages. These requests have been collectively grouped into this section of the capital budget, "Grants to Political Subdivisions."

EVALUATION OF LOCAL PROJECTS:

Pursuant to Minnesota Statutes, Chapter 16A.86, all requests from political subdivisions must be evaluated by DOF based on formal criteria. The department conducted these evaluations during the summer and fall of 2001, notified the applicants of DOFs preliminary evaluations and is now forwarding the final evaluations to the Governor and Legislature for consideration during the 2002 bonding bill process.

The department has evaluated requests from political subdivisions based on whether:

- The political subdivision has provided significant matching funds.
- The project fulfills an important state mission.
- The project is of statewide, regional, or local significance.
- The project will require new or additional state operating subsidies.
- The project will expand the state's role in a new policy area.
- State funding for the project will create significant inequities among local jurisdictions.
- The project will adversely compete with similar projects.
- The governing bodies of the affected jurisdictions have passed resolutions of support for the project.
- State funding for the project is limited to no more than 50% of total capital costs (with the exception of school projects and requests from natural disasters); and
- A predesign study has been completed to more fully describe the project's purpose, scope, cost and schedule.

DOF AND ADMIN ANALYSIS:

Requests that were received at the preliminary deadline on June 15th were evaluated by the departments of Finance and Administration during the summer of 2001. This analysis was forwarded to the applicants for their review, with the expectation that the applicants would use the DOF and Admin comments when rewriting their requests for the final deadline on November 1.

Preliminary requests from local units of government totaled \$276 million. An additional \$189 million in new requests were received by the final deadline on November 1.

Unfortunately, insufficient time was available to conduct a comprehensive review of requests that were received for the first time on or before November 1. In other words, projects that were not submitted as preliminary requests, but rather were submitted as final requests later in the fall could not be evaluated due to a lack of time. Although such projects were not formally evaluated, they are also provided in this section of the capital budget as a courtesy to decision-makers, without DOF or Admin review comments.

DISCUSSION OF NON-STATE FUNDING REQUIREMENTS:

In the following request forms, DOF comments are provided for a number of local projects that address the issue of local match funding. Recognizing the interest of state decision-makers to occasionally form funding partnerships and provide state financing for various local projects, many that involve significant state funding, the department wishes to outline a series of recommendations regarding state funding for these local projects.

Recognizing that local project requests are quickly becoming more prevalent in the state capital budget process, a number of public policy issues arise. First, the department is concerned that state funding for local projects has the effect of displacing resources otherwise intended for state agencies. Second, the department is concerned that state funding for local projects has produced a situation in which local governments now have a strong incentive to avoid prioritizing and financing requests at the local level and avoid reordering local budgets accordingly. Third, the process of providing state funds to local governments for predesign and design activities that in turn produce additional requests for state construction funds seems to be a curious incentive for the state to offer, given that requests typically outpace funding capacity by a significant margin.

In recent bonding bills, many local projects have received state funding based on various non-state matching requirements. These ratios have been inconsistent. Other projects have received appropriations with no local matching requirements at all. The rationale for local matching requirements are obvious – match requirements recognize the local benefit of such projects, allow limited state funds to extend to additional projects to the extent supplemented by local funds, require local governments to have a greater stake in the success of the project, and enable local projects to be funded at a higher level due to infusion of state resources.

Building on these concepts, the DOF offers the following recommendations for state funding of local capital projects:

- Political subdivisions should fund local projects to the fullest extent possible before requesting state assistance for capital costs. This should include, but not be limited to, use of local uncommitted fund balances. In addition, cities that have currently authorized local option sales taxes should consider redirecting those revenues to local cultural and arts requests.
- Requests for state assistance should be limited to projects with statewide significance and projects that do not expand the state's funding role.
- Whenever possible, local units of government should prepare and finance predesign documents to sufficiently explain the project purpose, scope, cost and schedule *prior* to submitting capital budget requests. After predesign completion, requests should be submitted through the official capital budget process. This will improve the integrity of project cost estimates.
- In the interest of forming true state-local partnerships, local governments should be willing to provide substantial non-state funds as a condition of receiving state bond appropriations. Consistent with M.S. 16A.86, these local match requirements are expected to provide at least 50% non-state funding for project design and construction costs. Requests that do not contain significant local matching funds are perceived as lacking strong local support.
- To avoid overly optimistic expectations among local governments, the state should not provide partial appropriations for design funds in any given year unless the state is prepared to provide subsequent construction funds. Design funds should not be appropriated for the exclusive purpose of buying time, mollifying project proponents or pushing project construction tails into future legislative sessions.
- Political subdivisions should develop a detailed operating plan that ensures local funding of project operating expenses, without state financial assistance.

REQUESTS REFERRED TO OTHER STATE AGENCIES:

The following requests were received by DOF and forwarded to other state agencies for consideration in existing or proposed state grant programs. These requests may appear in other sections of the capital budget. Questions regarding these requests and their grant eligibility should be directed to the state agencies listed below:

- Coalition of Greater Minnesota Cities – Business Development Public Infrastructure request (\$50 million). Referred to the Department of Trade and Economic Development.
- Remodeling of the State Government Services Building in Duluth – St. Louis County request (\$2.8 million). Referred to the Department of Administration.
- Granite Falls Flood Mitigation (\$1.2 million). Referred to the Department of Natural Resources.
- Bassett Creek Watershed Water Quality Improvement (\$2.8 million). Referred to the Board of Water and Soil Resources.

- Willmar Regional Treatment Center DWI Offender Renovations. Referred to the departments of Corrections and Human Services.

REQUESTS NOT ELIGIBLE FOR STATE BONDING:

M.S. 16A.86 sets forth the process by which local governments may apply for state capital funds. However, this law is silent regarding how private and non-profit organizations may apply – or whether they're allowed to apply at all.

The Minnesota Constitution requires that state general obligation bonds may only be used for capital projects with public ownership and a public purpose. Therefore, it is the position of DOF that projects from private and non-profit groups must be submitted by a public entity in order to be considered in the state capital budget process, and such projects must follow all requirements of the Minnesota Constitution and state statutes.

The following projects were submitted by private and non-profit groups without sponsorship from a local government or political subdivision, or were otherwise ineligible for state bonding:

- Lewis and Clark Rural Water System (\$4.154 million). Is only eligible as a General Fund request.
- Farmamerica Site Improvements and Exhibits (\$552,000). Is only eligible as a General Fund request.

THE FOLLOWING PROJECTS WERE RECEIVED AFTER THE APPLICATION DEADLINE OR CONTAINED INSUFFICIENT INFORMATION:

These projects were submitted to DOF after the 11-01-01 final application deadline or contained insufficient information to process the requests:

- Hennepin County Medical Center biochemical terrorism upgrades.

2002 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Arlington)

PROJECT LOCATION: Cities of Arlington, Brownnton, Glencoe, Henderson, Lester Prairie, Litchfield, Maple Lake

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$500,000 in state funding to purchase a mobile belt press to be used by all of the cities in the commission, a garage to house and maintain the mobile belt press, and minor upgrades to each of the treatment plants to facilitate the mobile belt press.

All wastewater treatment plants produce a byproduct called sludge (biosolids). Sludge must be disposed of through an environmentally sound means. Communities throughout Minnesota typically dispose of their sludge by applying it to farm fields twice a year, once before a farmer plants their crops and once following their harvest. Due to Minnesota's climatic variations, it is difficult for cities to estimate when a farmer will plant or harvest their crops. This uncertainty, combined with the increasingly stringent environmental regulations, has created a major sludge disposal problem for many Minnesota communities. Some communities in Minnesota including Maple Lake have lost their leased farmland and must now haul hundreds of thousands of gallons of sludge to their local landfill. Although this is legal, we do not believe this is the best use of our land and limited natural resources. Most communities produce and dispose of low grade Class B sludge. To convert a Class B sludge into a more environmentally sound (and potentially sellable/reusable byproduct) Class A sludge is very expensive and costs prohibitive to most cities.

A cost effective solution is now technically available to produce a Class A sludge. We can now take the sludge, process it through a drying facility, palletize and dispose of or sell this by-product as a fertilizer. The problem is this type of drying facility is too expensive for most communities to construct on their own. But, by building a sludge drying facility as a regional sludge-processing center (similar to a regional recycling center) where numerous communities could use it, would assist in making it cost effective. The city of Hutchinson recently constructed a large biosolids-processing center with the capacity to assist other communities in the area that could be used as a regional sludge-processing center.

Six cities have formed a Joint Powers Commission (including Arlington, Brownnton, Lester Prairie, Henderson, Glencoe, and Litchfield) and have been working diligently together to address their biosolids problem on a regional basis; note that some industries have also voiced interest in using this type of facility. They feel working together is a cost effective and environmentally sound means of handling their sludge. In order to haul their sludge to Hutchinson, they must first convert the liquid

sludge into a sludge cake by pressing the sludge through a belt press. This can be done on a regional basis by purchasing a mobile belt press. The Joint Powers Group is therefore proposing to purchase a mobile belt press and truck to haul it from city to city, and build a garage facility to store this equipment in when it is not in use. In addition, each city would be required to make minor modifications to each treatment plant to facilitate the mobile belt press operations: ramps, pumps, piping, electricity, commercial feeders.

Project Budget:

ITEM	ESTIMATED COST
Mobile Sludge Belt Press and Truck	\$300,000
Garage to Store the mobile belt press in	\$100,000
Modifications to six treatment plants	<u>\$100,000</u>
Total Grant Amount Requested	\$500,000

The implementation of the proposed Regional Sludge Project will not be possible without the assistance of the state. Most of these cities cannot afford these expenditures on their own and need some assistance for an innovative project like this. But, they are fully committed to moving forward if we receive the grant money from the state.

Implementation of the proposed project would be a Regional Demonstration Project for other potential regional biosolids facilities throughout the state. Although the initial implementation costs are high, the long term economic and environmental benefits far outweigh these costs. We ask that you grant these six communities the requested financial assistance for the implementation of the proposed regional biosolids facilities. Our cities have no other sources to call upon because of the uniqueness of this project. Therefore, we need this grant money in order to pursue and implement this project.

Without grant money from the state to complete this demonstration project, it is not cost effective for these six communities to move forward as outlined below:

Current estimated total costs for the six communities to collect their sludge, haul it to the farm fields and dispose of their biosolids = \$105,000/year
@ 6,000 homes within the six cities = \$17.50/home/year.

Estimated costs Including the mobile built press, garage, existing biosolids costs and improvements to the six treatment plants to collect their sludge, haul it to Hutchinson (or to the farm fields) and dispose of the biosolids without any grant = \$193,000**
@ 6,000 homes within the six cities = \$32.16/home/year **

Estimated costs including the mobile belt press, garage, existing biosolids costs and improvements to the six treatment plants to collect their sludge, haul it to Hutchinson (or the sludge cake to the farm fields) and dispose of the biosolids with a \$500,000 grant: \$113,000/year**
@ 6,000 homes within the six cities = \$18.83/home/year**.

** Note – these costs do not include any dumping charge from Hutchinson.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. It will be managed on a perpetual, self-funded basis. The participating cities will provide operating and maintenance funding over the 10 year demonstration process of \$1.143 million.

OTHER CONSIDERATIONS:

The Joint Powers Commission is a legal body of government and will own and operate the facility.

Without this funding and proposed project, many of the cities will be back to square one and on their own. Several of the cities, including Maple Lake and Henderson are already indicating that they most likely will need to upgrade their wastewater facilities on their own without this project. These individual costs will ultimately cost the taxpayers of the state more money overall than the cost of this regional project. By working together, we can save money as a group by not having to make these expensive upgrades on an individual basis.

The consortium of cities encompasses two counties, Sibley and McLeod. These counties have no involvement in this project at this time. The consortium of cities has legally formed a Joint Powers Commission, and is currently a stand-alone entity with the backing of the cities.

The statewide significance of this project is tremendous. This project could change how most small cities in Minnesota process and dispose of their biosolids. We look at the significance of this project as equal the statewide recycling program (cans, paper, and plastic). Other cities, including Le Sueur, feel this is a worthwhile venture and have asked to potentially join the Joint Powers Commission. This demonstration project will open the state to a new means of managing Minnesota's biosolids.

Without the proposed grant dollars, this demonstration project will not happen. Although the cost to each homeowner for sludge processing will be \$32/year without the grant, this is double the existing sludge cost. The cost of sludge processing is only a small part of a community's wastewater cost. Typically, communities like these pay approximately \$25 - \$30/month per home for their wastewater system.

The cities have dedicated over \$1 million to the project, including in-kind costs and for the on-going operations and maintenance of this equipment.

Each city has passed a resolution and legally signed onto the Joint Powers Commission. This was intended to show our city's commitment towards this project.

No predesign will be required to purchase or install the mobile belt press, they come pre-assembled and ready for immediate operations; hence the proposed on-site demonstration as stated.

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

Mr. Lowell Emerson, City Administrator
City of Arlington
204 Shamrock Drive
Arlington, MN 55307
Phone: (507) 964-2378
Fax: (507) 964-5973
E-mail: arling@frontiernet.net

Grants to Political Subdivisions
Regional Sludge Management Demonstration Project

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	5	0	0	5		
Design Development	0	20	0	0	20		
Contract Documents	0	10	0	0	10		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						08/2002	10/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	165	0	0	165		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	300	0	0	300		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	500	0	0	500		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$500	\$0	\$0	\$500		

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

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

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

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

Department of Administration Analysis:

08/20/01 GOC

- What is the county's stake in this?
- The narrative states that this project would be a "Regional Demonstration Project for other potential regional biosolids facilities throughout the State". The PCA may wish to comment on grants as they pertain to statewide funding (i.e. is this the method of dealing with sludge that the state will sanction for future grant requests?)

Department of Finance Analysis:

Seven cities in Sibley, McLeod, Meeker and Wright counties are requesting state funds to purchase a mobile belt press and truck, build a storage garage, and do minor upgrades at each of the seven cities treatment plants to facilitate use of the mobile belt press.

The timing of sludge applications to farmland and increasingly stringent environmental regulations has created a major sludge disposal problem. One solution is to convert Class B (liquid) sludge into sludge cakes by using the mobile belt press. The sludge cakes would then be hauled to the city of Hutchinson's recently constructed biosolids processing center.

Without financial assistance, the annual cost for six of the seven cities (not including Maple Lake) would go from \$105,000 to \$193,000. Currently, it is \$17.50/home/yr. Without assistance it would be \$32.16/home/yr. With state assistance the cost would be \$18.83/home/yr.

The applicant is encouraged to respond to any questions or concerns as follows:

- The statewide significant of this project is unclear.
- The \$32/year cost to residents in the area (if the grant was not funded) does not seem excessively high.
- Construction of garage facilities is a bond-eligible expense. Purchase of trucks and belt press equipment are not bond-eligible expenses. Modifications to existing treatment plants may be bond-eligible expenses, but more information is needed.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects

1.	Non-state matching funds contributed? No non-state funds are identified to match state capital funds. Instead, the applicant has stated that the participating jurisdictions have already contributed \$1 million to other, previous costs.
2.	Project fulfills an important state mission? Waste water treatment and environmental protection is an important state and local mission.
3.	Has a state role been expanded in a new policy area? Funding for this project may expand the state's role in a new grant-making function.
4.	Project is of local, regional, or statewide significance? This project is viewed as having local benefit, with potential for regional (multi-county) significance.
5.	State operation subsidies required? No state operating funds are requested.
6.	Inequities created among local jurisdictions? Because this is presented as a proto-type project, funding for this type of project is likely to result in similar requests from other jurisdictions.
7.	Does it compete with other facilities? It is not viewed as competing with other facilities.
8.	Resolutions from local governing bodies provided? No resolution has been received, to date.
9.	Predesign completed? Predesign is not required for a project of this type.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Arlington is 610 of 884 cities in Minnesota (1 is high).

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2002 STATE APPROPRIATION REQUEST: \$2,500,000

AGENCY PROJECT PRIORITY: 1 of 1 (Austin)

PROJECT LOCATION: Austin to Albert Lea

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$2.5 million in state funds to assist in land acquisition, predesign, design, construction and to cover survey, legal and engineering expenses associated with this 16 mile segment of the Blazing Star Trail. This project is on the list of proposed trails authorized by the legislature in 1996 for a state trail (M.S. 85.015, subd.19).

The multipurpose, paved pedestrian trail will run from the west side of Austin, Minnesota to Myre-Big Island State Park in Freeborn County where it will connect to a previously funded trail system segment from the state park to Albert Lea, Minnesota. Previous state funding in the amount of \$850,000 was appropriated for the trail segment from Albert Lea to Myre Big Island State Park. This appropriation was made to the Minnesota Department of Natural Resources (DNR). This trail will allow its users to enjoy the eight miles of winter trails in the state park as well as five miles of summer trails in it.

The cities of Albert Lea and Austin are the current local governments making this joint request at this time. It is the intent of these two city governments to form a joint powers authority prior to filing of the final request by 11-1-01. We may have a joint powers authority with four parties to it, Freeborn and Mower counties and the cities of Albert Lea and Austin.

This Blazing Star Trail project is the only submittal from the cities of Albert Lea and Austin for the state of Minnesota 2002 capital budget.

The route is to be determined from Myre-Big Island State Park in Freeborn County four miles east of Albert Lea to the west city limits of Austin, Minnesota – an approximate distance of 16 miles.

We expect that the two cities and possibly two counties will appropriate up to \$60,000 in 2001 to allow the joint powers authority to retain appropriate survey, legal and engineering professional services to address trail routing, acquisition, design/construction cost estimates in detail.

We believe this state trail will have regional significance and be of value to the two counties it is within as well as the cities of Albert Lea, Hayward, and Austin. It is well known that the existing state trails in southeast Minnesota have brought significant tourism to the counties and cities as well as the recreational enjoyment to the

immediate area residents. The Lanesboro area trails have caused substantial benefit in the economic condition of the town.

Usage of this trail when eventually completed via the Shooting Star trail to the Root River trails system will allow this south central and southeast area of Minnesota to enjoy a major trail system of a nature sure to attract usage from Minnesota residents and nearby states. DNR surveys have proven these benefits from similar systems in our state.

We believe that this trail system will enhance the recreation and tourism possibilities for our southern Minnesota residents and visitors to our counties. We look forward to the connection of the Blazing Star trail to the Austin city trail system, which will connect the Blazing Star to the Shooting Star trail in eastern Mower County. Eventually we expect these two trails to be connected to the existing trails in the Lanesboro area.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

When ownership of the Blazing Star Trail is transferred to the state, on-going operating costs will be the responsibility of the DNR (such costs are unspecified at this time).

OTHER CONSIDERATIONS:

Initially the Blazing Star Trail will be owned and operated by the local joint powers authority. Eventual ownership and operation will be transferred to the DNR as a state trail, upon completion of its construction by the local joint powers authority by September 2005.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$708	\$0	\$0	\$708		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	60	0	0	60		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						06/2002	09/2005
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,792	0	0	1,792		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	850	0	0	0	850		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	850	2,560	0	0	3,410		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$850	\$2,560	\$0	\$0	\$3,410		

Grants to Political Subdivisions
Blazing Star Trail

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	850	2,500	0	0	3,350
State Funds Subtotal	850	2,500	0	0	3,350
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	60	0	0	60
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	850	2,560	0	0	3,410

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Previous trail segment appropriation to DNR	850
TOTAL	850

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	2,500	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01

- If this trail will be transferred to DNR for ongoing operating expenses, then DNR should comment on this project.
- Project cost is \$160,000/mile.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- DNR should review the proposal to determine how it fits into overall state priorities for trail development.
- What would be the annual ridership on this trail?
- Pursuant to M.S. 16A.86 that suggests at least a 50% local funding contribution, can the local governments contribute more non-state funding to more equally share project costs?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$60,000 in local funds will be contributed; \$2.5 million in state funds are requested.
2.	Project fulfills an important state mission? Providing recreational amenities for Minnesota residents is an important state and local mission.
3.	Has a state role been expanded in a new policy area? Funding for recreational trails throughout Minnesota has been provided previously in past appropriations. \$850,000 was previously appropriated to DNR for a segment of this trail in a state park. This trail is identified as a state trail in M.S. Chapter 85.015.
4.	Project is of local, regional, or statewide significance? The project is viewed as having regional (multi-county) significance, with potential for future statewide significance if the Blazing Star Trail can be connected to the Shooting Star Trail and existing trails in the Lanesboro area.
5.	State operation subsidies required? Ongoing operating costs will be borne by DNR.
6.	Inequities created among local jurisdictions? Funding for local, regional and statewide trails is typically a highly competitive process that often prompts concerns regarding equity and statewide dispersion of funding.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution of support dated 6-11-01 was received from the city of Albert Lea. A resolution of support dated 6-18-01 was received from the city of Austin.
9.	Pre-design completed? Pre-design is not needed for a project of this type.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Austin is 338 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$5.4 million unreserved fund balance in its general and special revenue funds. The 2001 per capita tax capacity rank of the city of Albert Lea is 312 of 884 cities in Minnesota (1 is high).

2002 STATE APPROPRIATION REQUEST: \$1,550,000

AGENCY PROJECT PRIORITY: 1 of 1 (Bayport)

PROJECT LOCATION: Near MCF-Stillwater at Bayport

PROJECT DESCRIPTION AND RATIONALE:

The city of Bayport, on behalf of the Middle St. Croix Watershed Management Organization, is requesting \$1.55 million for Stage 2 of the Bayport Storm Sewer Reconstruction Project. In 1999, the legislature authorized \$650,000 for engineering and preconstruction costs, and provided \$2.65 million in the 2000 legislative session. The \$1.55 million requested in the 2002 session will provide the funds needed to complete the project.

The Storm Sewer Reconstruction Project will replace the non-functioning storm sewer constructed in 1907 by the state of Minnesota which provides storm water drainage for the Minnesota Correctional Facility at Bayport, and the Minnesota Department of Resources Pond, 83-310P/Prison Pond (DNR/Prison Pond), located within the city of Oak Park Heights, west of County Road #21. The project involves the replacement of the following storm sewer components:

- Replace an existing 24" storm sewer which conveys storm water from the Minnesota Correction Facility (MCF) and the DNR/Prison Pond to the St. Croix River. The storm sewer must be replaced because portions of the storm sewer have collapsed rendering the storm sewer non-functional and because the existing storm sewer is significantly undersized to accommodate storm water run-off from the MCF.
- Construct a new storm water outlet on the north portion of the DNR/Prison Pond. The new outlet is needed to replace an aging 18" vitrified clay pipe which draws off water overflow for the DNR/Prison Pond during the winter months. The 18" vitrified pipe conveys water from the pond, through the MCF complex to the state Storm Sewer ultimately dumping the water into the St. Croix River.
- The state has provided funding for the planning, design, and preconstruction work with the project. This work has been completed except for the final plans and specifications for Stage 2. There are sufficient funds available from the \$650,000 1999 state appropriation to complete this work.
- The state provided \$2.65 million for the construction of Stage 1 in the 2000 legislative session. This work has been completed which included the replacement of the 24" storm sewer from just east of the MCF (below the prison complex) to the St. Croix River.
- The city of Bayport is requesting \$1.55 million to complete Stage 2 and the project. This work includes construction costs, easements, redesign of Stage 2, field services and design during construction, administration and legal fees, the

raising of the Oak Park Heights pedestrian and bicycle trail, water quality testing, tunneling under the NSP Pond to avoid contamination of the system, work related to County Road #21, lowering the components of the project (see attached budget).

In 1907, the state of Minnesota constructed a 24" storm sewer from the Minnesota Correctional Facility (Stillwater Prison) to the St. Croix River. The storm sewer was designed to collect storm water on the MCF site, and convey it to the St. Croix River.

At the same time in 1907, the state of Minnesota determined the state needed a reliable water source at its Stillwater Prison site and hired consulting engineers Claussen and Pillsbury to identify a reliable water source for the prison. Consulting engineers Claussen and Pillsbury determined that construction of a dam and underground reservoir across Perro Creek just west of Point Douglas Road (now called County State Aid Road 21) along with an intricate piping system which would transport the water into the prison. They determined that this plan would best meet the present and future water needs of the prison. Consequently, the dam was constructed to create what is now called the Minnesota Department of Natural Resources Pond 83-310P/Prison Pond (DNR/Prison Pond) located west of County State Aid Road 21. The pond is spring fed and captured large amounts of water which was delivered through the piping system to various locations within the confines of the facility on a year round basis.

As water quality standards evolved, water from the DNR/Prison Pond no longer met the drinking water standard requirements. As a consequence, the state of Minnesota constructed a well and elevate tank to meet the demand for a reliable domestic water source.

As long as the prison used water from the DNR/Prison Pond to cool its boilers, the amount of water coming into the pond during the wintertime equaled the amount used by the prison. Consequently, during the coldest months of the winter from December through February, there is no excess water from the DNR/Prison Pond to flow into Perro Creek. However, the prison stopped using water to cool its boilers when it acquired heat for its facility from the Allen S. King Plant in 1987. To insure that water would not flow down into Perro Creek during the winter months, the prison agreed to continue to operate a pump which drew off the excess water from the DNR/Prison Pond during the winter months and dumped it into a storm sewer in the prison which flowed to the St. Croix River.

It is imperative that water from the DNR/Prison Pond not be allowed to flow into Perro Creek during the cold winter months of December through February. Because the creek is extremely shallow and has very little drop in many places, water in the creek freezes causing water from the creek to overflow its banks and flood residential properties and structures. In 1994, the pump located in the prison which drew off the excess water from the DNR/Prison Pond during the winter failed.

As a consequence, the city was forced to construct a dam across County Road #21 to prevent the DNR/Prison Pond from overflowing and dumping into Perro Creek causing significant flooding of residential and business property in downtown Bayport.

After considerable research, during the winter month's city and prison officials were able to initiate gravity flow of water from the DNR/Prison Pond into a storm sewer located on the prison property. An 18" vitrified clay pipe conveys the DNR/Prison Pond water during the winter months to a cistern on the prison grounds. The cistern has a 10" overflow outlet which allows the DNR/Prison Pond water to flow directly into the storm sewer traveling to the St. Croix River.

The concern the city has is that the 18" vitrified clay pipe which allows water to drain off the pond during the winter time is approximately 800 feet in length of which 400 to 500 feet of the pipe has prison buildings constructed over it since installation of the pipe. Consequently, should the pipe fail during the winter in a section which is currently under the MCF building; there would be no way to repair the pipe. If the pipe failed there would be no outlet for water which enters the pond through a spring at a rate of 550,000 gallons a day. Without an outlet for water in the winter, the DNR/Prison Pond would continue to rise until it would undermine or over top County State Aid Highway 21 causing massive flooding in down stream Bayport.

The city is requesting the project include construction of a new DNR/Prison Pond outlet on the north end of the pond. Constructing a storm sewer outlet on the north end of the pond would allow regular maintenance of the outlet in addition to giving it the advantage of connecting with the proposed reconstructed storm sewer. Without the new DNR/Prison Pond outlet there will be no way to prevent flooding in Bayport should the 1907 clay pipe fail preventing water to be drawn off the pond during the winter months.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

To date the cities of Bayport, Oak Park Heights, Stillwater and Baytown Township have spent approximately \$180,000 directly associated with this project. Funds have been spent on replacing the outlet structure on the DNR/Prison Pond. The outlet structure controls the water level of the DNR/Prison Pond during the summer. Additionally, significant amounts of money has been spent on televising the existing storm sewer and having an engineering company generate a report assessing the condition of the existing storm sewer. The engineering study also identified the most feasible route for a storm sewer reconstruction project. That route was used by Short-Elliott-Hendrickson to generate a 1999 state legislature mandated Storm Sewer Preconstruction and Engineering Study completed on 1-5-99.

Past bonding bills specifies certain matching requirements for a variety of capital improvements. Typically, the language for those appropriations specifies that the recipient's capital appropriation may not be expended until the recipient has a commitment for or receipt of matching funds including federal, local and private funds.

Since this project is a storm sewer reconstruction project on state property, the city is not anticipating any non-state matching funds. However, it should be pointed out, the cities of Bayport, Oak Park Heights, Stillwater and Baytown Township have expended approximately \$180,000 on engineering studies and capital improvement projects designed to mitigate the failure of the existing storm sewer.

The storm sewer reconstruction project preconstruction study and engineering for the storm sewer reconstruction project was completed on 1-5-99, by Short-Elliott-Hendrickson Inc., at a cost of approximately \$180,000. The total cost of \$180,000 which is well under the \$650,000 appropriated by the 1998 legislature.

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

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Grants to Political Subdivisions
Bayport Storm Sewer Reconstruction

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$70	\$0	\$0	\$70		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	180	0	0	0	180		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	2,650	1,369	0	0	4,019		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	111	0	0	111		
Other Costs	180	0	0	0	180		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	3,010	1,550	0	0	4,560		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$3,010	\$1,550	\$0	\$0	\$4,560		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,330	1,550	0	0	4,880
State Funds Subtotal	3,330	1,550	0	0	4,880
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	180	0	0	0	180
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	3,510	1,550	0	0	5,060

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Chapter 492, section 21, subd 8 (stage 1 construction)	2,680
Laws 1998, Chapter 404, section 9, subd 7 (design)	650
TOTAL	3,330

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,550	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

As suggested by M.S. 16A.86, the grantee may wish to consider a non-state match of at least 50% for capital project costs.

The initial project appropriation in 1998 suggested an assessment study be conducted to determine appropriate benefits and costs to be assessed against benefiting properties in the watershed. What are the results of that study and how much of the project costs are anticipated to be charged to benefiting properties?

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that special assessments of properties in the immediate watershed district be considered to pay for local project costs.

Evaluation of Local Projects

- | | |
|-----|--|
| 1. | Non-state matching funds contributed?
No new matching funds are proposed. However, the applicant states that participating cities have spent approximately \$180,000 on previous project costs. |
| 2. | Project fulfills an important state mission?
See Item #3. |
| 3. | Has a state role been expanded in a new policy area?
Previous discussions regarding this project have focused on whether the request is a statewide project, as the improvements would be constructed on state property, or whether it is a local project as the local watershed district is the only jurisdiction affected by flooding in that area. |
| 4. | Project is of local, regional, or statewide significance?
Flood damage associated with this request is primarily local. |
| 5. | State operation subsidies required?
No state operating subsidies are requested. |
| 6. | Inequities created among local jurisdictions?
The relationship of this request to other potential requests for stormwater improvements is unclear. |
| 7. | Does it compete with other facilities?
This project request will not compete with other facilities. |
| 8. | Resolutions from local governing bodies provided?
No resolution has been received, to date. |
| 9. | Predesign completed?
A project feasibility and design study has been completed for Phase 1. |
| 10. | Project is disaster related?
The project is not located in a disaster area. |
| 11. | Per-capita tax capacity of the local jurisdiction?
The 2001 per capita tax capacity rank of the city of Bayport is 158 of 884 cities in Minnesota (1 is high). If the project were 100% locally funded, its annual costs over the next five years would be \$98 per city resident. |

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

AGENCY PROJECT PRIORITY: 1 of 1 (City of Bloomington)

PROJECT LOCATION: Bloomington's municipal campus

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1 million in state funding to furnish and equip a new multi-purpose public arts facility to facilitate the economic development, education, and cultural activities in the city of Bloomington that will serve the southern and southwest metro areas.

Through local referendum proceeds and private donations, this project has secured 87% of the total cost at this point. A private fundraising campaign led by the Bloomington Fine Arts Council has raised over \$1 million toward the project. The project has reached the point where it will move forward and, in fact, ground was broken on 10-1-01. The private campaign has faltered, however, due to uncertainty in the current economic and political situations. The private campaign has run into many situations among prospective individual donors where they are unwilling to cash in their equity due to the poor performance of the stock markets currently. In addition, the recent disasters in New York and Washington, DC, have left the nonprofit community unsure of the future of local philanthropy.

This project helps fulfill an important state mission in that it ensures a quality of life for its residents – including opportunities for people to build community through the arts – both in accomplishing art and in participating as an audience member – in their own community or at least close to home.

About 42 million people visit the Mall of America annually. These visitors provide a great deal of revenue, both sales tax and employment, to the state of Minnesota. We have heard regularly from the hospitality industry that the visitors to this area are looking for opportunities in this community to enjoy the arts – performances and exhibitions. This facility will provide those opportunities. This facility will stimulate redevelopment in the area, as evidenced by the resurgence of downtown Hopkins since completion of their facility and the willingness of the Lakeville City Council to invest city funds in development of an arts facility in the hope of rejuvenating their downtown area. Transportation in the metro area has become a priority issue for most communities. Drawing people from the surrounding communities in the southern and southwest areas, this facility will aid in keeping some of the traffic south of the I-494 corridor.

In addition, the Bloomington Fine Arts Council member arts organizations, who will be the primary tenants of this facility, have a regional impact in that their performers and audience come from many cities as well as Bloomington and many of them tour to cities throughout the state. The Bloomington Medalist Concert Band, one of the

premier community concert bands in the nation, has performers from the following cities: Bloomington, Cannon Falls, Minneapolis, Burnsville, St. Paul, Minnetonka, Stillwater, Crystal, St. Louis Park, Savage, Robbinsdale, Richfield, Eden Prairie, South St. Paul, Mound, Prior Lake, Edina, Chanhassen, Chaska, Eagan, Lakeville, Maple Grove, Excelsior, Apple Valley, Farmington, Owatonna, Vadnais Heights, Mankato, Monticello, and others. This band, founded in 1969, has played in over 180 Minnesota cities, as it pursues its mission of providing ongoing education and musical opportunities to post high school and college musicians. Some of the cities in which they have performed throughout Minnesota include: Delano, Watertown, Byron, Chatfield, Sherburne, Pine Island, Hinckley, New Ulm, Esko, Northfield, Randolph, Rush City, Howard Lake, Pine City, Waterville, Ellendale, Blooming Prairie, Cromwell, Chatfield, Long Prairie, Slayton, Winnebago, Milaca, Hill City, Pine River-Bacchus, Waseca, Hutchinson, Brainerd, Zumbrota, Glenwood, Goodhue, St. Charles, Rochester, Park Rapids, Forest Lake, and many more. They perform in schools from elementary to high school to encourage young people in their music education.

Artists who exhibit at Bloomington Art Center come from all over the state of Minnesota. There are relatively few galleries in which emerging professional artists may show their work, particularly when that work is cutting edge or experimental art. Commercial galleries, by their nature, often show only the work of proven artists whose work is considered easily saleable. Students come to the Bloomington Art Center from all of the metro cities as well as several outstate cities.

Bloomington Symphony Orchestra, founded 38 years ago, is comprised of both professional and a vocational musicians. They currently perform in Bloomington churches and schools and have presented concerts in Jordan, Shakopee, Burnsville, Sleepy Eye, Eden Prairie, and New Ulm. Its member musicians come from Bloomington and beyond, including Prior Lake, Northfield, Richfield, St. Louis Park, Minneapolis, Mendota Heights, New Hope, Edina, St. Paul, Roseville, Eagan, Eden Prairie, Plymouth, Golden Valley, Shakopee, Maple Grove, Apple Valley, Inver Grove Heights, Hopkins, Victoria, St. Michael, Minnetonka, Owatonna, and Burnsville.

Continental Ballet Company is both an educational program teaching young dancers the basics of traditional ballet and a professional performing company. The company has performed in the following cities: Bloomington, Red Wing, Maplewood, White Bear Lake, St. Paul, Hibbing, Coon Rapids, Minneapolis, Apple Valley, Richfield, Golden Valley, Eagan, Waconia, Chaska, Mendota Heights, Lakeville, Edina, Burnsville, Shakopee, Marshall, Stillwater, Fairmont, Hudson, Park Rapids, St. Louis Park, St. Joseph, Duluth, Rochester, Spring Lake Park, Hopkins, Eden Prairie, Worthington, Fergus Falls, and White Bear Lake. Upon invitation, they performed at the Kennedy Center in Washington, DC during the 2001-2002 season.

Bloomington Civic Theatre presents contemporary Broadway musicals featuring performers who act, sing, and dance in its productions. These performers come from throughout the metro area, including Richfield, Minneapolis, St. Paul, and suburban cities. Currently performing their 2001-2002 season in Richfield as the Bloomington performing space they were using is under reconstruction and not available.

Angelica Cantanti, now in its 22nd season, is a children's and youth choir organization of almost 300 singers, ages seven to 18, in several choirs. The choir is based in Bloomington, Minnesota, but includes singers from the Twin Cities area including Eden Prairie, Hopkins, Shoreview, Eagan, Richfield, Minneapolis, and St. Paul. The Angelica Cantanti choirs have sung concerts in the Twin Cities, throughout the state of Minnesota, several places and festivals in the United States and Canada, Europe (Scandinavia, Great Britain, France, Germany, Italy) and Australia, performing highlights for Angelica Cantanti have included a concert in Carnegie Hall, June 2001, concerts in every major concert hall in the Twin Cities, performances at the Governor's Mansion, two appearances on the Prairie Home Companion Radio Show with Garrison Keillor, a performance for Mikhail Gorbachev on his visit to Minnesota, participation with other youth choirs and orchestras for an Earth Day performance for the United Nations, via a satellite telecast, and performances for the American Choral Directors Association. The Angelica choirs have also performed with the Cavani String Quartet, from the Cleveland Institute of Music, Dale Warland Singers, Minnesota Chorale, World Voices, Apollo Club Men's Chorus, Ethnic Dance Theater, Minnesota Orchestra, Bloomington Symphony Orchestra, Greater Twin Cities Youth Symphonies, Dare to Breathe, award winning vocal ensemble, Tony Sandler, singer, and children's and youth choirs from around the world. Guest Conductors with whom Angelica choirs have worked include: Margrete Enevold, Royal Danish Conservatory, Copenhagen, Denmark, Dr. Anton Armstrong, St. Olaf Choir, Dr. William L. Jones, former conductor of the Greater Twin Cities Youth Symphonies. Composers commissioned to write works for Angelica choirs include: Steve Heitzeg, Dain Kallman and Malcolm Dalglish (in progress). Angelica choirs will perform at the 2002 Solheim Cup Tournament at Interlachen Country Club, Hopkins.

The project will not require new or any additional state operating subsidies as part of the project costs have included a \$1 million operating endowment raised from private funds by the Bloomington Fine Arts Council. As outlined in the bond referendum, the Bloomington City Council has agreed to adopt annual operating budgets necessary to operate the facility. These funds will come from the city's tax levy, rental income generated, and a possible facility use fee charged on each ticket sold. This is a one-time request that has leveraged private and non-profit support with public funds. In addition, the city of Bloomington has developed a project construction management team that is well managed and reputable. M.A. Mortenson Company has been hired by the city of Bloomington to manage all aspects of the construction of the project. Ankeny Kell Architects, a firm that has completed many similar projects, has designed the facility on our behalf. In conjunction with the city of Bloomington Community Development Department's expertise, these firms will be able to deliver on their promises of completing this facility on budget and on time.

This project will not expand the state's role in any new policy area. The state has funded facilities such as this many times in the past and even recently such as the Hopkins Center for the Arts, the Paramount Theater in St. Cloud, and the Lanesboro theater project. The state has a history of funding operations of arts programs and facilities through its agency, the Minnesota State Arts Board and the Regional Arts Councils.

State funding for this project will not create significant inequities among local jurisdictions. We are not aware of any significant arts facilities in the southern and southwest metro areas. The closest similar facility is in Hopkins, Minnesota. Currently there are no similar facilities south of the Minnesota River or east of the Chaska Community Center/Theater. This facility will, in fact, serve the many smaller communities such as Shakopee, Savage, Prior Lake, and other Dakota and Scott County cities that do not have such facilities.

The project will not compete with other facilities in such a manner that they lose a significant number of users to the new project because there is a huge demand for this type of facility in this area that is going unmet. We are already receiving calls from metro area arts organizations, such as small theater and dance groups, inquiring as to the completion date of the facility and opportunities there might be for them to use the facility. There are very few performing venues in the area that provide a stage surface that is safe for dance companies. The Continental Ballet Company, a Bloomington Fine Arts Council member organization, does not even perform in Bloomington presently because there is no stage with a properly sprung floor that is safe for the dancers to use.

Governing bodies benefiting from the project that have passed resolutions in support of this project include the city of Bloomington. The Bloomington School District may also be asked to support this proposal to further demonstrate the community's support.

With a \$1 million grant, requested state funding for this project accounts for only 7.5% of the total cost of the project. Most of the rest of the funds and in-kind donations have already been secured (\$8.5 million) and the private campaign is working to secure remaining needs to the extent possible.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested for this project. The city of Bloomington has pledged to maintain the project for the life of the 20-year bonds. In addition, a \$1 million endowment was raised by the Bloomington Fine Arts Council to ensure the operation of the facility.

OTHER CONSIDERATIONS:

The city of Bloomington will own and operate the facility. An Advisory Council representing the city and the Bloomington Fine Arts Council will advise the city on such things as performance schedules, rental availability, building usage, etc.

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

Randy Quale, Manager
Parks and Recreation
Phone: (952) 563-8876

Terri Heaton, Chief Financial Officer
Phone: (952) 563-8791

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	12	0	0	12		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	621	0	0	621		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2001	12/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	7,358	0	0	7,358		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	1,314	0	0	1,314		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	1,125	0	0	1,125		
SUBTOTAL: (items 1 – 8)	0	10,430	0	0	10,430		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$10,430	\$0	\$0	\$10,430		

Grants to Political Subdivisions
Bloomington Center for the Arts

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	0	0	1,000
State Funds Subtotal	0	1,000	0	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	7,612	0	0	7,612
Private Funds	0	1,818	0	0	1,818
Other	0	0	0	0	0
TOTAL	0	10,430	0	0	10,430

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency and inflation cost are not addressed.

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration, without formal review comments.

One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million – by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that local funding sources pay for local project costs. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required? No state operating funds are requested with this project. However, the Bloomington Arts Center received operating funds of \$16,000 from the State Arts Board in 1998 and \$25,000 in 1999.
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 10/29/01 was received from the Bloomington City Council.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Bloomington is 30 of 884 cities in Minnesota (1 is high). If the state share was 100% locally funded, its annual costs over the next five years would be \$2.35 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$41 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$50,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Coleraine)

PROJECT LOCATION: CSAH 61 -- Coleraine

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$300,000 in state funding over four years to design and reconstruct the deteriorated infrastructure located within the existing right-of-way of CSAH 61 in the city of Coleraine. The request is for 50% of the funding required for the utility improvement. Itasca County has funding available for the street reconstruction portion of the project. The proposed project consists of watermain, sanitary sewer, and storm sewer reconstruction.

The proposed project is a joint project between the city of Coleraine and Itasca County. The joint project is the only opportunity for the county to reconstruct the street. The county has presented two options for the street project. The first option was a mill and overlay that would be a temporary fix to the deteriorated street. The second option is the complete reconstruction. This option is the most desirable for the city and the county.

The project has local significance in the fact the CSAH 61 is one of the two main streets located within the city. The street is used to transport children to the elementary and high schools. The condition of the street has resulted in a costly maintenance activity for the county and city. The existing watermain has deteriorated to a point of frequent watermain breaks. The watermain is the trunk for the city that carries water from the wells to the elevated storage tank. The sanitary sewer has also deteriorated to a point of increased inflow and infiltration amounts.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The city of Coleraine will own and maintain the utilities located within the project. Itasca County will own and maintain the street.

CSAH 61 is a county street with county jurisdiction. MnDOT does not have any responsibility for the maintenance of the street. Itasca County is responsible for the street and does have the funding in place for the associated street activities. The city of Coleraine is responsible for the utilities within the right of way. Coleraine has been actively implementing a capital improvement program for deteriorated city streets and utilities. The city completes a reconstruction project each year to try to maintain their budget and the city infrastructure. The city is also working with the Department of

Trade and Economic Development Small Cities Program, Public Facilities Authority, and Section 569 Northeast Minnesota grant program for a water system improvement project. This project will consist of a water treatment facility, water storage, transmission main, and water meters. The project would be approximately a 50/50 grant/loan split, each portion being approximately \$700,000. The city has committed funds to infrastructure projects. This project is larger than the city can fund independently.

The local and regional benefits are the primary significance for the project. The statewide significance for the project comes from the fact that the county receives state funds for construction and maintenance activities. The most beneficial project is to complete the utility and street reconstruction at the same time. This is the requirement from the county for the project. A street project alone would not be as beneficial without the utility replacement. As maintenance was required on the existing utilities, the newly constructed street would be removed to allow the utility activity. This is not beneficial to any of the parties.

CSAH 61 is a county street that is used by tourists and all state travelers as a direct connection to T.H. 38. T.H. 38 is designated a scenic byway for the state of Minnesota. A motorist traveling west on T.H. 169 into Coleraine is able to exit onto CSAH 61, which then connects directly into T.H. 38. This eliminates the extra miles into Grand Rapids and then back north on T.H. 38.

From a historical standpoint this portion of CSAH 61 has six registered buildings and sites with the Minnesota Historical Society. The completion of the project will allow state residents to easily travel to these historic sites.

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

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SEH – Coleraine City Engineer
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Phone: (218) 326-4508
Fax: (218) 326-1883
E-mail: bbeaver@sehine.com

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	15	0	0	15		
3. Design Fees							
Schematic	0	10	0	0	10	10/2002	11/2003
Design Development	0	74	0	0	74	10/2002	11/2003
Contract Documents	0	8	0	0	8	10/2002	11/2003
Construction Administration	0	0	80	0	80		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						05/2004	11/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	1,063	0	1,063		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	107	1,143	0	1,250		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$107	\$1,143	\$0	\$1,250		

Grants to Political Subdivisions
Coleraine Street and Utility Improvements

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	50	250	0	300
State Funds Subtotal	0	50	250	0	300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	57	893	0	950
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	107	1,143	0	1,250

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	50	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC

- Request is for utility improvements. Itasca County will construct the street.
- What involvement has MnDOT had?

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows.

- MnDOT or PFA may wish to comment on this request. Is this request eligible for funding from any existing MnDOT or PFA grant program?
- The statewide significance of this project is unclear. Please explain why taxpayers from around the state would benefit from this project.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$950,000 in non-state funds will be contributed to match \$300,000 in state funding (through 2nd phase funding in 2004).
2.	Project fulfills an important state mission? The project fulfills a need for a city and county infrastructure improvements.
3.	Has a state role been expanded in a new policy area? Infrastructure costs associated with the county highway are viewed as being county funding responsibilities (although perhaps utilizing existing state transportation aid to some extent). Funding for the water system improvements may be eligible for existing loan and grant programs through PFA.
4.	Project is of local, regional, or statewide significance? Project is of primarily local significance.
5.	State operation subsidies required? No state operating funds are requested.
6.	Inequities created among local jurisdictions? Other jurisdictions would likely desire similar state funding.
7.	Does it compete with other facilities? County road improvements are not viewed as being in competition with other public or private facilities.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 10/8/2001 was received from the City of Coleraine.
9.	Predesign completed? Predesign review is not required for infrastructure projects of this type.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Coleraine is 469 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$54 per city resident.

2002 STATE APPROPRIATION REQUEST: \$750,000

AGENCY PROJECT PRIORITY: 1 of 1 (Dakota County)

PROJECT LOCATION: Near Lebanon Hills Regional Park

PROJECT DESCRIPTION AND RATIONALE:

The request is for \$750,000 in state funds matched by \$750,000 of local funds for the engineering, design and construction of flood mitigation improvements in Eagan, Rosemount and Apple Valley within the proximity of Lebanon Hills Regional Park.

Increased stormwater volumes from urbanization and landlocked water basin have routinely flooded public and private lands and infrastructure. The flooding and temporary management measures has state, regional and local significance.

In regards to state significance, seven Minnesota Department of Natural Resources (DNR) controlled waterbodies have flooded and have been temporarily used to store floodwaters to protect a downstream neighborhood and public road from inundation. This has resulted in severe ecologic damage to shoreline, affected wildlife and water quality. Excess stormwater has been conveyed to a DNR trout lake and also negatively affected the water quality of this pristine basin. In regards to regional significance, many of the flooded lakes and resultant ecologic impacts are to Lebanon Hills Regional Park, one of the south metro's most heavily used (375,000 annual visitors) and pristine natural landscapes (2,000 acres). Flooding inundates access to the park restricting use of specific areas and facilities. In 2000 Schultze Beach was closed for the majority of the season due to an inundated access road and building.

Floodwaters have inundated and crossed County Road #32 closing an important east/west corridor within Eagan and Inver Grove Heights. The flooding of the county road severely impacts transportation within this highly urban area.

The floodwaters ultimately flow to and end at two small and landlocked ponds adjacent to a residential neighborhood. The excess stormwater has consumed private lands and in a 2000 storm required evacuation of approximately 25 families due to potential flooding of the neighborhood access road.

The shared funds would mitigate the flooding; improve the associated impacts to the neighborhood, transportation on the county road, recreational use of the regional park and ecologic degradation to state controlled waterbodies. This would be accomplished by providing an outlet to the watershed into adjacent storm sewer infrastructure. Outlet controls would be placed on select waterbodies to control the rate of stormwater downstream. Sustainable ecologic restoration would occur improving degraded shoreline.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

Stormwater improvements will be owned and maintained by the local governmental agency in which the improvement is located.

OTHER CONSIDERATIONS:

Dakota County experienced substantial flooding in the area of Lebanon Hills in the city of Eagan in 2000 and 2001. The potential of another flood disaster looms for the county and the city.

The Park is a county owned and operated facility, but the flood mitigation improvements will protect properties in neighboring Eagan as well as local and county roads.

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

Don Theisen, County Engineer
Dakota County
14955 Galaxie Avenue
Apple Valley, MN 55124-8579
Phone: (952) 891-7102
E-mail: donald.theisen@co.dakota.mn.us

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	150	0	0	150	05/2002	08/2002
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						08/2002	11/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,350	0	0	1,350		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	1,500	0	0	1,500		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$1,500	\$0	\$0	\$1,500		

Grants to Political Subdivisions
Dakota County Flood Mitigation

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	750	0	0	750
State Funds Subtotal	0	750	0	0	750
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	750	0	0	750
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	1,500	0	0	1,500

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	750	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration, without formal comments.

The Department of Natural Resources should be asked how this request fits into their statewide priority list of flood-related projects. Has the county done all it can to address mitigation? Is it consistent with the local water plan? Until these questions are answered funding might be premature.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? No resolution has been received from the Dakota County Board, to date. A letter of support has been received from the Eagan city administrator.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Dakota county is 9 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$.42 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Dakota County was carrying a \$117 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$11,638,000

AGENCY PROJECT PRIORITY: 1 of 1 (North Shore Sanitary Districts)

PROJECT LOCATION: St. Louis, Lake and Cook counties

PROJECT DESCRIPTION AND RATIONALE:

This request is for an appropriation in the amount of \$11,638,000 in state funding (estimated by PFA in April 2001) for predesign, design, and construction of wastewater facilities within the North Shore Management Zone which border the Outstanding Resource Value Waters (ORVW) of Lake Superior. Due to the unique geographical (linear) and geological (shallow bedrock requiring blasting) conditions of the area, the average monthly sewer service charge would exceed, and in some cases, more than double or triple, the state average. This budget request is to assist in covering the unique costs of installing overdue wastewater facilities within the North Shore Management Zone in an effort to protect the ORVW of Lake Superior and keep the average household cost in line with the state average. This area serves the state, region, and nation as one of America's most visited places. This request presupposes availability of grants and loans from Wastewater Revolving Funds (WRF), Wastewater Infrastructure Funds (WIF), and Rural Development.

Under current state law, Chapter 446A, Subd. 4, Sec. (b), "... a municipality may not receive more than \$4 million or \$15,000 per existing connection, whichever is less, under this section unless specifically approved by law." Further, Subd. 4, Sec. (e), states that "in the event a municipality's monthly residential sewer service charges average above \$50, the authority will provide 90% of the grant amount needed to reduce the average monthly sewer service charge to \$50, provided the project is ranked in the top 50 percentile of the agency's intended use plan."

These projects will serve an important state mission by removing a major non-point (i.e. run off and seepage from onsite septic systems) and point (i.e. sewer overflow) pollution sources from Lake Superior a goal shared by the Pollution Control Agency (PCA), Department of Natural Resources (DNR), National Oceanic and Atmospheric Administration (NOAA), and U.S. Environmental Protection Agency (EPA). Each of these projects submitted their application for funding prior to the placement of the cap limiting eligible grant amounts.

The several projects as described in their Facilities Plans are:

- Duluth/North Shore Sanitary District. The Duluth/North Shore Sanitary District includes and will serve portions of the city of Duluth, Lakewood Township and Duluth Township. It will provide a combination gravity and pressure wastewater collection system with 24-hour holding capacity. Wastewater will be sent to Western Lake Superior Sanitary District (WLSSD) for proper treatment according

to federal and state regulations. The project will serve approximately 450 equivalent residential users (ERUs). Construction bids should be let in March 2002.

- Knife River-Larsmont Sanitary District. The Knife River-Larsmont Sanitary District is a newly formed municipality composed of the old Knife River Sanitary District and unsewered Larsmont area. The Knife River collection system is a combination gravity and pressure system with a treatment plant nearing its 20-year design life. The existing plant will be closed, removing point discharge from the Lake. Knife River serves approximately 150 ERUs.
- Larsmont must build a collection system which will require significant blasting through rock and clay. The Knife River and Larsmont collectors will be seamless with both areas sending wastewater through the Duluth/North Shore Sanitary District to WLSSD. Larsmont will serve approximately 150 ERUs and be ready for construction in 2002.
- Town of Silver Creek. The Stewart River area plans to build a collector system for transmission and treatment in Two Harbors or to a treatment and disposal pond in Silver Creek Township. It will serve approximately 150 ERUs. A revision of its point estimate for placement on the Proposed Project List and Intended Use Plan is underway.
- Castle Danger Phase 2 will complete the pressure system currently in place. Phase 1 was completed in 1999-2000. It currently serves Gooseberry State Park, a joint Minnesota Department of Transportation/DNR facility, Grand Superior Lodge, a large resort complex, Rustic Inn Resort and other shops as well as over 60 ERUs. Phase 2 will transmit wastewater to the ponding system built to accommodate its flow in Phase 1. Phase 2 will add more than 40 ERUs.
- Tofte-Schroeder Sanitary Sewer District. Tofte-Schroeder Sanitary Sewer District will build a combined gravity and pressure system in Schroeder and Tofte Townships within the North Shore Management Zone of Cook County. It will serve an estimated 745 ERUs. Part of the estimate is for removing direct discharge of 40,000 gallons per day for Bluefin Bay Resort and LTV facilities.

Together, these wastewater facility projects will serve the northeast portion of the state, all within the North Shore Management Zone. This area of the state is faced with unique challenges which includes the presence of surface level bedrock regulations to protect the ORVW classification of the Waters of Lake Superior, and the presence of state scenic byways and National All American Roads. Together these projects satisfy an important state objective – environmental protection of both the Lake Superior Shore Line and the Outstanding Resource Value Waters of Lake Superior.

Funding for the four projects will be a combination of local funding, WRF and WIF. The Tofte-Schroeder Sanitary Sewer District under the 1990 Census, also qualifies for Rural Development Funds. This request is for additional funding to reduce the costs of individual hookups to no more than 110% of the state average per hookup

or \$50 per month. (The current statewide average residential cost per household per month is between \$30 and \$50). This funding request addresses a situation where if not for the geographical and geological conditions where these projects are located the cost for the projects would not be so severe.

Each district will assess property owners to repay the Federal/State Wastewater Revolving Fund. This money, plus interest, will be repaid by property owners over a 20 year period. The amount will vary by the availability of non-reimbursable funds. The following are estimates of past, current and future non-state expenditures per project:

Project	Local Expenditure *	Total Cost
Duluth/North Shore Sanitary District	\$7,000,000	\$13,000,000
Knife River	216,672	740,000
Larsmont	3,970,000	6,200,000
Silver Creek Township	2,520,000	6,000,000
Tofte-Schroeder Sanitary Sewer District	8,850,000	13,850,000

* Duluth/North Shore Sanitary District has incurred costs in excess of \$450,000 to date. Knife River-Larsmont has incurred costs of approximately \$225,000 to date. Knife River-Larsmont has incurred costs of approximately \$225,000 to date. Silver Creek Township will incur in excess of \$120,000 in costs. Funds for Knife River-Larsmont and Silver Creek Township have been advanced by Lake County.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The facilities will be publicly owned by the individual sanitary districts or township all of which have the status of municipalities under state law.

No additional state operating dollars will be needed for operation of each sanitary district. Each sanitary district must charge a monthly rate for operation, maintenance and replacement (OM&R) of the infrastructure to be built. In addition, a special assessment against properties benefited will be made to retire any capital debt assumed in the construction of the system. The goal of this request is to bring the monthly OM&R special assessment cost to a level in line with the state average.

Resolutions of support: Resolutions supporting this capital budget request have been received by the Department of Finance from the Tofte-Schroeder Sanitary Sewer District, the Duluth/North Shore Sanitary district, Knife River-Larsmont Sanitary District, the County of Lake and the Town of Silver Creek.

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

Knife River-Larsmont Sanitary District (also North Shore Wastewater Consortium)
Larry Moon, Chair
Box 68
Knife River, MN 55609
Phone: (218) 834-2800
Fax: (218) 834-8365 (c/o Dick Sigel, Lake County Land Use Office)
E-mail: ljmoon@lakenet.com

Duluth/North Shore Sanitary District
Nelson Thomas, Chair
9426 Congdon Boulevard
Duluth, MN 55804
Phone: (218) 535-5785
E-mail: Thomas@cp.duluth.mn.us

Silver Creek Township and Castle Danger-Stewart River Sanitary District
Brent Melquist, Chair
c/o Wendy Langanki, Clerk
1924 Town Road
Two Harbors, MN 55616
Phone: (218) 834-5255
Fax: (218) 834-6315
E-mail: township@lakenet.com

Tofte-Schroeder Sanitary Sewer District
John Nelson, Chair
Box 2307
Tofte, MN 55615
Phone: (218) 663-7681
Fax: (218) 387-3042
E-mail: JRNelson@boreal.org
c/o Karen Evans, Clerk T-SSD
Box 1150
Grand Marais, MN 55604

Grants to Political Subdivisions
North Shore Sanitary Districts

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2002	12/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	795	13,055	0	0	13,850		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	795	13,055	0	0	13,850		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$795	\$13,055	\$0	\$0	\$13,850		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,638	0	0	11,638
State Funds Subtotal	0	11,638	0	0	11,638
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	795	8,055	0	0	8,850
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	795	19,693	0	0	20,488

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	11,638	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

The Public Facilities Authority should be asked to review this request on comment on its relative priority compared to similar requests.

Concerns of the Department of Finance include:

- Requests for projects such as this that seeks funding beyond the parameters, requirements or scope of current funding programs.
- The high capital costs (estimated as high as \$40 million) serving relatively modest numbers of households (approximately 1,700 households).
- In 1998, did Two Harbors get legislative authority to use a local option sales tax for sewer separation? What is the status of that initiative? Could that approach serve as a prototype for this request?
- The effect of this project in encouraging development in environmentally sensitive areas along the North Shore, whether the affected areas are actually ready to harness this growth, solving immediate environmental sewage collection problems that may result in unintended growth consequences, and how the state might participate in the upside potential of increased market values in served areas after installation of the state-financed sewer improvements.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

The Governor suggests that greater attention needs to be given to strengthening local land use plans in that area before consideration be given to funding improvements that will increase development in this environmentally sensitive area.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission? Environmental protection is an important state and local mission.
3.	Has a state role been expanded in a new policy area? State funding for sewer improvements seems to undergo continuous evolution, as decision makers attempt to define the state's interest in such matters and associated eligibility requirements and funding parameters.
4.	Project is of local, regional, or statewide significance? The project is viewed as having regional (multi-county) significance.
5.	State operation subsidies required? No state operating funds are requested.
6.	Inequities created among local jurisdictions? There is great competition for limited PFA funds through various loan and grant programs. Great care should be taken when prioritizing and funding similar requests. Claims of inequity are most likely to be heard if eligibility criteria is modified to serve unique jurisdictions, or if projects are allowed to leapfrog standard priority lists.
7.	Does it compete with other facilities? The project is likely to compete for funding through existing or proposed PFA loan or grant programs.
8.	Resolutions from local governing bodies provided? Resolutions of support for the projects have been received from the Tofte/Schroeder Sanitary Sewer District Board (8/20/01), Knife River-Larsmont Sanitary District Board of Managers (7/26/01), Lake County Board of Commissioners (8/15/01), and the Town of Silver Creek Board of Supervisors (8/7/01).
9.	Pre-design completed?
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Cook County is 1 of 87 counties in Minnesota (1 is high). Lake County's rank is 33 of 87 counties. St. Louis County's rank is 75 of 87 counties.

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2002 STATE APPROPRIATION REQUEST: \$1,900,000

AGENCY PROJECT PRIORITY: 1 of 2 (Duluth)

PROJECT LOCATION: Canal Park, Duluth Waterfront

PROJECT DESCRIPTION AND RATIONALE:

This request for \$1.9 million will assist the city in completing a rehabilitation of the Aerial Lift Bridge located on Duluth's waterfront. The Aerial Lift Bridge is a unique Minnesota landmark, readily recognized by Minnesotans, and is one of the top tourist attractions in Minnesota. It is listed in the National Register of Historic Places -- a priceless historical asset. Continued safe operation of The Aerial Lift Bridge is essential because it is the only link connecting the Park Point Community to the rest of the city and provides the best access for ships entering the port of Duluth.

The project entails repainting and replacement of deteriorated rivets on the superstructure of the Duluth Aerial Lift Bridge. During the winter of 1999-2000, the Aerial Lift Bridge underwent a major reconstruction. The project included: counterweight sheave replacement, electrical upgrades to motors and controls, structural improvement, counterweight wire rope replacement, and the painting of the bottom eight feet of the bridge towers and lift span. To complete the restoration project the remainder of the Aerial Lift Bridge structure needs to be repainted. Due to high levels of lead in the existing paint system and the structure's proximity over Lake Superior waters, complete encapsulation of the areas to be repainted is required during the sandblasting and painting process. Sandblasting is performed to remove the old deteriorated lead paint and to remove all rust and contaminants from the existing steel followed by application of a three coat paint system. Debris from the sandblasting operations is collected and disposed in a manner in accordance with procedures for handling and disposal of hazardous waste. In addition to the painting, any deteriorated or failed rivets would be replaced with bolts.

Due to deficiencies in the existing paint system the bridge structural steel is already experiencing loss in strength due to rusting and steel deterioration. Without removal and replacement of the existing paint system the structural steel deterioration will continue at an increased and far more costly rate. The total cost to completely rehabilitate the Duluth Aerial Lift Bridge is \$10.4 million. \$6.5 million was used to complete the first phase of the rehabilitation. This phase included mechanical, structural, electrical and lower portion painting. To complete the rehabilitation of the Aerial Lift Bridge it will cost \$3.8 million. It will be much cheaper to paint the bridge now as delaying repainting of the structure will result in far more costly rehabilitation costs due to additional rusting and deterioration of structural steel members. This project will also complete the restoration of a structure that is listed in The National Register of Historical Places. Upon completion of final painting the Aerial Lift Bridge will have undergone a complete rehabilitation.

Very little design work will be associated with the completion of the project. Standard specifications for removal and disposal of lead-based paint and the process for examining and replacing deteriorating or failed rivets were developed and will be carried over from the design/engineering work associated with the first phase of the bridge renovation project.

Because of the international ship traffic, Canal Park where the bridge is located is one of the most frequented tourist attractions in the entire Midwest. The bridge may be the only lift bridge in the United States that has a suspended truss structure tying the two towers together. The truss gives the bridge its unique appearance. With Canal Park's tourist draw, the city and state are able to capture sales tax on out of state tourist dollars that are drawn to Canal Park. Additionally, it helps to keep Minnesota resident tourist dollars in the state. While the city owns the bridge, its use and thus operational requirements are governed by international shipping laws. However, the city is responsible for its maintenance. The bridge and ship canal operate as a shipping port for commerce from Minnesota to the rest of the world. Because of this, the state enjoys significant tax revenues from commerce conducted in this port. The Aerial Lift Bridge has statewide significance and using state revenues to assist with this project appears to be justified.

Governing body support: A resolution of support specifically for this project has been adopted by the City Council and transmitted to the Department of Finance. The city requested a state appropriation (HF 259) in the 2001 legislative session which was unsuccessful. This project was included as part of the city's entire legislative package which was passed by the City Council prior to the 2001 session.

Sources of funding: The city will explore all options to provide the \$1.9 million needed to complete the renovation project. The city will explore prospects for securing federal funds. The city was successful in securing \$4.4 million in federal funding of the \$6.5 million spent to date for the electrical, mechanical and structural repairs to the bridge. In addition to the state general obligation bond request, the possibility of using additional state aid funds and seeking additional federal financial participation, the city may also consider the issuance of local bonds to complete the bridge improvements.

The city has used state aid funds to finance a portion of the bridge renovation project. City state aid funds are distributed to communities based on a statutory formula. These funds are available to be used to address community street improvement needs. The city of Duluth faces significant challenges with respect to the maintenance of its street infrastructure. On a per capita basis, the city must maintain significantly more miles of street than is typical of cities the size of Duluth. In addition, the city is built on a dramatic hillside with clay subsoils which are prone to frost heave resulting from seasonal freeze and thaw cycles. There are scores of street improvement projects to which the city could direct its city state aid funds in any given year. The city has chosen to direct a significant amount of its state aid funding to the Aerial Lift Bridge renovation project. The city's decision to direct

these funds to this project should be viewed as a significant community commitment to maintain a highly valued, local and state landmark.

In the event that the state is unable to provide the full amount of funding requested, the city will seek other sources of funding to make up the difference. It is not likely that the Port Development Assistance Program would be a source of funding for this project. The program funds may be used to finance improvement of a "commercial navigation facility" as defined at M.S. 457A.01, subd.2. The types of facilities which have been funded by the program are terminals and docks, dredge disposal facilities and other buildings used by commercial vessels. The bridge does not appear to be an eligible "commercial navigation facility" under the Port Development Assistance Program.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The city of Duluth owns and operates the aerial lift bridge.

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

Mark Winson, Administrative Assistant
Room 400, Duluth City Hall
Duluth, MN 55802
Phone: (218) 723-3632
E-mail: mwinson@ci.duluth.mn.us

Grants to Political Subdivisions
Duluth -- Aerial Lift Bridge Repainting

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						12/2002	04/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	3,800	0	0	3,800		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	3,800	0	0	3,800		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$3,800	\$0	\$0	\$3,800		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,900	0	0	1,900
State Funds Subtotal	0	1,900	0	0	1,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,900	0	0	1,900
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	3,800	0	0	3,800

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,900	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01; revised 11/9/01

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows.

- Pursuant to M.S. 16A.86, the city of Duluth should consider providing a true local match to offset project costs, rather than redirecting state aid payments.
- MnDOT should review the proposal and consider its relative priority compared to other port improvement projects as proposed in MnDOTs agency request package.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? Local funds to be contributed are actually state-aid payments that have been redirected to this project.
2.	Project fulfills an important state mission? Transportation is an important state and local mission.
3.	Has a state role been expanded in a new policy area? Past bonding bills have previously funded port improvement projects as MnDOT grants.
4.	Project is of local, regional, or statewide significance? Painting of the bridge has unclear statewide significance.
5.	State operation subsidies required? No state operating funds are requested.
6.	Inequities created among local jurisdictions? Funding for this project, as well as any other project in Duluth, would need to be compared against project requests from other parts of the state.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 10/9/01 has been received from the Duluth City Council.
9.	Predesign completed? A predesign is not required for an infrastructure project of this type.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Duluth is 281 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$4.37 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$32 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$3,175,000

AGENCY PROJECT PRIORITY: 2 of 2 (Duluth)

PROJECT LOCATION: Spirit Mountain Ski Area -- Western Duluth

PROJECT DESCRIPTION AND RATIONALE:

This request for \$3.175 million will allow the Spirit Mountain Recreation Area Authority (SMRAA) to perform a major capital upgrade to its ski operation and chalet facilities that will help to maintain its 25 year old existing investment and position it for the future. The request will allow the SMRAA to replace its old corroded and undersized snow making system, perform major repairs such as reroofing/residing the chalet, remodel the restrooms for Americans with Disabilities Act (ADA) compliance, upgrade its lift transportation systems, and develop five new ski runs with a new lift.

The SMRAA comprises 1,100 acres. In the summer it provides banquet facilities for weddings, receptions, reunions and business conferences and a 93-site campground. In the winter, Spirit Mountain provides winter recreational facilities that include 23 alpine runs, the Midwest's largest snow board park and 22 km of double track for cross-country skiing. SMRAA provides services and recreation for guests located in the surrounding states and all counties in Minnesota.

A 1992 study by Jerrold Peterson, an economist at the University of Minnesota Duluth, determined that Spirit Mountain was responsible for direct tourism spending of \$7.7 million annually. Spirit Mountain has a payroll of \$1 million annually and a total annual impact of \$12.7 million annually. Also, Spirit Mountain hosts the world's largest on snow snowmobile race that, by Duluth Convention and Visitor's Bureau estimates generates an additional \$4-\$5 million annually. The financial contributions are only part of what Spirit Mountain has accomplished. Spirit Mountain teaches over 5,000 children a year to ski through its school programs. It provides an annual recreational experience for 20,000 youth church and school groups from throughout Minnesota, Wisconsin and the Dakotas. In cooperation with Courage Duluth, the Challenge Center, Special Olympics, Bold Program, Boys and Girls Club, YMCA, and the Park and Recreation Department, it provides a recreational opportunity for the physically, mentally and financially challenged. In addition, Spirit Mountain provides a positive environment for youth and their families (69% from Minneapolis/St. Paul and 9.2% from outside of Minnesota) to participate in life sports of alpine and cross-country skiing and snow boarding. Four thousand of our season pass holders are 18 years old or younger. SMRAA is a leader in the regional ski industry in developing terrain features for our young people in snow boarding and freestyle skiing. In addition, Spirit Mountain's success in attracting skiers has played a major role in the growth of Duluth's tourism industry and supported the development of additional hotels and restaurants. A proposed \$15 million private development of a Hotel/Golf

Resort at Spirit Mountain will further enhance our regional economy and grow the tax base in northeastern Minnesota.

The largest segment of Spirit Mountain's business is beginner and lower intermediate skiers and boarders. The most popular trails are subject to crowding and the Spirit Express lift servicing these trails is at capacity. SMRAA needs to expand the uphill capacity and number of trails to safely service additional customers. The snow making expansion and upgrade is necessary to effectively permit SMRAA to cover the additional trails with snow in a timely manner. The upgrade would also add a month to the front end of the ski season permitting SMRAA to expand all of our programs for an additional month. This would generate new business for the community during a time of low tourism activity. The chalets are 28 years old and in need of extensive remodeling, upgrading and landscaping. The current elevator will also be rebuilt to comply with ADA codes.

Governing body support: A resolution of support specifically for this project has been adopted by the City Council.

Costs of components of proposed improvements: SMRAA has identified several discreet projects which are part of this funding request. The cost of each of these components is as follows:

Replace/Upgrade Snow Making System	\$1,981,000
Building Improvements/Equipment	1,578,000
Upgrade/Expand Capacity of Lift System	740,000
New Development -- Family Skiing Area	2,050,000
Total	\$6,349,000

In each instance, the SMRAA would propose to share the cost of these projects on 50/50 basis with the state.

Department of Administration officials were contacted regarding predesign requirements. The project has been reviewed regarding predesign and department officials have determined that the project is not subject to the statutory predesign requirement. Certain design costs are anticipated as part of the overall project cost represented in this request.

Precedent for state financial participation: The state has provided funds for a variety of amateur sports facilities including ice arenas, soccer fields and the amateur sports complex in Blaine. State financial participation in the improvements at SMRAA will help to ensure that these facilities continue to provide winter recreational opportunities for citizens (and particularly young people) throughout the state.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The city owns the land on which the authority operates. The buildings and improvements are owned and operated by the Spirit Mountain Recreation Area Authority which was created by the state legislature in 1973.

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

Rick Certano, Executive Director
Spirit Mountain Recreation Authority
9500 Spirit Mountain Place
Duluth, MN 55810
E-mail: rcertano@spiritmt.com

Grants to Political Subdivisions
Duluth -- Spirit Mountain Improvements

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

Project Cost

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,175	0	0	3,175
State Funds Subtotal	0	3,175	0	0	3,175
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	3,175	0	0	3,175
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,350	0	0	6,350

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,175	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Design costs, project management fees, construction contingency and inflation costs are not indicated.

Department of Finance Analysis:

Although state funding has been provided in the past for other types of amateur athletic facilities, the state mission or precedent for ski facility grants is unclear.

The exact source of the local funding match is unclear.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? Half of the total project costs will be funded by non-state sources.
2.	Project fulfills an important state mission? Providing recreational amenities are an important state and local mission.
3.	Has a state role been expanded in a new policy area? The state's role in funding ski facilities is unclear. To date, the state has funded statewide grant programs for ice arenas and soccer fields, but has not yet chosen to fund a statewide ski facility grant program.
4.	Project is of local, regional, or statewide significance? The project is viewed as having local and regional (multi-county) significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? State funding for this project, as well as other projects in the Duluth area, will need to be compared against funding for other projects from around the state.
7.	Does it compete with other facilities? The facility likely competes in some way with private ski operations.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 10/9/01 has been received from the Duluth City Council.
9.	Predesign completed? A predesign is not required for local projects with construction costs under \$1.5 million.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Duluth is 281 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$7.30 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$32 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$251,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Eveleth)

PROJECT LOCATION: Eveleth

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$251,000 in state funding for the design and construction for the rehabilitation of sanitary sewer collection system in the city of Eveleth.

The scope of the proposed project is part of a larger comprehensive project to identify and eliminate sources of inflow and infiltration (I/I) of clear water into the sanitary sewer system and to rehabilitate an aging, failing sanitary sewer system in the city of Eveleth. The scope of the comprehensive project is citywide.

The initial phases of the comprehensive project are currently in various phases of completion. Sewer lines in the various areas of the city have been cleaned, televised and smoke tested and a report has been prepared to discuss findings. A project to inspect all buildings in the city for illegal footing drain connections and roof leader connections is currently in progress and several construction projects to replace collapsing sections of sanitary sewer have been completed.

The scope of the proposed project is to replace approximately 5,900 lineal feet of deteriorated sanitary sewer lines and associated manholes in the Fayal location area of the city.

The proposed project will meet the needs of the community by replacing deteriorated sewers before they collapse and create a health and safety hazard and by eliminating clear water flows to the lift stations and wastewater treatment plant, which become overwhelmed during heavy rains and spring runoff.

The only alternate choice to I/I reduction is to upgrade and/or replace all lift stations and wastewater treatment plant to pump and treat clear water. This option is not only much more costly, but also does nothing to address the deteriorating system of pipes.

The city of Eveleth is committed to reducing the amount of I/I of clear water into the sanitary sewer system. During heavy rainfall events and spring runoff, the sewage lift stations are inundated and cannot keep up with the high flows of clear water. The wastewater treatment plant also sometimes can't process the high flows and must bypass raw sewage to the environment. That is why all areas of the city are being investigated.

The ongoing I/I reduction project will eliminate clear water from entering the sanitary sewer system. This will reduce the possibility of sanitary sewer back-ups and bypass

of raw sewage to the environment and the city would avoid a costly treatment plant and lift station upgrade.

All residents of Eveleth will benefit from this project due to increased public safety and health. The Fayal location area residents will directly benefit by the greatly reduced or eliminated possibility of sewer back up in their homes.

The successful completion of this project will allow the Public Works Department to be more efficient. The workers will spend less time responding to emergency situations like pumping basements and repairing collapsed sewer lines.

The estimated cost to repair the sanitary sewer system exceeds the amount that the city can budget for this project. This project would not be possible without state funding.

The project area is generally residential with modest, single family homes. A relatively large portion of the population is retired and on fixed incomes. The working population is mostly blue collar.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

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

Raymond J. Eck, City Clerk
Eveleth City Hall
413 Pierce Street
Eveleth, MN 55734
Phone: (218) 744-2501
Fax: (218) 744-5644

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	43	0	0	43	09/2002	01/2003
Contract Documents	0	0	0	0	0		
Construction Administration	0	48	0	0	48	02/2003	10/2003
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						02/2003	10/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	386	0	0	386		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	25	0	0	25		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	502	0	0	502		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$502	\$0	\$0	\$502		

Grants to Political Subdivisions
Eveleth Sanitary Sewer Collection Improvements

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	251	0	0	251
State Funds Subtotal	0	251	0	0	251
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	251	0	0	251
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	502	0	0	502

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	251	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration, without formal comments.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project has not been received from the City of Eveleth.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Eveleth is 641 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$12.98 per city resident.

2002 STATE APPROPRIATION REQUEST: \$1,150,000

AGENCY PROJECT PRIORITY: 1 of 2 (City of Fergus Falls)

PROJECT LOCATION: 400 West Fir Avenue, Fergus Falls

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1.15 million in state funding to design, construct and equip the city of Fergus Falls' municipal solid waste combustor with a new air pollution control system. The state funding will be used to replace the combustor's air pollution control equipment with a wet sorbent injection scrubber and a fabric filter baghouse. The new air pollution control system is needed to meet new United States Environmental Protection Agency (EPA) and Minnesota Pollution Control Agency (MPCA) air quality standards for mercury reduction.

Regional and State Significance

The city of Fergus Falls has owned and operated its municipal combustor since construction in 1989. The combustor burns municipal solid waste generated within the city of Fergus Falls and an eight-county area. The facility is rated to burn 100 tons of waste per day and operates consistently between 90 and 95 tons per day. The burning of waste creates steam that is used to heat the state of Minnesota's Regional Treatment Center located in Fergus Falls.

The Fergus Falls combustor helps meet the solid waste disposal priorities established by the state of Minnesota. During the 1980s, counties in northwestern Minnesota closed their landfills at the encouragement of the MPCA. Instead of being landfilled, the waste was to be burned at the Fergus Falls combustor. Today, no raw municipal solid waste landfills operate in northwestern Minnesota. The Fergus Falls combustor serves as the waste disposal system for all or part of eight Minnesota counties: Otter Tail, Stevens, Traverse, Wilkin, Grant and Tri-County (parts of Stearns, Benton and Sherburne counties). The Fergus Falls combustor is designated as a primary municipal solid waste disposal system in each county's solid waste management plan. Each county pays a tipping fee for waste disposal at the Fergus Falls combustor. These tipping fees go toward operations and debt service.

The Fergus Falls combustor serves a defined geographic area and does not compete with other municipal waste combustors. The state of Minnesota has provided similar funding for improvements to other waste combustors.

Project Elements

The proposed project will replace the combustor's air pollution control equipment. The combustor is currently equipped with venturi-type wet scrubbers, which have been unable to meet existing and proposed state and federal air quality standards on a consistent basis during the past two years. The wet scrubbers were installed in 1987 as part of the original combustor project. In 1997 the city received an Office of

Environmental Assistance (OEA) grant for upgrading combustor control systems, installation of "state of the art" Continuous Emissions Monitoring Systems (CEMs), and the necessary building expansion to contain equipment. The grant also provided funds for additions (retrofit) to the existing wet scrubber pollution control equipment in order to meet the future air standards.

The grant amount was based on the assumption by the city, the MPCA, and the OEA that the existing wet scrubbers could continue to be used, thus reducing the new capital costs. Further testing in the retrofit design stage and during normal operation performance tests of the facility in the intervening years has shown this assumption to be faulty. The MPCA and the city are in agreement (as shown by an existing stipulation agreement referred to below) that the existing air pollution control equipment (wet scrubber) must be totally replaced with a more advanced and proven technology to ensure that the future standards are met.

In March 2001, the city of Fergus Falls and the MPCA reached a stipulation agreement related to air emissions exceedances at the combustor. The stipulation agreement requires the city to replace the existing air pollution control equipment in order to meet future state and federal air quality standards. Under the stipulation agreement, installation of the new equipment is to be completed and air emission testing reports showing compliance with the future standards submitted to the MPCA by April 2003. Construction is expected to begin in November 2001.

The project includes: demolition, site work, and foundations at the existing site; design and installation of the complete air pollution control system, including pumps, motors, and controls; weatherproofing; providing a material handling system to convey and discharge fly ash and spent reagents to the facility's bottom ash quench tanks; replacement of the stack or stack lining; construction of a building expansion for the equipment; and demolition of existing scrubber equipment and piping not utilized after installation of the new air pollution control system.

The 1997 improvements were estimated at \$1.46 million. The cost was shared between the city of Fergus Falls (\$730,000) and the state of Minnesota through OEAs grant program (\$730,000). To date, approximately \$599,000 of the \$1.46 million cost has been incurred. The proposed project will supersede the remaining costs of the 1997 improvements. The total cost of the project is \$3.759 million: the \$599,000 spent on the 1997 improvements plus the \$3.160 million cost of the proposed project. The city of Fergus Falls requests \$1.150 million in state bonding, which together with the 1997 OEA grant of \$730,000, will result in the total project cost being shared equally between the city of Fergus Falls (\$1,879,500 city bonded debt – non-state funds) and the state of Minnesota (\$1,879,500 state funding). This equal (50/50 split) cost sharing should not exceed standard OEA or MPCA grant eligibility.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested for this project.

OTHER CONSIDERATIONS:

The city of Fergus Falls owns and operates this facility.

\$1.879 million in non-state funds will be contributed to this project. The city of Fergus Falls will provide 50% of the project cost through the issuance of municipal bonds. The bonds will be repaid from facility revenues generated by tipping fees and steam sales, and backed by the full faith and credit of the city. Tipping fees are generated from the city of Fergus Falls as well as the eight counties served by the combustor: Otter Tail, Stevens, Traverse, Wilkin, Grant and Tri-County (parts of Stearns, Benton and Sherburne counties). Thus, all parties pay equally toward repayment of the municipal bonds. Steam sales are generated from service to the Fergus Falls Regional Treatment Center and also go toward bond repayment.

A resolution of support will be submitted with the final application.

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

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City Administrator
City Hall, PO Box 868
112 West Washington
Fergus Falls, MN 56538-0868
Phone: (218) 739-0103
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Grants to Political Subdivisions
Municipal Solid Waste Combustor Replacement

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	241	0	0	241	07/2001	10/2001
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2001	11/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,434	0	0	1,434		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	730	1,354	0	0	2,084		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						04/2002	11/2002
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	730	3,029	0	0	3,759		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$730	\$3,029	\$0	\$0	\$3,759		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	730	1,150	0	0	1,880
State Funds Subtotal	730	1,150	0	0	1,880
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,879	0	0	1,879
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	730	3,029	0	0	3,759

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
1997 OEA grant	730
TOTAL	730

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,150	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 11/9/01

Department of Finance Analysis:

This request from Fergus Falls is to complete the design, construction and installation of air pollution control equipment at its existing 1989 waste-to-energy incinerator. Fergus will be adding a wet sorbent injection scrubber and a fabric filter bag house to meet EPA and MPCA air quality standards for mercury reduction.

Fergus Falls serves as the waste disposal system for an eight-county area. The steam produced from burning waste is used to heat the state Regional Treatment Center located in Fergus Falls.

Fergus Falls received a \$730,000 CAP grant in 1997 from OEA. Newly promulgated EPA rules made it necessary to upgrade the facility. The assumption was made that the existing wet scrubbers could continue to be used, thus reducing the cost of the air emissions equipment upgrade. However, further testing in the retrofit design stage and during normal operation performance tests in the intervening years has shown this assumption to be faulty. The original project cost was estimated at \$1.46 million. By not being able to retain the wet scrubbers, the revised cost of the project is now \$3.16 million.

Without special legislation, Fergus Falls is not eligible under the CAP program. The city received a CAP grant in 1997 for an air emissions retrofit. Additional testing showed that implementation of the project as funded would not meet emissions requirements. Thus, Fergus now has to do a more expensive project than what was budgeted. Fergus is under a stipulation agreement with the MPCA that requires the city to replace the existing air pollution control equipment and to show compliance with air emissions standards by April 2003.

OEA should comment on the eligibility of this project for grant funding and its relative priority compared to similar solid waste-related requests.

As a major steam purchaser at Fergus Falls Regional Treatment Center, the Department of Human Services should also comment on how this requests relates to future plans for the FFRTC.

Until a long-term plan is in place for the adaptive re-use of this regional treatment facility, it is difficult to understand or feel comfortable with the relationship of the RTC with this request.

Evaluation of Local Projects

1.	Non-state matching funds contributed? \$1.9 million in non-state funds will be contributed to this project.
2.	Project fulfills an important state mission? Environmental protection and solid waste disposal is an important state and local mission.
3.	Has a state role been expanded in a new policy area? Through OEA, the state has made solid waste grants in the past to this facility and other jurisdictions. The current request seeks funding outside of the normal range of state funding for such requests.
4.	Project is of local, regional, or statewide significance? Project is of regional (multi-county) significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? The major concern for inequity is if this grant exceeds standard OEA grant eligibility. OEA should comment on this request.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? Resolutions of support for the project have been received from the City of Fergus Falls, the Tri-County Solid Waste Management Commission, and the Board of Commissioners of Grant, Wilkin, Traverse, Stevens, and Otter Tail counties.
9.	Pre-design completed? Pre-design is not required for a project of this type.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Fergus Falls is 212 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$17 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$4.5 million unreserved fund balance in its general and special revenue funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

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2002 STATE APPROPRIATION REQUEST: \$1,835,000

AGENCY PROJECT PRIORITY: 2 of 2 (City of Fergus Falls)

PROJECT LOCATION: Fergus Falls

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1,835,000 in state funding to design, construct, and furnish an expanded public library for the people of Fergus Falls and west central Minnesota. Based on a space needs assessment and building program prepared by library consultant Ron McGriff of Braham, Minnesota, this project is designed to meet the information, recreational, and educational needs of the community through the year 2020. An additional 11,300 square feet will enable the library to increase the size of its children's room, increase the electronic information access area and the number of computers available to the public, provide additional seating, and provide additional book shelving.

The current library was built 3,300 square feet smaller than the library consultant had recommended, and thusly its effective life span was shortened. To provide for the growth of Fergus Falls itself and its service area, the library needs to be able to satisfy the needs of its children. Story hour sessions are routinely crowded to the point of worrying the local fire marshal. The electronic database needs of its patrons are another concern, with distance education being one need we hope to better fill with expansion. We serve as the "living room" for our community and with more and more members of the "baby boom" having recreational time to spend at the library we are often out of seating space. And with an exceptionally well educated population we need to keep a larger percentage of the books we buy: at present a lack of shelving space compels us to discard books we no longer have space to keep. Further, Fergus Falls Public Library is the largest of the eleven-member Viking Library System and provides services to the six counties within the system. The library is seen as a powerful economic development tool for the community.

The official population served by the library is 18,839 but during 2000 the library had 169,763 visits and circulated 253,131 items.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The city of Fergus Falls will own and operate the facility.

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

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Library Director
205 East Hampden Avenue
Fergus Falls, MN 56537-2930
Phone: (218) 739-9387
Fax: (218) 736-5131
E-mail: wdunlap@fergusfalls.lib.mn.us

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	10	0	0	10		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	230	0	0	230		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	50	0	0	50		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						03/2003	03/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	3,190	0	0	3,190		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	180	0	0	180		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	3,660	0	0	3,660		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$3,660	\$0	\$0	\$3,660		

Grants to Political Subdivisions
Fergus Falls Public Library Expansion

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,835	0	0	1,835
State Funds Subtotal	0	1,835	0	0	1,835
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,485	0	0	1,485
Private Funds	0	340	0	0	340
Other	0	0	0	0	0
TOTAL	0	3,660	0	0	3,660

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,835	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency, project management, and inflation costs are not addressed.

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

The request competes with, or is duplicative of the request from the Department of Children, Families and Learning (CFL) for its statewide library grant program. CFL should be asked where this request fits into their statewide priority list.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 10/15/01 was received from the Fergus Falls City Council.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Fergus Falls is 212 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$27.24 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$4.5 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$12,000,000

AGENCY PROJECT PRIORITY: 1 of 2 (Hennepin County)

PROJECT LOCATION: 2400 3rd Avenue South -- Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$12 million to design, construct, furnish and equip an expansion of The Children's Theatre Company's (CTC) current facility. The theater is a resource unique to Minnesota, unsurpassed in the world, drawing artists from around the world to Minnesota and adding much to the state's quality of life. "What we do here is not just train young people to act, but how to collaborate, build community, be fully realized. We are in the deep business of creating citizens," Peter Brosius, artistic director for CTC.

CTC has statewide impact, provides a variety of educational programs and helps strengthens communities. It directly affects the lives of more than 300,000 Minnesotans every year.

The Campaign for The Children's Theatre Company will expand the CTCs current facility by adding 45,000 sq. ft. to the existing 80,000. The project will refurbish the physical plant and address critical space shortages through carefully planned expansion. Specifically, the project will include renovation of the current theater, construction of an education wing, scenery creation center, two rehearsal halls, a flexible theater and a new lobby.

Statewide Asset, Education and Community Building:

The Children's Theatre Company is a statewide asset, drawing students, teachers and performance attendees from throughout Minnesota. CTC's tours have criss-crossed Minnesota for more than 16 years, performing in more than 50 Minnesota cities and reaching more than 50,000 citizens every year. The tour includes performances, study guides, workshops and after-performance discussions.

The primary purpose of the state of Minnesota, as stated in its charter, is the education of its citizens; education is at the core of the CTC. And as the country's foremost theater for families and young people, it is also one of the state's foremost community-building assets, making Minnesota a great place to work, live, and raise a family.

The CTC is committed to educating children through The Center for Innovation in Theatre and Education (CITE):

- The Neighborhood Bridges program enhances academic achievement, supports state graduation requirements and improves literacy and English Language learning. This year the program will serve thirteen second through fifth grade classrooms in five schools.
- The school matinee series allows 80,000 students a year to attend CTC productions at a significantly reduced cost and teachers receive study guides and other resources to enhance the educational value of these productions.
- The School Partnership Program helps 10 elementary schools in St. Paul and Minneapolis build a long-lasting arts curriculum that integrates drama in the classroom. The three-year long partnerships provide free student and teacher workshops, tickets and bus transportation to the shows. Last year, the partnership program reached 2,456 students and 89 teachers.
- CTC has participated in unique teacher training opportunities. In 1999, CTC in conjunction with the University of Minnesota Humanities Institute and the College of Education and Human Development held a statewide three day teacher conference. For the last two years CTC has conducted teacher training workshops in partnership with the Perpich Center for Arts Education. The workshops train teachers to use storytelling techniques to develop children's critical thinking skills and literacy.
- The Pay What You Can Program provides an opportunity for nearly 5,400 people to attend a CTC production, paying whatever they can afford for the ticket.

Unfortunately, the existing CTC facility does not have the capacity to be the world class resource for all children, teachers and families who want to experience it. This project will expand the capacity of CTC's educational programs and create new possibilities for the people of Minnesota to benefit from America's flagship children's theater.

Project Detail

- *Education Wing:* The current facility contains two rooms that serve 800 students, and quite literally classes are being taught in hallways. The new education wing will house a teaching theater, a new dance studio and four dedicated classroom spaces.
- There are no facilities for teens to create and perform work for other teenagers, as CTC's main theater is used to full capacity for its children's performances. The only thing holding CTC back from developing teen programming is the lack of space to do so. This adaptable space will have 300 seats and be used for programs for pre-schoolers and their parents, another group that can benefit from theater, but does not always fit within CTC's main stage programming. CTC also will use the space for other large gatherings, such as educational lectures and community presentations.

- *Rehearsal Centers:* In 1974, the CTC facility was built with no rehearsal space. All rehearsals take place off-site, causing several problems. Since CTC is using so many children in its productions, issues of safety, accessibility and proper supervision during rehearsals are paramount. All of these issues will be improved greatly by having the students within the CTC complex security and adult supervision. The rehearsal centers will be built with areas where the students can relax or study while they are not needed for the rehearsal of a particular scene. Their parents also will have a secure and comfortable area in which to wait.
- *Theater Renovation:* The main theater was built in 1974 and more than 6 million people have enjoyed the use of this 750-seat theater. Years of deferred maintenance have left carpet threadbare and the seats repeatedly in need of welding. The renovation of the theater will replace deficient mechanical systems, theatrical operating systems and seating.
- *New Lobby, Entrance and Scenery Creation Center:* The current entrance to the CTC is a shared lobby with the Minneapolis Institute of Art (MIA). The entrance is a significant distance from any parking structures and does not meet the needs of students or patrons. The new entrance will provide a bridge between CTC and the MIA and will provide a sense of destination to the state's busiest arts campus, which also includes the Minneapolis College of Art and Design. Also, a new scenery creation center, which will be opened up, visible through glass walls, for students and patrons to understand how theater is created. This interactive theme will be continued in a new lobby that will include educational kiosks, displays and small performing areas.

The CTC's private fundraising is being led by a capital campaign steering committee of members of the board of directors and community leaders. As of October 2001, over \$6.5 million of the \$12 million private fundraising goal had been raised, including two major gifts from Minnesota based companies. Companies and foundations will play an integral role in fundraising, because CTC's constituents are children and young families. We do not expect the bulk of the campaign contributions to come from individuals.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

Preliminary predesign has been completed on this project. All design elements have been identified and CTC is gradually moving into the final design phase. Based on the completed portion of predesign and the identified design elements, CTC was able to develop the project budget.

No additional state operating dollars are being requested.

OTHER CONSIDERATIONS:

Hennepin County will own the facility and The Children's Theatre Company will operate it.

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

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Grants to Political Subdivisions
Campaign for the Children's Theatre Company

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	700	0	0	700		
3. Design Fees							
Schematic	0	225	0	0	225		
Design Development	0	300	0	0	300		
Contract Documents	0	600	0	0	600		
Construction Administration	0	375	0	0	375		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	370	0	0	370		
Commissioning	0	150	0	0	150		
Other Costs	0	380	0	0	380		
5. Construction Costs						07/2002	05/2004
Site & Building Preparation	0	737	0	0	737		
Demolition/Decommissioning	0	305	0	0	305		
Construction	0	15,733	0	0	15,733		
Infrastructure/Roads/Utilities	0	227	0	0	227		
Hazardous Material Abatement	0	50	0	0	50		
Construction Contingency	0	1,500	0	0	1,500		
Other Costs	0	98	0	0	98		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	850	0	0	850		
Telecommunications (voice & data)	0	200	0	0	200		
Security Equipment	0	100	0	0	100		
Other Costs	0	1,100	0	0	1,100		
SUBTOTAL: (items 1 – 8)	0	24,000	0	0	24,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$24,000	\$0	\$0	\$24,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	12,000	0	0	12,000
State Funds Subtotal	0	12,000	0	0	12,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	12,000	0	0	12,000
Other	0	0	0	0	0
TOTAL	0	24,000	0	0	24,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	12,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency and inflation costs are not addressed.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows.

- Although the project rationale discusses the beneficiaries of the project, it doesn't answer the question why the state should provide financial assistance to this type of cultural facility. What is the precedent for state funding?
- One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million – by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that consideration be given to using existing revenues associated with the city's local option sales taxes (for this or other local cultural and arts requests). The Governor would support a broadening of existing authority to allow this. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$12 million in state funding is requested to match an equal amount of private fundraising.
2.	Project fulfills an important state mission? The state mission in funding this type of facility is unclear.
3.	Has a state role been expanded in a new policy area? The state role in funding cultural facilities is unclear.
4.	Project is of local, regional, or statewide significance? The project has potential for regional or statewide significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Significant competition exists for limited state funding of cultural facilities.
7.	Does it compete with other facilities? A number of funding requests are likely in 2002 for cultural and arts facilities.
8.	Resolutions from local governing bodies provided? A resolution of support dated 6/5/01 was received from the Hennepin County Board of Commissioners.
9.	Predesign completed? The status of the project's predesign review by the Department of Administration is unclear.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Hennepin County is 3 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual capital costs over the next five years would be \$2.15 per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Hennepin County was carrying a \$205 million unreserved fund balance in its general and special revenue funds.

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

AGENCY PROJECT PRIORITY: 2 of 2 (Hennepin County)

PROJECT LOCATION: 4th Avenue -- Midway Greenway -- Mpls

PROJECT DESCRIPTION AND RATIONALE:

This request is to construct, furnish and equip a 76,700 square foot Colin Powell Youth Leadership Center that will house a national guard drill area, an education wing including a computer lab, a multi-purpose arts facility, a community education space, a nutrition education and cooking skills work-preparation area, and four new basketball courts. The mission of the Colin Powell Center, one of only four projects nationally that Colin Powell has leant his name to, is to inspire youth by equipping them with competencies and outcomes that give them the tools required to build self-sufficient, productive, healthy, and meaningful lives.

Project Rationale

The non-profit program provider for the Colin Powell Center is Urban Ventures Leadership Foundation a 501(c)(3) nonprofit community development organization founded in 1993, whose mission is to build successful communities by developing youth leadership, strengthening families and creating meaningful work opportunities. The foundation directly impacts over 5,000 Minnesota lives a year. In addition, it has retained or attracted eleven businesses creating 286 new jobs in the Phillips and central neighborhoods. Urban Ventures designed the Colin Powell Center for children and their families because they need a safe place to gather for education, marketable vocational skills, metering, a healthy start, physical activity, community building, life skills learning and a chance to give through community service. Its approach utilized "collaborations" with other service providers to impact the problems of this inner city area.

State Commitment

Historically, Lake Street was the commercial strip of Minneapolis with heavy industry lining Hiawatha and the Sears building serving as the first Mall of America. Asset-rich businesses, individuals and institutions began reallocating in the 1950s, community buying power and community infrastructure disappeared with them, leaving a poverty-stricken hole in the city. Through this evolution Minnesota lost two generations of inner-city youth to gang violence, crack-cocaine, fatherlessness, and lack of skills and hope.

In recent years, the state and federal government have recognized the importance of this area for the stability of the metropolitan area and therefore the state. The state Department of Transportation provided T21 funding for the Midtown Greenway project and the state followed with special authority for Tax Increment for the Sears

site. Prior bonding for the Harriet Tubman Transitional Housing facility and the Urban Amateur Sports Center at South High School has helped two critical neighborhood institutions. Abbott Northwestern Hospital and the Wells Fargo Home Mortgage Regional Processing Center are now investing heavily in the area. Hennepin County, the city of Minneapolis, and a broad coalition of business and community leaders have formed the Midtown Coalition to foster reinvestment in the area.

A key issue for the area to continue its revitalization is a focus on youth in the area. New investment without working with the area's human resource will be unsuccessful. Over two-thirds of the neighborhood residents are under the age of 18 and they need to be engaged to become contributing members of this state and its economy. The Colin Powell Center is a unique approach that can be a statewide model and can be replicated in other cities throughout the state and country.

The Impact of the Colin Powell Center

The Center will contain its own programming, but also provide space for other organizations to serve the community. The following are examples of the types of program offerings that will be contained in the Center:

- Air National Guard – a military job skills training program for youth which will offer four year college scholarship to participants;
- M.A.D.D.A.D.S. – a street patrol reaching out to young fathers;
- Kid's Café – a site that provides nourishing hot meals, nutrition education and food service skills to low income and latchkey children;
- Urban Reclaim – a collaboration of 15 youth-serving and church-based programs;
- Young Life – an adolescent outreach organization in seven high schools; and
- Life Coaches – a child-mentoring program.

Statewide and regional collaborators of the Colin Powell Center include:

- 4-H
- Minneapolis Public Schools
- Minnesota Timberwolves and Lynx
- America's Promise
- Minneapolis Park and Recreation Board
- Search Institute
- Inroads
- Tent Makers
- Park Avenue Foundation

- Council of Leadership foundations: 35 cities in 34 states

The Colin Powell Youth Leadership Center can become a successful model for engaging youth to achieve promising futures. Communities throughout the state can evaluate and implement the experiences of this dynamic institution.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. Urban Ventures will transfer this site to Hennepin County and Hennepin County will own and lease the facility to be operated by the Urban Ventures Leadership Foundation.

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Grants to Political Subdivisions
Colin Powell Youth Leadership Center

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$1,000	\$1,500	\$0	\$0	\$2,500		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	20	0	0	0	20		
3. Design Fees							
Schematic	20	0	0	0	20		
Design Development	0	100	0	0	100		
Contract Documents	0	10	0	0	10		
Construction Administration	0	40	0	0	40		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						12/2002	01/2004
Site & Building Preparation	0	700	0	0	700		
Demolition/Decommissioning	0	200	0	0	200		
Construction	0	8,000	0	0	8,000		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	150	0	0	150		
Construction Contingency	0	1,200	0	0	1,200		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	140	0	0	140		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	1,800	0	0	1,800		
Telecommunications (voice & data)	0	80	0	0	80		
Security Equipment	0	40	0	0	40		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	1,040	13,960	0	0	15,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$1,040	\$13,960	\$0	\$0	\$15,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,000	0	0	6,000
State Funds Subtotal	0	6,000	0	0	6,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	1,040	7,960	0	0	9,000
Other	0	0	0	0	0
TOTAL	1,040	13,960	0	0	15,000

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

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

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency and project managment costs are not addressed.

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

The status of the private fund raising commitments is unclear. Has the \$7.96 million in private funding been received, committed, or is it a fund raising goal?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for the project dated 10/30/01 was received from the Hennepin County Board of Commissioners.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Hennepin County is 3 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$1.07 per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Hennepin County was carrying a \$205 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$3,191,000

AGENCY PROJECT PRIORITY: 1 of 1 (Suburban Hennepin Regional Park District)

PROJECT LOCATION: Historic Murphy's Landing -- Shakopee

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$3.191 million in state funding to predesign, design, construct, furnish and equip a new public history center at Murphy's Landing in Shakopee, Minnesota. Murphy's Landing is located within a national historic district on the Minnesota River that includes Native American burial and habitation sites, and three 19th Century features: the Pond Gristmill, the Faribault Cabin, and the Berger Farmstead. Ownership of the 88-acre historic site is being transferred from the city of Shakopee to the Suburban Hennepin Regional Park District in 2001. This cooperative step allows the historic site to be aligned with an agency capable of accomplishing the long-standing goal of developing a regionally significant interpretive facility and program. The proposed project will create an historic amenity capable of generating significant out-of-state tourism visitation and school usage at a local, state, and regional level.

The Suburban Hennepin Regional Park District was created by the state legislature in 1957 to provide access to natural areas and historic features. It has a 40-year history of interpreting natural and cultural history to an audience that has grown to three million park visitors annually. For the past 25 years the Park District and Scott County have utilized a joint powers agreement that enables the Park District to own and manage regional parks within Scott County. Murphy's Landing has recently been added to the regional amenities provided through this agreement.

In addition to the three previously-mentioned authentic historic features at Murphy's Landing, numerous 19th Century buildings from the surrounding area have been relocated to the site rather than face demolition at their original location. This "created" village holds significant interpretive potential although it is important that its presence not impair the interpretive potential of the authentic features. Elsewhere in the United States there are prominent examples of interpretive sites that successfully and simultaneously provide historic preservation, public education via living history, and tourism. The proximity of Murphy's Landing to the Twin Cities metropolitan area, together with the potential to be linked by means of historic river transportation, provides a truly unique opportunity for it to operate on par with other well-known facilities.

The proposed history center will be designed to provide self-directed and leader-led interpretive experiences aimed at interpreting 19th Century life in the Minnesota River Valley. It will include an interior auditorium with audio-visual capabilities and an external amphitheater. Classrooms and orientation space will support the educational program. Other amenities will include interactive exhibits, a resource

library, gift shop, food service amenity and restrooms. The building will be designed to recall the historical importance of the era and may represent architectural detailing common to historic structures in the area. Associated site amenities will include a parking lot and accessibility improvements.

The visitor center will be designed to accommodate 50,000 visitors annually. Based on existing usage patterns and proposed marketing strategies, the anticipated breakdown of the attendance is:

- Metro area – 50%
- Outstate MN – 30%
- Outside MN – 20%

The proposed history center will be a major feature of a comprehensive master planning effort that will prioritize improvements to the physical setting, as well as the over all interpretive direction of the site.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. The Suburban Hennepin Regional Park District will own and operate the facility. The Park District has considerable experience operating facilities similar to this visitor center. The proposed center will be one of nine nature center/interpretive centers currently operated by the Park District.

OTHER CONSIDERATIONS:

The cooperative agreement between the Suburban Hennepin Regional Park District and the city of Shakopee is being finalized as this preliminary capital budget request is being submitted. It is the Park District's intention to sell G.O. Bonds for its portion of the matching funds.

The project has the potential to accomplish historic interpretation of statewide significance due to Murphy's Landing's unique location on a State Trail. It provides the chronological complement to Fort Snelling, which is located a few miles down river. Additionally is the only site in the state that presents a "sequence of occupancy" for historic interpretation.

The relationship between the Park District and the Minnesota Historical Society (MHS) is one of cooperation and complementation. The mission of the Park District allows for the creation of a state-significant historic interpretation feature with a wider scope than that of a MHS facility.

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

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Grants to Political Subdivisions
Visitor Center at Historic Murphy's Landing

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	24	0	0	24	10/2001	02/2002
3. Design Fees							
Schematic	0	31	0	0	31	02/2002	05/2002
Design Development	0	95	0	0	95	05/2002	09/2002
Contract Documents	0	214	0	0	214	10/2002	02/2003
Construction Administration	0	71	0	0	71	02/2003	09/2004
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						02/2003	09/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,250	0	0	5,250		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	698	0	0	698		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	6,383	0	0	6,383		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$6,383	\$0	\$0	\$6,383		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,191	0	0	3,191
State Funds Subtotal	0	3,191	0	0	3,191
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	3,192	0	0	3,192
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,383	0	0	6,383

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,191	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency and inflation costs are not addressed.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows.

- Describe the statewide significance of this project. How would taxpayers from other parts of the state benefit from this proposal?
- Has the Suburban Hennepin Regional Park District made a firm commitment to sell bonds of \$3.192 million for the local matching funds?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? An equal amount of non-state funds will be committed to this project (\$3.192 million is pledged from Park District G.O. bonds).
2.	Project fulfills an important state mission? The state mission associated with this project is unclear.
3.	Has a state role been expanded in a new policy area? Funding for visitor centers at historic sites has generally been awarded to facilities of the Minnesota Historical Society or through the MHS grant program.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local significance, with potential for regional significance.
5.	State operation subsidies required? No state operating subsidies are being requested.
6.	Inequities created among local jurisdictions? Funding for a visitor center at a local historic or cultural site will likely result in similar requests from other jurisdictions.
7.	Does it compete with other facilities? This project is viewed as having limited competition with other, similar facilities.
8.	Resolutions from local governing bodies provided? A letter of support dated 6-14-01 was received from the mayor of Shakopee. The Suburban Hennepin Regional Park District has not submitted a resolution of support although they supposedly will provide \$3.192 million in matching funds.
9.	Predesign completed? The applicant should ask the Department of Administration whether a predesign is needed for this project.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? Not available.

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2002 STATE APPROPRIATION REQUEST: \$200,000

AGENCY PROJECT PRIORITY: 1 of 1 (Jackson County)

PROJECT LOCATION: Fort Belmont Trail, City of Jackson (I-90 & US71)

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$500,000 in state funding over six years (\$200,000 in FY 2002, \$200,000 in FY 2004, and \$100,000 in FY 2006) to assist in the design, development and construction of a new site for Fort Belmont. The new complex will consist of a museum and other buildings of historical importance. The old site has a history (1958 to 2000) of local, regional and international visitors.

Fort Belmont traces its origin back to a civilian built fort constructed in Jackson County immediately following the Dakota uprising which occurred in 1862. This fort was one of only two civilian built forts in the Midwest.

After the Dakota uprising, 11 Norwegian families returned to the site from exile and built a stockade that surrounded an 18x26 log home. This was used as fortress and sanctuary for the next several years.

In 1958, a reproduction of Fort Belmont was constructed by Buren and Evelyn Watland at the intersection of US Highways 71 and 16 in south Jackson. Along with the fort, a museum, sod house, 1870 log chapel, water-powered gristmill and blacksmith shop were built. These buildings were constructed to show visitors the lifestyle and hardships of the early settlers. It also showed how early communities developed.

During the first 15 years of operation Fort Belmont flourished. It hosted as many as 70,000 visitors per summer from all over the world. Changes came with the opening of interstate 90. Since the interstate opened in 1974, visitor numbers dwindled to 6,000 per summer. Because of the dwindling numbers, budget problems arose. In 1978, the Fort was donated to the city of Jackson. Since that time it has been under city ownership and operated by the Fort Belmont Foundation.

In 1989 a group of concerned citizens formed Jackson County Tourism, Inc. to revitalize the fort. This group has worked on three goals:

- Acquire property adjacent to interstate 90 to relocate the Fort Belmont complex to improve visibility.
- Develop more educational and historical interpretations of early pioneer life and Native American culture.
- Develop a point of interest that will draw travelers and give us an opportunity to introduce them to the other attractions in Jackson County.

Since incorporation, a collaboration of efforts has occurred between Jackson County, the city of Jackson, Jackson County Tourism, Inc. and the Fort Belmont Foundation. Since 1989, 23 acres of land have been purchased; an 1870 log home, almost identical to the original Fort Belmont, has been acquired; a 1902 church has been moved to the site and historically restored; and an 1873 pioneer home with an 1890 summer kitchen was donated. These are all on foundations on the 23 acres owned by Jackson County Tourism, Inc.

Ongoing work continues daily. From moving the smaller buildings from the old Fort site to building a road at the new site, volunteers believing in this project are working to achieve the goals created almost 12 years ago. It is the mission of Jackson County Tourism, Inc. to interpret the early lives of the settlers as accurately as possible and give visitors a picture of what the early lives of southwest Minnesotans were like. With relocation, the intent is Fort Belmont will once again become a center of learning and historical interpretation. It will serve school age groups, civic organizations, local and international travelers.

Statewide benefits from this project include interpretation of the local history of Jackson County:

- The Spirit Lake and Springfield massacres of 1857;
- The Dakota Conflict of 1862 including local history of the Belmont Massacre and the construction and operation of Fort Belmont – the only civilian built fort in Minnesota and one of only two built in the Midwest;
- Demonstration of early pioneer living; and
- Increased tourism along the I-90 corridor.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. Operating expenses will be funded by the city of Jackson, Jackson County and through admission fees, gift and souvenir sales, and special event income.

Attendance is crucial to the success of the Fort Belmont project, however, the number needed to fund the operation are not as critical as the examples of Prairie Expo, Heritage Halls and Farm America. The reason being that the property has already been purchased and a large part of the project has been completed by a dedicated group of volunteers. The foundation group is very committed to the success of this project. The support of the project shows that it has a wide age appeal range with its age of the volunteers spanning from 16 to 91. Fort Belmont, also, has an established history, being operated at the former site since 1958 with summer season admissions reaching 70,000 in the 1960s and early 1970s. Admissions dropped off severely in the late 1970s; this is directly attributed to the opening of I-90 and the change of traffic patterns through the area.

We are certain with relocation along I-90, along with site improvements and additions of new events; the number of visitors will resume. The new site has exposure to I-90 to the north as well as exposure to Highway 71 to the east. Highway 71 is the main route for tourist to the Iowa Great Lakes area.

The summer of 2001 was a transition year. The fort was not "officially" open for business, but visitors came anyway. Visitors to the site had addresses from 30 states and six foreign countries. The visitors were pleased with what they were able to see and gave support both verbally and through donations. We feel that we will attract 30,000 visitors during the first full season of the completed project

OTHER CONSIDERATIONS:

The project will be owned by Jackson County, the city of Jackson, and Jackson County Tourism, Inc.

Fort Belmont is significant to the state in preserving a very important part of Minnesota's history of early development and life on the prairie. It is a part of our history the same as Fort Ridgely, Fort Snelling, Harken General Store, Oliver Kelley Farm, etc. It has unique history dealing with the time period of immigration, massacres and the trials and conflicts of living in those times.

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

Ken Kruse, Secretary/Treasurer
Fort Belmont Foundation
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Jackson, MN 56143
Phone: (507) 847-2917
E-mail: kenik@rconnect.com

Daryl Olson, President
Jackson County Tourism, Inc.
115 Barnel Road
Jackson, MN 56143
Phone: (507) 847-2596
E-mail: andar@rconnect.com

Gary Wilink, Mayor
City of Jackson
Phone: (507) 847-2380

Grants to Political Subdivisions
Restoration of Historic Fort Belmont

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$10	\$0	\$0	\$0	\$10		
Land and Buildings	55	0	0	0	55		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	2	2	0	4		
Design Development	0	1	2	1	4		
Contract Documents	0	2	2	0	4		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	19	4	2	4	29		
Demolition/Decommissioning	0	0	0	0	0		
Construction	62	169	90	50	371		
Infrastructure/Roads/Utilities	10	16	77	5	108		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	3	0	0	0	3		
8. Occupancy							
Furniture, Fixtures and Equipment	0	4	10	10	24		
Telecommunications (voice & data)	0	1	5	15	21		
Security Equipment	0	1	10	5	16		
Other Costs	0	0	0	10	10		
SUBTOTAL: (items 1 – 8)	159	200	200	100	659		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$159	\$200	\$200	\$100	\$659		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	200	200	100	500
State Funds Subtotal	0	200	200	100	500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	95	15	15	15	140
Private Funds	64	1	1	1	67
Other	0	0	0	0	0
TOTAL	159	216	216	116	707

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	200	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency, project management fees, and inflation costs are not addressed. Project construction information and costs have not been provided to examine \$/SF of functional areas or percentages.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- Given recent attendance problems at other local projects (e.g., Prairie Expo in Worthington, Heritage Halls in Owatonna, and the Duluth Aquarium), reasonable assurances will need to be provided that adequate attendance will make our state investment a wise decision. How many visitors per year are expected? Will this facility be able to be self-supporting?
- Please describe the state funding role. Is there a precedent for funding such a facility? Typically, funding for state historic sites is provided to the Minnesota Historical Society. Has MHS commented on the relative priority of this project in comparison to other state historic site requests?
- The ownership of this project and its relationship with Jackson County Tourism, Inc. need further explanation. In order to be eligible for state general obligation, the facility must be publicly owned.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$159,000 in previous project expenditures have been funded locally. An additional \$16,000 is pledged for the next biennium.
2.	Project fulfills an important state mission? The state mission associated with this project is unclear.
3.	Has a state role been expanded in a new policy area? Funding for this project may be viewed as expanding the state's role.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local significance, with potential for regional (multi-county) significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Funding for the project will need to be compared against state funding to other historical or economic development projects around the state.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? Resolutions of support dated 6/11/01 have been received from the Jackson County Board of Commissioners and the Jackson City Council.
9.	Predesign completed? A predesign is not required for a project of this type.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Jackson County is 14 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$3.54 per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Jackson County was carrying a \$6.5 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$3,628,000

AGENCY PROJECT PRIORITY: 1 of 2 (Koochiching County)

PROJECT LOCATION: Koochiching County

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$3.628 million in state funding to acquire land, predesign, design, construct, furnish and equip a Regional Cold Weather Testing Center in Koochiching County. The request is supported by the city of International Falls. The proposed project is \$7.257 million, which includes the requested \$3.628 million in state bonding. The project would construct a state-of-the-art cold weather testing facility that would enhance economic development in the region by attracting automotive and other transportation testers to Minnesota from throughout the nation and world.

This local match will come from the finances of the city of International Falls and Koochiching County, and may involve taxing authority or reserves to fund the local share of the project. No state loan for the local match is requested.

Background on the Cold-Weather Testing Industry in Minnesota

Minnesota's long and extreme winters provide the perfect "real world" laboratory to challenge the durability of machines and products. As a result, Minnesota has enjoyed a reputation as a good location for cold weather testing of automotive and transportation products.

Automotive groups conducted cold-weather testing in Minnesota as far back as the 1940s. Ford, General Motors, and Chrysler groups all made trips to Minnesota to test a variety of systems in a low-temperature environment. These early visits were generally short in duration, and the groups made their own arrangements through car dealerships or available private garages. Testing was conducted on frozen lakes. The scale of cold-weather testing grew in the 1970s as technological evolution and competitive pressures from overseas drove automakers and suppliers to increase the scale of their low-temperature programs. The need for land-based testing, rather than frozen lake testing, became increasingly clear.

The testing industry's impact on the Minnesota economy grew correspondingly as the programs grew in size and duration. The test groups stimulated the economy in the host cities in the hospitality area (motels, restaurants), fuel, auto parts, etc., and occasionally provided jobs to locals who provided support for their programs. Bemidji, International Falls, and Hibbing were the primary destinations in the early period of testing. The state of Minnesota recognized the impact of the testing industry in the 1980s by commissioning a blue-ribbon task force to explore it further. As a result, the Minnesota Cold Weather Resource Center was created in 1990 with the mission to develop Minnesota's cold weather testing industry.

The Cold-Weather Testing Market

Three locations provide the most suitable locations for cold-weather testing: Canada, the upper peninsula of Michigan, and Minnesota. Minnesota is the ideal location because of its long test season without excessive snowfall and lack of customs difficulties associated with crossing an international border. Increasingly, other communities are stepping up their efforts to attract cold-weather testing clients. Unfortunately, Minnesota has lost test clients to both the Upper Peninsula and Canada in the last several years for a number of reasons. A major tester left International Falls in 1995, while Ford moved its testing operations out of Bemidji in 1999.

The Economic Benefit to Minnesota

The cold-weather testing industry provides economic benefits to the host communities and the state of Minnesota. According to the Minnesota Cold Weather Resource Center's conservative estimates, the economic impact of the testing industry has shown marked growth from \$3.2 million in 1990 to more than \$9.3 million in 1999-2000. Most activity has been focused in Bemidji, Brainerd, International Falls, Baudette, and the Iron Range. The economic impact reflects direct expenditures, does not take into account any multiplier effects, and represents dollars that are new to the state of Minnesota. Testers using Minnesota facilities come from across the nation and throughout the world, including Germany, Italy, Korea and Japan. The testing industry created 499 part-time jobs in Minnesota in 1999-2000.

The Regional Cold Weather Testing Center will be the most sophisticated testing facility in the state. Presently, Minnesota has only three major cold weather testing facilities; two of which are industry owned and thus unavailable to other testers, a private facility operates in Baudette, and International Falls conducts some testing at its airport. Existing facilities are not expected to lose users to the new project. The proposed facility will focus its tester recruitment efforts at clients not presently served in Minnesota. The project will enhance Minnesota's reputation as a cold weather-testing leader in the nation and attract increasing numbers of testers to Minnesota.

Facility Design

The proposed facility design consists of three buildings and several test surfaces. The shop and support building includes an area for vehicle parts replacement, repairs, and maintenance with adjacent technical work areas and support facilities. The building contains eight vehicle bays, workbenches and hydraulic hoists, a multi-use conference room, and office workstations. The second building is the "cold box," a structure intended to artificially provide -20 degree Fahrenheit temperatures during the winter season. The cold box is used when outdoor conditions are insufficient for testing purposes. The building also provides space for various sized

vehicles including a semi-tractor/trailer. The third building is the maintenance vehicle storage building. The storage building stores vehicles and equipment utilized for project maintenance, snow plowing, grading, and ice making. A 30-vehicle storage yard is adjacent to the shop/support building.

The facility design includes five testing surfaces. Each test area is spaced and separated from the others for privacy and safety.

Two-Mile Oval

Level track, cleared, graded and stabilized for suitable future bituminous paving.

Two-Mile Auto Cross

Meandering roadways, two miles minimum, cleared, rough graded, stabilized and snow packed.

Straight-a-Way/Skid Pad

Two tracks spaced for safety, level, cleared, graded, and stabilized including paved skid pad suitable for icing.

Vehicle Dynamics Pad

Level area, cleared, rough graded, and snow-packed. Shape and size may vary.

Traction Control Hills

Three hills, sloped as indicated, graded and stabilized for future paving.

When completed, the Regional Cold Weather Testing Center will help establish Minnesota's leadership in the cold weather-testing field. The facility will generate economic activity by serving the \$198 billion domestic automotive industry in addition to overseas companies. Aside from weather, probably no other asset is more important in siting a test group than quality facilities, according to the Minnesota Cold Weather Resource Center. The proposed facility can accommodate a range of tester requirements, ranging from a minimal-need testing team of two heated stalls and office space to groups requiring large garage, office facilities, and specialized driving surfaces.

In the past, the state of Minnesota funded the Cold Weather Resource Center to assist Minnesota's cold weather testing industry. Since the 2001 legislature did not renew funding the Resource Center, the need for the Regional Cold Weather Testing Center is needed more than ever to maintain and enhance Minnesota's position in the cold weather testing industry.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No operating dollars will be requested for this project; operating costs will be borne by the facility and the city of International Falls and Koochiching County.

OTHER CONSIDERATIONS:

The Regional Cold Weather Testing Center is expected to be operational in the 2003-2004 winter testing season.

The total project cost includes \$3.55 million for the construction of buildings and the five testing surfaces. The test surfaces include a two-mile oval. Two-mile auto cross, a straightaway skid pad, vehicle dynamics pad, and traction control hills. The testing surfaces are essential features of the Regional Cold Weather Testing Center.

Koochiching County will own the facility and may enter into a lease agreement for the operation of the facility.

The proposed project will not compete with other jurisdictions that conduct cold weather testing. The target audience for the new facility is testers currently not served in Minnesota and thus represent lost business opportunities and tax revenues to the state of Minnesota. The proposed facility will not draw cold weather testers from existing facilities.

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

Mike Hanson
Chair, Koochiching County Board of Commissioners
715 4th Street
International Falls, MN 56649
Phone: (218) 283-1152
Fax: (218) 283-1151

Grants to Political Subdivisions
Regional Cold Weather Testing Facility

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$200	\$0	\$0	\$200		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	50	0	0	50	07/2003	09/2003
3. Design Fees							
Schematic	0	74	0	0	74	09/2003	11/2003
Design Development	0	98	0	0	98	09/2002	11/2003
Contract Documents	0	248	0	0	248	09/2003	11/2003
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2004	11/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,593	0	0	5,593		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	346	0	0	346		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	6,609	0	0	6,609		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		9.80%	0.00%	0.00%			
Inflation Cost		648	0	0	648		
GRAND TOTAL	\$0	\$7,257	\$0	\$0	\$7,257		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,628	0	0	3,628
State Funds Subtotal	0	3,628	0	0	3,628
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	3,629	0	0	3,629
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	7,257	0	0	7,257

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Chapter 492, Article 1, Section 22, Subd 9 --VETOED--	2,700
TOTAL	2,700

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,628	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency, project management fees, and inflation costs are not addressed.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- What is the relationship of this project to the Cold Weather Research Center? Without assistance from the center is this project viable?
- In the past, other jurisdictions in northern Minnesota objected to this request as being in competition with their jurisdictions. Have these communities changed their minds as of this time?

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor is concerned about this project and other requests that require local government operating subsidies that will put pressure on already-tight local budgets.

Evaluation of Local Projects

1.	Non-state matching funds contributed? \$3.6 million in non-state funds would match \$3.6 million in state funding.
2.	Project fulfills an important state mission? The state mission in funding facilities of this type is unclear.
3.	Has a state role been expanded in a new policy area? The state role in funding such activities has not been consistent. In the past, funding was provided as an operating appropriation to the non-profit organization in International Falls called the Cold Weather Research Center. However, funding was not provided last legislative session, indicating some lack of support for such activities.
4.	Project is of local, regional, or statewide significance? This request is viewed as a local economic development project.
5.	State operation subsidies required? No state operating subsidies are being requested. Operating costs will be borne by the Facility and the city of International Falls and Koochiching County.
6.	Inequities created among local jurisdictions? When this request was considered in 2000, other jurisdictions objected that it would be in competition with them. The applicant's current emphasis is to attract new business from out-of-state so as to not be in competition with other businesses or communities in the area.
7.	Does it compete with other facilities? See Item #6.
8.	Resolutions from local governing bodies provided? A resolution of support dated 6-13-01 was received from the Koochiching County Board of Commissioners.
9.	Predesign completed? The applicant should ask the Department of Administration whether a predesign is needed for this project.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Koochiching County is 76 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$51 per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Koochiching County was carrying a \$12.6 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$6,200,000

AGENCY PROJECT PRIORITY: 2 of 2 (Koochiching County)

PROJECT LOCATION: Northhome

PROJECT DESCRIPTION AND RATIONALE:

Koochiching County requests \$6.2 million from the 2002-04 Minnesota State Capital Budget for the 21,000 square foot Big Bear Country Education Center. This request is for design and construction funding and the Science Museum of Minnesota's "Bears: Imagination and Reality" exhibit for the facility. This is a statewide and regional economic development project that will tap into the tourism resources of north central Minnesota; and will be a dynamic educational center for people of all ages. The predesign, a 41-acre wooded site in Northome, cash and in-kind matches, and a local natural resource exhibit have already been acquired or committed. Additional local matches will be provided for site preparation, construction contingencies, site utilities and amenities, furnishings, computers, artwork, and the local historical/cultural exhibit.

Koochiching County Board of Commissioners has passed a resolution to be the fiscal agent of this project. The city of Northome has passed a resolution to house the Big Bear Education Center. Koochiching County and Northome will be integrally involved in the design, construction, and operation of the facility. Koochiching County will lease out the building to a regional 501(c)(3) nonprofit, Big Bear Country, Inc. for the educational activities, fundraising, and marketing of the Center. Big Bear Country, Inc. has been and will utilize its private/public fundraising programs: user fees; annual and capital campaigns consisting of direct mailings, membership drives, and events; merchandise sales; planned giving; corporate giving programs; foundation grants; and federal/local government grants.

RATIONALE: The need for statewide and regional tourism expansion, economic development in north central Minnesota, expanded public education, and bear and natural resource research rationalizes this capital budget request.

Economic Development and Tourism: Since the 1950s, tourism has been a rapidly growing contributor to economic development, and has been growing towards the world's largest industry. Travel and tourism has pumped \$25 million into Minnesota's economy every day. However, Minnesota ranks 40 in the nation regarding travel expenditures per capita. Tourism is an area where the state can expand. This budget request is a means to grow the Minnesota tourism potential in north central Minnesota.

Northome and its surrounding area can be and desire to become part of the tourism industry. The Big Bear Country Education Center will be an ecocenter initiating expanded state tourism in north central Minnesota. Ecotourism has been the most

rapidly growing and most dynamic sector of the tourism market. There is an increasing public interest in the environment and the growth of ecocenters. The Big Bear Country Education Center will be able to meet growing ecotourism demands in its region. North central Minnesota is a prime place to locate a new ecocenter to assist the Minnesota tourism economy. The Bear Center especially reflects the community pride in bear resources. The area recorded the largest bear in Minnesota history (weighing 687 lbs), celebrates an annual Bear Fest, and set up the nonprofit corporation Big Bear Country, Inc. in 1990 to organize events around the area's bear resources. North central Minnesota also has the Chippewa National Forest that has large bear populations, the highest population of nesting bald eagles in the lower 48 states, and has over 60 species of threatened/endangered and sensitive flora/fauna.

More importantly, according to the MN Department of Transportation (MnDOT), an average 1,600 vehicles pass through the Northome area each day. The reason for this travel activity is people's voyage to and from Lake of the Woods and Canada. Another reason for the traffic is that Northome is a hub of intersections of roads from larger cities and more populated areas. Northome is located at the intersection of Hwy 71 (goes north to International Falls and south to Bemidji), Hwy 1 (goes north to 72 to Canada and east through the Iron Range to Ely), and Hwy 46, a Scenic Byway (goes to Grand Rapids) - see map below.

This ecocenter would not have to attract additional people to the area (although it will). For the Center to be self-supporting, projections show that only 10% of the MnDOT figures are needed to stop at the Center. Not only will this build statewide tourism, but it will also have a large impact on the local economy. A source of support is a study that was completed on the International Wolf Center (IWC) (Department of Geography, University of Minnesota). This study states the importance an ecocenter can have on a rural area: "...elsewhere in rural Minnesota, of course, the economic impact of 50,000 (IWC) visitors to an ecocenter would be considerable." The Northome area's main goal is to stop the already large amount of passing visitors. Because of Northome's traffic, it is very probable to see 50,000 visits per year.

In addition, this center will likely produce spin-off businesses and more jobs. Northome is also planning with the Upper Red Lake Association to re-open the Lost River Road, which would be a shorter link between Northome and Waskish. Currently, a bog interpretive center is being planned in Waskish right off of Hwy 72. Another attraction that has been constructed is the Leech Lake Reservation casino. There are also plans for a Red Lake Band casino. Great opportunities exist to capture many types of tourist markets that already go, or will go, through north central Minnesota.

Minnesota needs to look at all of its state's resources and find new areas to open up the tourism market. Currently there are no tourist information offices in north central Minnesota, nor wayside rests to help assist the area in tourism (Northome did

create its own wayside rest, Triangle Park). North central Minnesota is disadvantaged and desires this economic activity. Northome does not benefit from Minnesota's ten largest population centers (Duluth-Superior/St. Louis County, Grand Forks, Fargo-Moorhead, St. Cloud, Minneapolis/St. Paul, Rochester, Mankato, Owatonna, Austin, and Winona.) Northome is also located in Koochiching County that has a decreasing population rate. However, its adjacent counties have experienced growth with the largest growth rate category for Hubbard, Cass, Aitkin, and Lake of the Woods (south and adjacent to Koochiching). Population growth is 4% to 8% in Beltrami and Itasca counties (adjacent to Koochiching), whereas Koochiching has a declining population rate.

The rationale for requesting greater than 50% of the capital costs and a three-year operating subsidy from the state is because of the major disadvantages in Koochiching County and the Northome area. This area is disadvantaged regarding its wellbeing indicator of income per capita. Even though Minnesota has the highest per capita personal income among the Plains states and its income per capita is slightly over the national average, north central Minnesota counties are significantly below this average. A Minnesota planning document states, "Historically, per capita incomes have been highest in the Twin City and Rochester areas and lowest in the forest and lake counties of north central Minnesota." The low average net tax capacity of Koochiching is not able to provide 50% of project costs.

These statistics show how the Northome area is in need of economic development, and state assistance is necessary to spur this regional economy. The state needs to address the inequities of how state aid historically goes to spur metropolitan economies versus investing in regional development opportunities in rural, disadvantaged areas of the state. State dollars in rural areas can be wise investments. A large proportion of tourist dollars are spent in rural areas, and tourists generally originate from metropolitan areas. With tourist dollar input, additional businesses can be created or drawn to the area, especially with new technologies and telecommunications.

A Cultural & Natural Resource Museum and Education Center: The Big Bear Country Education Center's showcase will be the Science Museum bear exhibit. Even though the Center will not solely be a museum, but a diversified educational center, museums alone can help a local/regional economy, as supported through TIM, The School of Travel Industry Management (TIM is a recognized leading educational institution in hotel, restaurant, tourism, and transportation management). According to a TIM report, Hawaii's museums represent a vital part of the state's economy and are a major asset to tourism, "Museums are clearly a terrific asset to the state in revitalizing (the) tourism image and product...(and) museums are largely self-supporting. Earned income is the single largest source of museum revenue." Hawaiian museums are vital even with Hawaii being number one in the nation for tourism with the highest travel expenditures per capita. The Science Museum of Minnesota has already proven nationwide success of the bear museum exhibit. The

exhibit is a Minnesota resource and should reside permanently in our state for Minnesotan benefit.

K-12 Education: This facility will bring an integrated educational program of cultural and historical subjects, natural resource conservation, and sustainable development. Because the Science Museum bear exhibit concentrates on bears and Native American culture relating to the bear, the Northome area is perfect for such an exhibit. Northome is situated next to Leech Lake and Red Lake Reservations with Nett Lake Reservation to the northeast.

Regarding K-12 education, north central Minnesota has been disadvantaged. It is not possible for the Northome district school students to attend any of the Regional Environmental Learning Centers (RELCs). The closest RELCs are 92, 127, and 134 miles away. However, Northome is not seeking a budget request for an RELC, but a diverse educational center offering indoor/outdoor day programs involving natural resource, history, humanities, math, and science activities with the integration of the use of Internet technologies. Many wonder why there is a need for instructional time off the school premises. For natural resource specialists, an outdoor learning lab can provide easy, direct, hands-on activities. Outdoor/offsite classroom (versus school classroom) events have a larger impact on the student for appreciating their environment. Supporting off-site education, research studies show, whatever the topic being taught (e.g. conservation, math, history, sciences, etc.), off-site activities enhance student learning. This education will also fit well recommendations of the 1990 Environmental Education Act and the Minnesota Environmental Education Advisory (MEAA) Board. In conjunction with MEAA Board goals, this facility will engage multiple state and federal agencies, organizations, and environmental educators to "provide access to culturally sensitive and audience appropriate environmental education programs for all Minnesotans." Programs will "draw from the rich traditions and the life experiences of our culturally-diverse populations." This Center also suits federal educational initiatives, since cultural education is a national focus for educational efforts.

Logger, college/university, tourist, and other adult education: The Center will not limit education to K-12 students, but people of all ages. For example, logger education will become a big aspect as well, because of the support and partnership from the Minnesota Forestry Association (MFA), Minnesota Loggers Education Program (MLEP), and utilization of the State Forestry Best Management Practices (BMPs). In addition, Northome has the committed support of Bemidji State University. Additional community colleges and technical colleges under MNSCU are located in Grand Rapids and International Falls. These institutions will be invited to explore diverse educational programs/internships.

Research: An adjoining bear research center will be constructed adjoining the Center in a later phase (with non-state funding). Northome will lease out this portion of the building to the research agency/agencies. Bemidji State University, U.S. Forest Service, U.S. Fish & Wildlife, U.S. Geological Survey (USGS), and/or

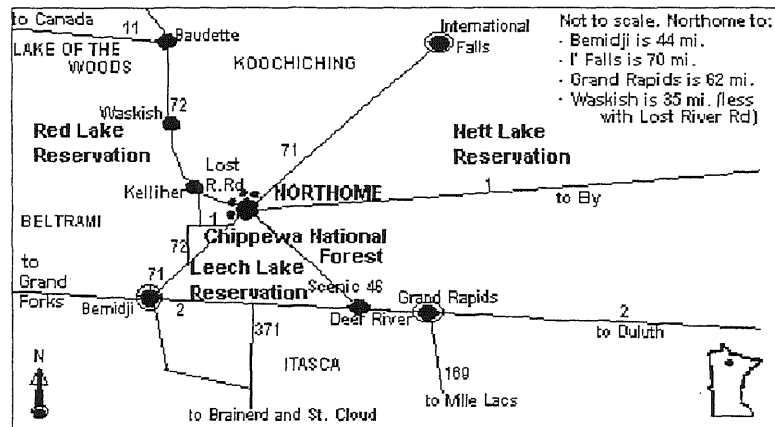
MN Department of Natural Resources will assist in this research. Northome desires and welcomes local bear specialists to be involved in the Bear Center and its research. Bear research is needed in regards to understanding bear habitat and characteristics, bear population management, nuisance and dangerous bears, and human coexistence with bears.

Partners: This project has a multitude of partners: Northome, Big Bear Country, Inc., USFS—Chippewa National Forest, Bemidji State University (History/Humanities, Indian Studies, Environmental Studies and other Depts), Mizpah, Gemmell, Squaw Lake, Littlefork, Kelliher, Big Fork, Big Falls, Waskish, Bemidji, International Falls, Grand Rapids, Ranier, Baudette, Blackduck, VFW, Ruffed Grouse Society, Lions Club, area residents, area resorts, Koochiching County, Itasca County, Beltrami County, Hubbard County, Lake of the Woods County, Upper Red Lake Association, Northern Itasca Joint Powers Board, North Country Recreation, Island Lake Area Association, MFA, MLEP, and many others.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

A three-year subsidy is requested for this project: \$150,000 in 2004, \$100,000 in 2005, and \$50,000 in 2006.

OTHER CONSIDERATIONS:



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

Larry Fiegen, President/Chair
Big Bear Country Education Center
12064 Main Street, PO Box 65
Northome, MN 56661
Phone: (218) 897-5127
Fax: (218) 897-5762
E-mail: fiegen@paulbunyan.net

Mike Hanson, Chair
Koochiching County Board

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$15	\$0	\$0	\$15		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	85	0	0	85		
Design Development	0	135	0	0	135		
Contract Documents	0	240	0	0	240		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2002	08/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	6,025	0	0	6,025		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	1,700	0	0	1,700		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	8,200	0	0	8,200		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$8,200	\$0	\$0	\$8,200		

Grants to Political Subdivisions
Big Bear Education Center

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,200	0	0	6,200
State Funds Subtotal	0	6,200	0	0	6,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	400	0	0	400
Local Government Funds	0	350	0	0	350
Private Funds	0	1,250	0	0	1,250
Other	0	0	0	0	0
TOTAL	0	8,200	0	0	8,200

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2001, 1st Special Session, Chapter 4, Art. 1, Subd. 5 - vetoed	50,000
TOTAL	50,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	6,200	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

Without a predesign being submitted prior to the request it is not possible for an analysis to be made. Construction contingency, project management fees, and inflation costs are not addressed.

Department of Finance Analysis:

This request was received after the June 15th preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Pursuant to M.S. 16A.86 that suggests at least a 50% non-state funding match, the local community may wish to consider at least an equal local funding match.

In addition, state decision-makers may wish to consider the financial risks to the state and local jurisdictions associated with the recent trend of local tourism projects that are having difficulty in reaching their attendance projections (e.g., Prairie Expo in Worthington, Heritage Halls in Owatonna, and the Duluth Aquarium). There appears to be difficulty in predicting the operating success of such facilities.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. The Governor is concerned about this project and other requests that require local government operating subsidies that will put pressure on already-tight local budgets.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required? Yes, a three-year state operating subsidy of \$300,000 is requested.
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? The application states that a resolution of support for the project has been adopted by the Koochiching County Board of Commissioners and the city of Northome.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Koochiching County is 76 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$86 per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Koochiching County was carrying a \$12.6 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$5,500,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Moorhead)

PROJECT LOCATION: M.B. Johnson Park in Moorhead

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$5.5 million in state funding to design, construct, furnish and equip Trollwood Arts Village in the city of Moorhead. Trollwood Performing Arts School will be relocated from North Dakota to M.B. Johnson Park in the city of Moorhead and will become the Trollwood Arts Village. The new facility will offer high quality arts education to students across Minnesota and the nation.

Trollwood Performing Arts School (TPAS) has a 23-year record of successfully providing quality arts education, community entertainment, and promoting cross-cultural understanding through the arts. Since 1978, TPAS has educated thousands of young people who, in turn, have entertained hundreds of thousands of people with their spirited performances. Recognized by the United Nations with its prestigious Peace Messenger Award, TPAS has involved the international community, both as students and as performers. The new Village has the potential to create a strong draw to the state for arts education and entertainment.

TPAS has long served students in both North Dakota and Minnesota. In 2001, nearly 1,000 students in both states were directly served through Trollwood's summer programming (454), its year-round Technical Outreach program (494), and a new after school improvisational theatre workshop (39). Of the students served, 20% reside in Minnesota. Since 1997, the number of Minnesota students attending Trollwood has grown by an average of 30% annually.

Trollwood's goal has long been to span state lines, collaborate with the Minnesota Department of Children, Families and Learning and the Perpich Center for Arts Education – as it does with the North Dakota Department of Public Instruction – and offer quality arts education at low or no cost to Minnesota high school students. In 2000, the Moorhead Public Schools received a \$10,000 grant from the Perpich Center to conduct a study on the potential of creating an arts magnet school. In his report project consultant, Dr. Roger Warner stated, "Based upon the provision of certain conditions, it seems a locally most appropriate option for the expansion of arts education in Moorhead to be developed through a new partnership between Fargo Public Schools, the state of North Dakota, the city of Moorhead, Moorhead Public Schools District, and the state of Minnesota which could allow the relocation of the TPAS to a Moorhead location. TPAS is a well established and high quality arts education program. It has a long history of providing a unique youth development educational program centered around the performing arts, community involvement and cultural diversity. Through combination of the high level of student interest in Moorhead in the arts, the high quality of arts programs at Moorhead Senior High

School, and the TPAS tradition, a new synthesized arts education program can emerge in Moorhead, which will serve the Fargo-Moorhead Metro Area, northwestern Minnesota and the region. That vision of collaboration, the potential for growth into a year-round arts school and resource center, the city of Moorhead's offer of land, and ever increasing problems with flooding and river erosion at the school's current site have all played into the decision to move to Moorhead.

TPAS is being forced to move from its location on the North Dakota side of the Red River due to frequent flooding and erosion. Year after year, some years worse than others, TPAS' facilities flood. The expense and inefficiency of such an operation, plus the need for non-flood-plain land on which to expand, provides the impetus for TPAS' move. During the process of site selection, which began in 1999, FutureBuilders, in support of TPAS, used 14 guiding principles to evaluate potential locations. After studying several sites in and around Fargo-Moorhead, they found no suitable site in North Dakota and determined M.B. Johnson Park was the only site in this region that satisfied all of the FutureBuilders' guiding principles.

The opportunity to attract this successful program to Moorhead is important in serving a multitude of community needs: education, arts, economic development, expanded tax base, and tourism. It will make a difference in Moorhead's future. Minnesota is internationally recognized for its innovative arts opportunities, education programs, and world trade partnerships. Trollwood Arts Village will be a natural extension of the many successful endeavors initiated in Minnesota and will not compete with other programs, but rather complement the state's offerings. In particular, Trollwood Arts Village will complement and supplement arts education opportunities offered by the Perpich Center for Arts Education Arts High School in Golden Valley and partner schools scattered throughout the state of Minnesota. Currently the Arts High School is attended by 60 to 70 students in grades 11 and 12 from Congressional Districts 7 and 8, representing the entire northwest region of Minnesota. The closest partner school is Thief River Falls Northern Expressions School of the Arts – 117 miles from Moorhead. With more than two-decades of experience in arts education, Trollwood not only will increase the quality and quantity of arts education available to Minnesota students, it will expand regional professional development resources available to educators. While the Arts High School serves juniors and seniors who represent the artistic cream of the crop, each summer Trollwood serves students in grades 6 through 12 and offers basic classes for beginners as well as advanced study with professionals from across the country. Trollwood also has assumed leadership in the region for attracting students and artists/teachers from a variety of cultures, both locally and from throughout the world.

In Moorhead, TPAS can fulfill its potential as an international, year-round arts school and performance venue, patterned after the nationally known Interlochen Arts Academy and Wolf Trap Arts Park. With the introduction of the TPAS Web site, more and more students from around the world are interested in participating in its programs, however, TPAS currently has no dormitory facilities for these students so

is unable to accommodate their interest in studying in this region. The move to M. B. Johnson would allow for the development of full residential program, one that also has the potential to link with the regular school year programs. Also, TPAS presently pieces together housing for visiting artists and teachers. Trollwood Arts Village will include accommodations to board up to 300 students and their teachers year round. The facilities also will be available for corporate retreats. Currently, the Red River Valley lacks such a venue, which again could be a boon to both tourism and the economy of the region and the state.

The work to complete Trollwood Arts Village would be accomplished using the two-phase approach that follows:

Phase 1 (50% in requested state bonding - 50% in non-state funds)

The first phase of the project, the phase for which we respectfully request state bonding, will include the following: demolition of existing shelters and construction of parking areas, roads, and basic infrastructure (water, sewer, storm drain). Because TPAS has built a solid audience base for its annual outdoor performance, the centerpiece of Phase 1 will include the construction of a state-of-the-art amphitheater, with support facilities. Each summer, TPAS attracts over 20,000 people from throughout the region to see its productions. Around 2,250 can be seated at the present site; the Moorhead amphitheater would provide permanent seating for 3,000, with optional seating up to 5,000. The theater complex will include a seating arena, stage, orchestra setting, dressing and makeup rooms, backstage area, tech theater training and construction area, sound, light, and special effects stations, public and performers' rest rooms, and concession stands, with the option of roof coverage in the event of rain. Both indoor and outdoor classrooms, dance studios, smaller performance venues, a A student commons, and an administration building, restrooms, will be also built under Phase 1.

The local match for Trollwood Arts Village will be made by private and public sources in a fund-raising effort headed by the FutureBuilders, TPAS' non-profit fund-raising arm, and members of the TPAS staff. Nearly 56% of Trollwood's current operating budget is made up of contributions from individuals, local businesses, local governments, corporate sponsors and local and national foundations. It is anticipated that the match for Trollwood Arts Village will come from those same sources; in addition, the city of Moorhead plans to contribute by donating the land. For a one-time, start-up investment, the citizens of Minnesota will gain a world-class arts facility and an organization with a proven track record in arts education.

Phase 2 (No state funding - all funds will be local)

Phase 2, for which no state bonding is being requested, would be constructed after the completion of Phase 1 at a later date. In addition, a media arts/technology center, student dorms, staff apartments, additional classrooms, a pavilion, an alternative performance space, and additional parking would be part of Phase 2.

Complementary commercial ventures have expressed interest in the Trollwood Arts Village once it relocates from North Dakota to Moorhead. Plans for the Village media arts center combine educational video/audio recording and editing, and Web design operations with commercial studios. This collaboration will provide school-to-work experiences for talented youth and give businesses a highly creative atmosphere in which to do their work. In addition to the entertainment opportunities, Trollwood Arts Village would continue to provide the people of the region, this new facility could be utilized for a variety of performances, further enriching art and culture in the region.

Enrichment of Minnesota's Educational Mission

Part of Minnesota's public education mission is to ensure individual academic achievement and develop a highly productive work force, while promoting and valuing diversity. Trollwood Arts Village will be a positive contribution to the state's efforts to uphold that mission. The state's role in arts education has been established in the past through its investment in the Perpich Center for Arts Education, a similar investment in Trollwood Arts Village carries that commitment into out-state Minnesota.

Finally, the city of Moorhead and other non-state interests will invest substantially to the relocation of Trollwood Arts Village. No inequities will be created among local jurisdictions because the Village will offer opportunities currently not offered in the area. The Trollwood Arts Village will be an asset to the city of Moorhead, the region and the state of Minnesota.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

A resolution of support will be included with the final application.

The city of Moorhead will own the facility and may enter into a lease or management agreement with Trollwood Arts Village (currently known as Trollwood Performing Arts School).

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$224	\$163	\$0	\$387		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	24	23	0	47		
3. Design Fees							
Schematic	0	156	148	0	304		
Design Development	0	156	148	0	304		
Contract Documents	0	312	296	0	608		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						05/2003	05/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	9,914	9,391	0	19,305		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	214	581	0	795		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	11,000	10,750	0	21,750		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$11,000	\$10,750	\$0	\$21,750		

Grants to Political Subdivisions
Trollwood Performing Arts School

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,500	0	0	5,500
State Funds Subtotal	0	5,500	0	0	5,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	5,500	10,750	0	16,250
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	11,000	10,750	0	21,750

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	5,500	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01

- City of Moorhead will be making a substantial investment in this project.
- The construction cost was determined without doing a predesign. (Predesign funds are part of this request).
- No Project Management or Constr. Contingency costs assigned to project.
- Design fees of 6.5% within guidelines, but appear low for design of Arts Center project.
- Soft costs of 9.5% below low limit of 20%. May be attributable because of missing costs. May also include soft costs with-in construction \$.
- Project Construction data indicates a new 141,000 sf facility for \$70.31/sf. This appears low for the intended function. Please justify costs.

Department of Finance Analysis:

A review of this project has prompted the following concerns:

- Could the facility remain in North Dakota, rather than being moved to Minnesota at Minnesota taxpayers' expense?
- What are the program plans and curriculum plans for this facility and their relationship with curriculum offered by the Moorhead public schools? Initial discussions with members of the Moorhead school district seem to indicate that the degree of cooperative planning between Trollwood and the district may not be as strong as anticipated in the original study. Is this request merely conceptual in nature, or have all affected parties brought it to a firm conclusion?
- The Center for Arts Education in Golden Valley has generally concluded that regional arts facilities can best serve as regional resource centers rather than being regional residential facilities, as suggested in this request.
- Phase 1 of the project appears to be more of a request for amphitheater funding for the summer program activities than a request for school facility funding. What is the source of the local funding match for phase 1? Has the community committed to full funding of phase 2? Is the community financially able to guarantee that commitment, without future requests for state assistance?
- The Department of Natural Resources had indicated that the site considered for this request was funded from federal and state grants, with associated grant covenants, and is thus unavailable for the requested project. Is the applicant aware of these difficulties?

Evaluation of Local Projects	
1.	Non-state matching funds contributed? More information is needed regarding the source and amount of local funding.
2.	Project fulfills an important state mission? Here-to-date, the mission of funding for a state arts school has been provided by the state Arts Center in Golden Valley.
3.	Has a state role been expanded in a new policy area? Funding of regional or local arts schools would expand state funding in a new role.
4.	Project is of local, regional, or statewide significance? The project is viewed as a local project, with potential for regional significance.
5.	State operation subsidies required? The project has not requested operating funds.
6.	Inequities created among local jurisdictions? Other jurisdictions could conceivably request state funding for similar local or regional projects.
7.	Does it compete with other facilities? The relationship of this school with the mission of the Perpich Arts Center in Golden Valley is unclear.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 6/4/01 was received from the Moorhead City Council.
9.	Predesign completed? The applicant should ask the Department of Administration whether a predesign is needed for this project.
10.	Project is disaster related? Periodic flooding has precipitated the desire to move the facility elsewhere.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Moorhead is 370 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$34 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$6.7 million unreserved fund balance in its general and special revenue funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

2002 STATE APPROPRIATION REQUEST: \$33,102,000

AGENCY PROJECT PRIORITY: 1 of 1 (Minneapolis Park Board)

PROJECT LOCATION: Various locations throughout Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$33,102,000 in state funds for park and recreation improvements in Minneapolis.

The Minneapolis park system contains about 6,400 acres and is old at over 100 years. An overall goal is to have a park within six blocks of every Minneapolis resident, and to have our parks serve as a regional recreation resource to the state. Many facilities were built decades ago and are seriously deteriorating. They also do not meet safety and handicap accessibility standards. Although the Board and staff take great pride in our system, it is difficult to allocate our limited resources to maintain the high quality our citizens expect and deserve. Difficult choices must be made. Add to this the annual impact of over 15 million visits and you can understand the huge impact on our system. Since our system is open at any point, and woven into the urban fabric, one can access the system at virtually any location.

The following projects are submitted as requests for state capital funding (in priority order):

(1) Lake of the Isles Regional Park Renovation -- \$7 million

In 1997 disastrous flooding threatened Lake of the Isles future as a public park. Flooding caused the shoreline to erode, trees and other vegetation to die and rendered park amenities unusable. It was determined that vast improvements were required to correct the impacts of its watershed, a 6,000-acre urban area that drains into the 93-acre lake. A citizen advisory committee was convened to develop a vision for preserving the lake and its amenities for future generations. This request for \$7 million in state funding will help to complete the required improvements of Lake of the Isles and include the following components:

- Wetland Creation and Compensatory Flood Storage
- Shoreline Restoration and Stabilization
- Pathway Realignment and Relocation out of the Flood Plain
- Vegetation Replanting and Restoration
- Supporting Improvements

The work identified above will help to improve Isles' water quality, eroding shorelines and damaged recreation facilities. All this will lead to the restoration of a park that has been providing lakeshore access for all for over 100 years.

Previous funding requests have allowed for the completion of a gravity-flow flood control system connecting the upper chain of lakes (including Lake of the Isles) with the lower chain of lakes. This system minimizes the duration of flood conditions in the upper chain. In addition, construction was begun on a portion of the wetland creation, compensatory flood storage and shoreline stabilization at selected critical locations around the lake.

Lake of the Isles Park is part of the Chain of Lakes Regional Park that in the year 2000 had over 5.5 million visitors. Visitors come to the Lake from adjoining neighborhoods, the metropolitan region, across the state and from around the world to enjoy Isles' picturesque beauty. The entire 2.86 miles of shoreline are publicly owned and are accessible to all park enthusiasts.

The facility will be owned and operated by the Minneapolis Park and Recreation Board.

(2) Webber Pool & Community Center Facility -- \$3 million

This request is for \$3 million in state funding to renovate Webber Pool. Family aquatic centers or water park facilities are now replacing flat-water pools to provide handicap accessible, interactive play features to all ages and physical and mental abilities. There is a declining use of the flat-water pool as most of the urban population is unable to swim. North Commons Water Park, completed in 1998 and Rosacker Pool in Northeast Park, scheduled to be completed June 2002, are two urban pools in Minneapolis that have been improved to include recreational amenities such as water slides and other water features. These pools were failing due to mechanical and structural deterioration. Webber Pool, built in 1979, is also experiencing deterioration. Iron pipes are rapidly beginning to rust out, causing leaks and increasing the bacteria level in the water. Renovation would include:

- replacement of the pool shell, pool water heaters and the mechanical system;
- addition of a water slide and other water recreational amenities;
- repair/remodeling of the bath house building that includes components, roof, water heater, and restrooms to meet American with Disabilities Act (ADA) requirements;
- repair, replace and expand the parking lot and landscaping; and
- repair or replace all old lighting to current lighting standards.

Building and pool deck area motion detection systems and alarmed doors would be upgraded to protect the public and equipment.

The facility will be owned and operated by the Minneapolis Park and Recreation Board.

(3) Mill Ruins Park -- \$2.5 million

This request is for \$2.5 million in state funding for upcoming phases of Mill Ruins Park, including:

- provision of match, design/engineering, and nonparticipating component costs for Tailrace Canal Phase 2 work, planned for construction in 2003 and partially funded through TEA-21;
- stabilization and conservation of the internationally significant historic mill foundation walls and other historic fabric at the site; and
- construction of a handicapped accessible site overlook at the upper portion of the site.

The development of Mill Ruins Park is the centerpiece of the revitalization of the historic Minneapolis West Side Milling District, an area of standing and demolished mills, canals, tailraces, and other historic resources. In its 19th century heyday, this area of mills, canals, tailraces, and other historic resources comprised the largest direct-drive water powered facility in the world, forming the catalyst for the development of Minneapolis. The park lies within the St. Anthony Falls Historic District, listed on the National Register of Historic Places; its archaeological sites are named as contributing features. Directly adjacent to the park is the Washburn "A" Mill Complex, a national historic landmark, the 1884 Stone Arch Bridge, a national historic engineering landmark, and St. Anthony Falls, the only waterfall on the Mississippi River. Some of the great names in Minnesota industry, including Pillsbury, General Mills, and NSP, had their start here. The project is also a component of several nationally designated zones, including the Mississippi National River and Recreation Area, an American Heritage River, and the Mississippi Millennium Trail; a portion of the park lies on the nationally and state designated routes of the Great River Road and on a national scenic byway.

The park is also a primary catalyst for the ongoing development of residential and other private and public uses in the Minneapolis Central Riverfront area, including the Minnesota Historical Society's Mill City Museum and the new Guthrie Theater complex. The park thus maximizes public interaction with the riverfront both through its own amenity value and by attracting permanent residents and other users to the area. Mill Ruins Park is rapidly becoming the "crown jewel" of the Minneapolis riverfront, a unique place which is both fun and educational. The falls and the waterpower they provide are the reason for the founding of Minneapolis and its growth and prosperity throughout the nineteenth century. The park tells this story through exposing the actual historic walls and waterpower features, long buried beneath many feet of sand and gravel. It is also wonderful recreational destination on the river with landscaping, picnic areas, and views of the falls and the Stone Arch Bridge.

The facility will be owned and operated by the Minneapolis Park and Recreation Board.

Non-state funds expended, available, or committed:

City of Minneapolis CDBG	\$ 881,876
Federal ISTE (transportation) funds	2,200,000
Federal TEA-21 (transportation) funds	1,385,000
Hennepin County	500,000
City of Minneapolis/MPRB tax levy	100,000
St. Anthony Falls Heritage Board	195,262
City of Minneapolis tax increment funds (used for land acquisition in 1988)	\$3,000,000

A funding request is also pending with the McKnight Foundation.

(4) East Phillips Community Center -- \$3.5 million

The proposed project would create a new multi-purpose community center to serve the East Phillips Neighborhood that has traditionally lacked a sufficient number of recreational and social activities for the number of residents living there. The importance of community-based environments and organizations in contributing to the positive development of young people is supported by both research and practice.

Planning for changes at East Phillips Park began in 1998 with a series of neighborhood design charettes which helped generate ideas for enhancing the park. The first phase of development was completed in 1999 when the playground equipment was replaced and the site was refurbished. The second phase is to add the Community Center, which would not only provide recreation programs, but be a "one stop shop" for other neighborhood social services.

Minneapolis has experienced dramatic population changes in the last decade. Nearly 28% of the city's total 1990 population migrated to Minneapolis since 1985. Around one-half of this influx moved from a state other than Minnesota, while nearly 30% moved to Minneapolis from a Twin Cities suburb. The racial and ethnic distribution of the population moving to Minneapolis resembles closely the racial composition of the city's 1990 population as a whole; however, the age distribution of the recent migrant population is significantly younger than the general population.

As Minneapolis becomes more culturally and economically diverse, its neighborhoods reflect both the positive and negative changes experienced by other major metropolitan areas over the last decade. In 1992, slightly more than one-half of all Minneapolis children were receiving some form of economic assistance. These recent economic and social trends have had a significant impact on families and children. The increase in poverty, single-parent households, alcohol and other drug abuse, teenage sexual experimentation and pregnancy, gang activity, crime

and school dropout rates indicates a significant need to provide prevention programs. These trends have also created an increased demand for more diverse community based programs that respond to the unmet needs of the neighborhood families. As a result, many current park facilities within Minneapolis have proven insufficient to meet these changing community needs.

The facility will be owned and operated by the Minneapolis Park and Recreation Board.

(5) Recreation Center HVAC Conversion -- \$2 million

This request is for \$2 million in state funding to upgrade the HVAC systems in six community centers in high priority neighborhoods that experienced heat related safety issues during this summers extreme conditions. This project has statewide significance because of its potential to reduce state health cost for low income children and senior citizens during danger heat and humidity conditions such as those that were experienced in the state in 2001. The Park Board community centers were the last refuge for those that could not find any relief. The Minneapolis Park system has only **two** centers that are air-conditioned even though many have daycare or school programs operating in the facilities.

The Park Board will own the facilities.

(6) Grand Rounds Missing Link -- \$250,000

The project will be to complete the final (missing link) for pedestrians, cyclists, skaters and motor vehicles of the Grand Rounds System, from the Mississippi River to Stinson Boulevard & Ridgeway Parkway.

Four Possible Routes:

- Southeast Industrial Boulevard to 27th Avenue Southeast
- Oak Street & 18th Avenue Southeast
- 6th Avenue Southeast, Fillmore Street Northeast, 18th Avenue Northeast
- 10th Avenue Southeast, New Brighton Boulevard

The Grand Rounds Parkway System is an integral component of the Minneapolis Park System and has a strong and far reaching impact on the quality of life for all Minneapolis residents. Historically, it has set the Minneapolis Park System apart from other park systems.

(7) Upper Riverfront Park Acquisition and Development -- \$7.95 million

This request is for 50% cost sharing of the total of **\$15,900,000** in state funding for the year 2002 to acquire land and demolish old, vacant industrial and other types of

buildings in order to dedicate the land to Upper Mississippi River parks, open space, trails, other recreation facilities, and environmental preservation and restoration in Minneapolis. This request is also for design development and engineering (including soil borings and survey) of those facilities in the year 2002. Construction is proposed to begin in the year 2003. This project has statewide significance for the following reasons:

- According to the regional Metropolitan Council, there are more than 15 million visitors to Minneapolis regional parks annually. Many of those visitors come from outside the city, including the metropolitan region, the state and outside of the state amounting to around 5 million visitors to the Grand Rounds regional parks alone. This is a huge economic, environmental, and social impact, well beyond the city limits. By providing more river related recreation activities and facilities, we can spread out use impacts, and encourage further economic growth in the design, construction, real estate, tourism, travel, recreation, and health sectors. This is important in keeping a healthy balance of jobs in all sectors of the economy, an important state goal.
- As this park is of regional and state importance, the MPRB is applying to the Metropolitan Council for regional parks status. This application is pending and approval is expected in November by the Metropolitan Parks and Open Space Commission.
- Change over of river lands has an important environmental impact, from local to state levels. The Mississippi River and air currents both flow through Minneapolis, carrying any pollutants with them to other parts of the state. Transitioning Upper River parcels to cleaner, light industry, office, commercial, hospitality, and housing will land uses that are much cleaner, a benefit to the entire state. Another important goal of the Upper River Master Plan is to reduce stormwater runoff through the provision of stormwater "rain gardens" that help to trap water, filter pollutants, provide moisture to plants, and recharge groundwater.
- This segment of the Mississippi River is in the National Park Service (NPS) Mississippi National River Recreation Area (MNRRA) and has been designated a National Heritage River. This is extremely important in establishing river trails along the Mississippi in both directions from, and including, Minneapolis for a total length of about 50 miles! In terms of state economics, this will be an enormous impact in terms of recreation and tourism related spending on planning, design, construction, operations and maintenance, and use.
- Acquisition and demolition of vacant industrial and other buildings is crucial to implementation of the ***Above The Falls – A Master Plan for the Upper River in Minneapolis*** (Upper River Master Plan), the recently approved and award

winning vision for the Upper Mississippi River in Minneapolis. With regional to statewide significance and impact, the Upper River Plan has far reaching opportunities for recreation, our economy, and the environment, as well as residents.

The Minneapolis Park and Recreation Board will own and operate the land and facilities.

(8) Wirth Park Environmental Learning Center & Outdoor Adventure Area -- \$4.9 million

The Minneapolis Park and Recreation Board is requesting \$4.9 million in state funding to design, construct, furnish and equip a new Environmental Learning Center (ELC) and Outdoor Adventure Area in Theodore Wirth Park to facilitate environmental education of urban Minnesota residents. ELC will focus on the natural history and ecology of Minnesota plant communities, urban ecology and sustainable building design. This project will result in the design and construction of a 12,000 square foot building, the majority of which will be dedicated to exhibit space and education rooms. Project costs include exhibit design, development, construction, and installation.

The adjoining outdoor education area will include trails, docks, water classroom space, horticulture and gardening areas, and a ropes course. ELC visitors will have the opportunity to learn outdoor adventure & lifelong recreational skills - including canoeing, kayaking, swimming, ropes course, snowshoeing, cross-country skiing, fishing (year round), birding, orienteering, and more.

The facility will target citizen and youth groups, families, outdoor recreation resource users, and provide out-of-classroom programs for pre-kindergarten through 12th grade students and teachers. The ELC location will be at the junction of the Luce Line trail connection with the Bassett's Creek and Wirth trail systems, all of which serve as commuter and recreational bike routes.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No additional state operating funds are requested with these projects.

OTHER CONSIDERATIONS:

The MPRB regularly evaluates the needs of a multitude of projects and receives input from staff of the planning, operations, and recreation divisions as to details and priorities. Cost estimates are compiled and other potential funding sources are identified and evaluated. Partnering opportunities are also considered.

Planning for most facilities first involves a master planning process. A citizen advisory committee is formed to receive input from residents, have them evaluate

design options, and approve a final plan. A staff advisory committee and a technical advisory committee also provide input based on their training and direct experience. A public hearing is held at the Planning Committee and Full Board levels of the Board for final approval. Cost estimates are also compiled during the public planning process.

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

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Grants to Political Subdivisions
Minneapolis Park Improvements

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	33,102	0	0	33,102		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	33,102	0	0	33,102		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$33,102	\$0	\$0	\$33,102		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	33,102	0	0	33,102
State Funds Subtotal	0	33,102	0	0	33,102
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	33,102	0	0	33,102

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	33,102	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

The amount of local funding that is committed the various portions of this request is unclear. Pursuant to M.S. 16A.86 that suggests at least a 50% non-state match, the city should consider at least an equal local funding commitment and clarify the source of these funds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided?
9.	Pre-design completed? A resolution of support for these projects dated 10/24/01 was received from the Minneapolis Park and Recreation Board.
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Minneapolis is 92 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$17.30 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$115 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$12,000,000

AGENCY PROJECT PRIORITY: 1 of 4 (City of Minneapolis)

PROJECT LOCATION: 29th Street Midtown Area, Chicago and Lake Streets, Near Northside Redevelopment Area, South East Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

This request is for state funding for five empowerment zone projects in the city of Minneapolis. Each is described in depth as follows (not in priority order).

1. Near Northside Redevelopment Project

This request is for \$4 million in state funding to acquire land and construct public infrastructure improvements for the second phase of the new North-South Greenway. This public roadway is a key feature of the 145-acre Near Northside Redevelopment project. This project is located in the heart of Minneapolis -- one mile from downtown -- and close to major transportation routes. The area is being redeveloped as mixed-income, high amenity community, pursuant to the 1995 Hollman Consent Decree. The Consent Decree was the result of a 1992 class action segregation lawsuit entitled *Hollman vs. Cisneros*, which was filed by Minneapolis Legal Aid Society and the NAACP. Defendants were the city of Minneapolis, Minneapolis Community Development Agency (MCDA), Minneapolis Public Housing Authority (MPHA), U.S. Department of Housing and Urban Development (HUD), and Metropolitan Council. The Near Northside Redevelopment project is a key demonstration project in Minneapolis' Empowerment Zone.

One issue that inspired the original lawsuit was the isolation of the residents. It took nearly six decades to turn part of Minneapolis' Near Northside into an isolated area of only public housing units, without the community amenities or opportunities that are available throughout the rest of the city. The Near Northside Redevelopment Project will correct the past by creating a housing renaissance that will include a parkway-style boulevard that will reconnect Near Northside to jobs, recreation, cultural amenities, and education in downtown and south Minneapolis. The boulevard will be transit-ready, accompanied by a number of transit enhancements, and will include bike path connections to the Cedar Lake commuter trail and the future Bassett Creek Trail.

Because of the magnitude of this project, the city is pursuing multi-year non-state and state funding from a variety of sources. \$2.9 million state bonding funds granted previously amount to approximately 1% of the entire project. If an additional \$4.0 million is awarded in 2002, for a new total to-date of \$6.9 million, state bonding funds will amount to approximately 3% of the entire project.

Another important objective of this project is to improve access to jobs, recreation and services for residents of north Minneapolis neighborhoods. The new north-south boulevard will connect north and south Minneapolis, bridging rail tracks and crossing under Interstate 394. The available labor force of north Minneapolis will be reconnected to the service jobs now situated in south Minneapolis.

State bond funding for basic infrastructure will help to leverage numerous commitments of foundation, private and other public resources that are contingent upon public investment in infrastructure. Because of the high rate of poverty in the Empowerment Zone, the funds requested from state bonding would be a step toward expanding the tax base, creating affordable housing and laying the foundations of a sustainable community.

The Near Northside Redevelopment will achieve many statewide goals and will have a positive impact on the state and the region. It will result in a strengthened urban core project that is consistent with state and regional Smart Growth and anti-sprawl efforts. It includes an innovative storm water management system including wetland infiltration areas and ponds on areas poorly suited to new housing that advances the environmental goals of the state. The water features will be the focal point of new and upgraded parks surrounded by new housing. The new streets and enhanced street system will re-connect the community and improve access to housing, jobs and services. It stands as a national model for developing mixed-income communities.

Moreover, the project fulfills an important state mission by deconcentrating poverty and reducing the disparity between minority and other populations. The city's Empowerment Zone designation stems from a disparity of incomes between minority and other populations that is among the most severe in the nation. The Near Northside project itself is the consequence of a lawsuit brought to end concentration of poverty. Amenities and connections are key to making the area, traditionally isolated and amenity-poor, attractive to a full range of homebuyers and renters, and an economic catalyst to neighboring communities. To achieve successful and sustainable deconcentration of poverty, a mixed-income community must be created.

But for support from state programs, and other programs of regional and federal scope, the city can neither construct nor refurbish basic infrastructure, nor achieve the amenities that are needed to transform the area following decades of degradation.

Uses	
Site Acquisition and Preparation	\$13,772,200
Public Infrastructure	\$56,387,103
Planning	2,580,000
Housing Development	\$139,350,300
Community Facilities	\$11,000,000
Total	\$223,089,603

Sources		Status
Private debt and equity	\$80,143,000	Secured
MPHA subordinated land lease, MCDA land contribution	3,711,000	Secured
Public Housing Development Funds	32,135,700	Secured
Empowerment Zone; TEA 21	2,125,000	Secured
TEA-21	700,000	Secured
TEA-21	5,100,000	Proposed
Tax Increment	8,270,000	Secured
Special Assessments	9,400,000	Secured
City Capital Budget & Sewer Fees	11,500,000	In Process
Other city funds	138,000	Secured
Hennepin County	\$7,000,000	Secured
State and Local Housing Resources	13,427,600	In Process
Metropolitan Council	4,600,000	In Process
DTED, EPA, PCA	400,000	Secured
Watershed districts	6,000,000	Proposed
Wetland mitigation	500,000	Proposed
State bond funds 2000	2,900,000	Secured
State bond funds 2002	4,000,000	Proposed
State bond funds 2004	2,900,000	Proposed
State bond funds 2006	3,400,000	Proposed
Section 108 loan repaid by project	1,230,000	Secured
Foundations	1,350,000	Partially secured
Additional sources to be identified	22,859,303	Proposed
Total	\$223,089,603	

The city of Minneapolis will own, operate and maintain the street system and other right-of-way improvements.

In addition, the project managers have applied for and received funding from Department of Trade and Economic Development (DTED) for brownfield redevelopment. The magnitude of this project requires it to seek out all funding sources that are applicable and available. If the state legislature appropriates more

funding to the DTED redevelopment fund a request will be made for additional support.

2. Chicago/Lake Project

This request is for \$2.2 million in state funding to replace the former Elliot Avenue bridge over the 29th Street Greenway. The bridge allows for pedestrian and vehicular access from north to south along the east side of the former Sears complex. The city deeded it to Sears in 1979, when Elliot Avenue was vacated. It has not been maintained, and is in need of major repair as part of the renovation and market repositioning of the property.

According to Paul Miller from the Minneapolis Public Works Department the Elliot Avenue bridge is ineligible for Minnesota Department of Transportation's (MnDOT's) bridge grant program because it has been in private ownership. It needs to be in public ownership and on a public right of way, and of course, it must be a priority. When the MCDA takes control of the property the bridge will be in public ownership and plans will be made, if this funding request is awarded, to deed the bridge to the city of Minneapolis.

Current plans call for the use of this bridge by semi trailer trucks serving Minnesota Diversified Industries (MDI) and DDS, the light-manufacturing lessors of the 1979 Building. The bridge is necessary for MDI's and DDS' continued occupancy in the project. Additionally, the bridge is a natural connection point from the Greenway into the project, and a pedestrian connection would be designed as part of the bridge replacement.

STA Associates, a Minneapolis development corporation, acquired the entire complex from Sears in 1998, assisted by mortgages from Marquette Bank, MCDA, and Allina Health System. The property comprises nearly five city blocks and has three connected buildings constructed in 1928, 1964, and 1979. The total square feet under roof are 1.9 million.

STA Associates failed to secure private equity financing and tenant commitments, and the MCDA initiated foreclosure proceedings on its mortgage of \$2.2 million in the fall of 2000. By that time, nearly all of the pollution abatement work funded by the Met Council TBRA grants and MCDA MILES money was complete. The negotiation between the mortgagees, and STA Associates has produced an agreement whereby MCDA becomes owner of the site by December of 2001.

MCDA plans for the property to include two parking garages, one north, and one south of the 29th Street Greenway. To assist this undertaking, the state legislature has passed special legislation, which allows tax increment financing to fund some of the costs of these ramps. Parking will be provided below its cost as an inducement for the public, and businesses and other employers who become tenants.

The north garage will support increased development at the Abbott Northwestern Hospital campus north of the project, and the south garage will support tenants in the buildings south of the 29th Street Greenway, including Hennepin County offices, and possibly the Minneapolis Public Library.

The proposed reuse is as follows: 800,000 sq. ft. of office space, 800,000 sq. ft. of light industrial uses, 200,000 sq. ft. of public and educational uses, and 100,000 sq. ft. of retail space. Preliminary job estimates are 2,000 - 3,000 full time equivalent jobs at build-out.

MCDA, assisted by Marquette Bank and other private investors will jointly develop the complex. The facility will include businesses, a job readiness center, on-site childcare, an on-site Work-Family link, and retail venues.

The Metropolitan Transit Authority has agreed to place a transit hub on the west side of the complex, and the city is expecting that 40% of the users of the project will come to the site by bus. The transit hub will serve as the main public entry of the project for employees and visitors. It will be the main drop off and entry point for buses, taxis, pedestrians, bicyclists, and other private vehicles.

In 1997, MDI leased the four-story 1979 warehouse building north of 29th Street, and is expected to remain in the complex after redevelopment. MDI hires and trains a diverse workforce consisting primarily of disabled, second-chance employees, and Empowerment Zone residents. Good truck access via the Elliot Avenue Bridge is essential for its continued operations.

The complex currently has 1,500 parking spaces on open land around the buildings. Allina Health System leases 650 for current needs at its adjacent Abbott Northwestern Hospital, while MDI uses approximately 350 spaces. The remaining 500 spaces will not adequately meet the parking demand that will be created by the development of the Sears complex. According to projections, approximately 2,900 to 3,000 additional spaces will be needed to accommodate tenants and clients.

The benefits to the state, regional and local economies are numerous. This is a smart growth project, putting jobs where the people are. It sits astride two major transportation routes, Lake and Chicago Avenues, and soon to be a third - the Midtown Greenway. It is in the center of a very poor and very impacted neighborhood, which has the highest unemployment in the city. The Sears building and its productivity have been directly linked to the productivity of the Lake Street commercial areas and surrounding neighborhoods. As the old saying goes where GM goes the U.S. is soon to follow can be applied to the Sears facility and south Minneapolis.

In addition, redevelopment is critical to supporting Phillips neighborhood based Abbott-Northwestern hospital and Wells Fargo Mortgage as well. These two organizations alone employ nearly 10,000 people within a few blocks of Sears. In

addition, with infrastructure and transit already in place and an underutilized work force the Sears redevelopment is one of the best examples of how to support Smart Growth and contain urban sprawl.

This project would not create statewide inequities between local jurisdictions. Any Minnesota community facing the problems of Phillips neighborhood needs state help. The sheer size of the social and economic problems in Phillips creates a need that is only matched by the Iron Range, and its plant closings. The state has funded this project and projects like it in the past. 2002 state bond funding would not expand the state's role into a new policy area.

The MCDA will own the improvements.

Uses	
Site Acquisition	\$4,200,000
South Parking Ramp	14,500,000
North Public Ramp	12,000,000
Transit Plaza	3,500,000
Roof Replacement	2,000,000
Bridge Replacement, Elliot Ave	2,200,000
Window replacement	2,083,000
Loading Dock Renovation	150,000
Electrical, HVAC, Lighting,	18,000,000
Internal tenant build out	49,500,000
Total	\$108,133,000

Sources	
Private Debt and Equity	\$64,300,000
MCDA Leveraged Investment Fund	2,000,000
Powderhorn Park NRP	200,000
Marquette Bank	3,000,000
Allina Prepaid Parking	1,000,000
State Bond Funds	9,200,000
Met Council Transit	3,500,000
Met Council TBRA	4,500,000
MCDA MILES	500,000
HUD EZ Zone Grants	1,500,000
HUD 108 Loan	6,500,000
HUD EDI Grant	2,000,000
City/MCDA Bonds	9,500,000
DTED Redevelopment Grant	433,000
Total	\$108,133,000

In addition, the project manager has applied for and received funding from the DTED for environmental remediation. The magnitude of this project requires it to seek out all funding sources that are applicable and available. If the state legislature appropriates more funding to the DTED redevelopment fund a request will be made for additional support.

3. South East Minneapolis Industrial (SEMI) Redevelopment Project

This request is for \$3 million in state funding for design and construction of the primary stormwater management pond and construction of a roadway on the North side of SEMI. The pond will be constructed on land owned by the MCDA and will remain in public ownership. It will enable the redevelopment of vacant and underutilized land for Phase 1 of a research park adjacent to the University and construction of separate storm water and sanitary sewer systems on the north side of the SEMI area by providing an outlet for the storm system. The pond is required by the Minnesota Pollution Control Agency as part of its efforts to ensure storm water runoff is held on site rather than draining directly into the Mississippi River.

The pond will also be an amenity as it will serve as public open space. Public access will be provided via an extension of 25th Avenue Southeast. This extension is not eligible for state roadway funding because it will be a cull de sac providing access to Phase 1 of the Research Park and a public parking lot serving the pond.

The north side roadway will facilitate the redevelopment of an additional 30 acres of land and will improve access to blighted and under utilized property. In addition, the roadway will relieve the Como neighborhood of existing and anticipated industrial traffic and provide better service to existing light industrial development.

The project is of local, regional and statewide significance because with the infrastructure in place the initial phase of the Research Park can be built. It will consist of approximately 400,000 square feet in four buildings. These will include a headquarters building of approximately 125,000 square feet for one company, a 75,000 square foot incubator building that can serve emerging businesses that spring from University based research and 300,000 square feet in two buildings (150,000 square feet each). These latter two buildings will be leased to local and national firms wanting to have research facilities near the University.

It is also of state and regional significance because it will lead to redevelopment of potentially 700 acres of brownfield and alleviate traffic problems in both Minneapolis and St. Paul. The attendant Research Park will strengthen the University by enhancing its ability to attract and retain quality professors and students. It will also strengthen the state's economy by encouraging the establishment and retention of technology based businesses. These new businesses pay income taxes and their employees pay income and sales taxes. The benefit to the state of this effort is much greater than it is to the city when measured in tax generation.

Moreover, this effort was one of five outcomes presented by University of Minnesota President Mark Yudoff as part of the economic summit held in September of 2000.

Requests such as this have received tri-partisan support and have been funded by the state in the past.

SOURCES	
Private debt/equity	\$64,000,000
Land sale proceeds	700,000
DTED Redevelopment Grant	689,000
Empowerment Zone	1,000,000
State Bonds	11,900,000
Municipal State Aid (MSA)	7,360,000
Tax Increment	2,600,000
Fees (water, sanitary and storm sewer)	4,500,000
Middle Mississippi watershed	6,000,000
TOTAL	\$98,749,000

4. 29th Street Midtown Greenway Infrastructure Project

This request is for \$1.8 million in state funding to acquire railroad right-of-way, construct trail, retaining walls, and access ramps into the Greenway. This request is consistent with past state policy to expand and fund capital improvement projects for trails.

The Midtown Greenway is a four-mile long railway corridor that stretches from France Avenue on the western city limits to the Mississippi River on the eastern city limits. The Greenway corridor runs approximately parallel to 29th Street in south Minneapolis, about one mile south of downtown. Several years ago, the Hennepin County and the city of Minneapolis recognized that the 29th Street railway corridor could be developed as an amenity, which could spur private investment along the corridor and along Lake Street. To further this idea, the county and city committed to the design, construction, and maintenance of the corridor for transit, pedestrian, and bikeway use.

As anticipated, interest in development along the corridor has been growing as construction of the Greenway progresses. Several prominent developments are currently planned or in place along the Greenway. These include the Calhoun Commons Shopping Center just south of the western terminus of the Greenway, the Urban Village housing development just north of the Greenway between Aldrich and Dupont Avenues, and the commercial/industrial redevelopment of the Elroy Site located just south of the Greenway between Pillsbury and Pleasant Avenues. Enhancements to the green, recreational aspect of the corridor are also being

planned. These include the West Calhoun gateway to the Greenway, and the potential for a park space at the intersection of 4th Avenue and the Greenway.

The Midtown Greenway will have a positive impact on the city, region, and the state. In the near term, it will transform an industrial railroad corridor into a ribbon of green connecting the Chain of Lakes with the Mississippi River and will serve as a recreational resource for residents and visitors to the Twin Cities. In the future, the Greenway will contribute to a strengthened urban core as a result of the new transit option that it will provide and the housing and employment opportunities that it will support.

The project fulfills an important state mission from three aspects:

- **Creates Statewide and Regional Trail Connections** – This project will be an important link to not only the regional trail and park systems but also it is intended to connect to statewide trails and parks. In the near future it could be possible to travel by trails from Hutchinson, through the western suburbs, Minneapolis, St. Paul and end in Stillwater.
- **Creates Multi-Modal and Transit Connections** – The project will enhance and facilitate connections to the adjacent existing and proposed transit. Access points will connect to the existing bus system, the Hiawatha/Lake LRT station under construction, and the proposed Chicago/Lake Transit Hub. This project will allow users access to Hiawatha LRT furthering the multi-modal connections with the International Airport.
- **Spur Economic Development and Increase Tax Base** – With the completion of Phase 1 of the Trail project new developments along the corridor have spurred numerous economic and community developments as listed above. The Phase 2 project is also expected to revitalize south Minneapolis in and near the Phillips neighborhood. This area is identified in the city of Minneapolis Comprehensive Plan (approved by the Metropolitan Council) as a growth center around the hospital/old Sears/old Honeywell sites. Wells Fargo is under construction to remodel the Honeywell site, Abbott-Northwestern Hospital is contemplating expansion plans, and the city is poised to move ahead on the Sears site. Overall, this area is expected to create thousands of new jobs.

The project is of local, regional and statewide significance because of its trail connections, enhanced bicycle commuting opportunities, access to jobs and housing and its smart growth revitalization and brownfield redevelopment efforts.

The Midtown Greenway Trail is a Metropolitan Council designated regional trail. Its use will connect, support and benefit 15 Minneapolis neighborhood communities, numerous western suburbs, and St. Paul on the east. The city, Hennepin County Regional Railroad Authority and Suburban Hennepin Parks have existing regional

trails (e.g. Southwest Regional LRT Trail, Kenilworth Trail, Cedar Lake Trail) to the west of Minneapolis connecting St. Louis Park, Hopkins and then splitting into two trails to Victoria and to Chanhassen/Chaska. Creating a regional connection among city, suburban, and rural users is instrumental to the region's success.

The Midtown Greenway Trail's goal is to provide a safe, fast, and pleasant environment to commute inexpensively, environmentally sound and energy efficiently across town. Currently, there are doctors and staff at Abbott Northwestern Hospital that commute to work by bicycle from western suburbs, an approximate 10 to 15 miles. In addition, the University has identified numerous University students, staff, and faculty who live near the project and would commute by bicycle to campus.

Numerous neighborhood communities (e.g. Phillips, Central, Longfellow, etc.) are engaged in the local neighborhood revitalization efforts and view the Midtown Greenway as an important component of their neighborhood's improvement. In addition, Phase 2 goes through the Empowerment Zone, a federally designated revitalization area.

The Midtown Greenway Trail will connect numerous business and job nodes with many Minneapolis neighborhoods and adjacent suburbs. The job nodes include the Uptown business community, the Lyndale-Lake business community, Lake Street corridor, Wells Fargo Home Mortgage Campus (old Honeywell site), the proposed redevelopment of the old Sears site, Abbott Northwestern Hospital campus, Hiawatha & Lake business center.

The old railroad corridors (29th Street and Hiawatha Avenue) have begun brownfield revitalization. One major leader, located on a brownfield area, is the Green Institute that currently promotes and encourages "green" modes of transportation such as bicycling and walking. The city of Minneapolis and Hennepin County see the project as a catalyst for revitalization of a distressed area of south Minneapolis. This project will help to strengthen neighborhood vitality and provide safe connections with potential commercial/industrial revitalization projects. This project will reshape physical "green" environment by changing a rail corridor into a shared green space for bicyclists and pedestrians, thereby enhancing and creating livable neighborhoods and communities.

The state bond funding will leverage numerous other private and public funding commitments for the Greenway; it will help to create the public infrastructure around which private investment can take hold. Recent regional bicycle planning sessions were held with numerous cities, counties, state and Department of Natural Resources (DNR) participants that identified goals and opportunities for better trails for everyone. The Midtown Greenway was identified as one of the high priorities or "missing links" in the trail system.

By creating new employment and housing opportunities and encouraging the commercial development of the Lake Street/Midtown Greenway corridor, this public/private collaboration will ultimately instill a renewed sense of confidence in the area and strengthen the fabric of the community.

The city of Minneapolis will own, operate and maintain the Greenway and improvements.

Uses	Phase 2	Phase 3	Total
Construction Design	\$200,000	\$200,000	\$400,000
Construction	2,800,000	1,600,000	4,400,000
Engineering	300,000	200,000	500,000
Right of Way Acquisition	200,000	1,500,000	1,700,000
Total	\$3,500,000	\$3,500,000	\$7,000,000

Sources for Phase 1, 2, and 3	Total	Status
Federal ISTEAFunds	\$2,080,000	Secured
NRP Neighborhood	120,000	Proposed
Hennepin County	780,000	Proposed
City of Minneapolis	700,000	Proposed
Federal TEP Safety	620,000	Secured
Federal High Priority Funds	900,000	Secured
State Bond Funding	1,800,000	Proposed
Total	\$7,000,000	

5. SEMI Renewable Energy Co-Generator and District Heating

This request is for \$1 million in state funding to acquire land and construct public infrastructure improvements for an energy co-generator and district heating facility. This public investment will be a key aspect of the new Research and Technology Park adjacent to the University of Minnesota East Bank campus. By providing a redundant supply of energy generated from renewal sources the facility will boast the most advanced research, energy production, and heating/cooling facility available in the state of Minnesota. The positive perception this would provide to the center will attract the attention of today's technology entrepreneurs and scientists. Think about the story one could tell California scientists whom every day worry about the supply of power. Not only would there be back up supplies of power, but it would be produced on site by renewable sources.

The state bond funding will be key to assisting the city acquire, clean up and assemble the land necessary for this project. There will also be advanced infrastructure needed to connect the facility with the research and lab space and the electrical grid.

An important objective of this project is to improve the transfer of technology and research to the private sector. Most other major universities have research or technology parks adjacent to or associated with their campus. The University of Minnesota is unique in that it does not have a research park. For the park to be successful, it must have the most advanced lab space, highest technology and redundant sources of power. With the Research and Technology Center utilizing this type of energy production it will greatly increase its ability to market itself to private sector corporations and entrepreneurs.

This project will have statewide significance because it will set the standard for new methods of energy production. With the state facing an energy crunch as early as 2005, ideas such as this must be pursued and implemented now. The power produced from the renewal energy sources above will be enough to provide power for up to 500,000 square feet of commercial space or 500 – 600 households.

The co-generator will achieve many statewide goals and will have a positive impact on the state and the region. It will result in new methods of energy production being "field tested." It will act as a marketing advantage to attract businesses to the state and support goals that strengthen the urban core that are consistent with state and regional Smart Growth and anti-sprawl efforts. The state's support for this concept could help lead the way to a more energy efficient, energy productive, nation leading demonstration on how to address the serious energy problems facing the U.S. today and in the foreseeable future.

The state has required that Xcel Energy provide funding for alternative energy production. We plan to apply for that funding. While state bond funding may not have been allocated for a project like this in the past it certainly is a policy area worth considering for the future.

The city of Minneapolis will own the land and facility. Discussions are taking place about the management and ongoing operations.

Uses	
Site Acquisition and Preparation	\$600,000
Public Infrastructure	1,000,000
Planning	200,000
Equipment Purchase (1)	6,100,000*
Building and Facilities	1,000,000
Total	\$8,900,000

**Grants to Political Subdivisions
Minneapolis Empowerment Zone Projects**

**AGENCY CAPITAL BUDGET REQUEST
Fiscal Years 2002-2007**

Project Narrative

Sources		Status
Empowerment Zone	\$1,000,000	Proposed
State Bond Funding	1,000,000	Proposed
Federal Renewal Energy Production Incentive	2,000,000	Proposed
Clean Air Act Section 103 grant	150,000	Proposed
City Debt Financing	4,250,000	Proposed
Foundations	500,000	Proposed
<i>Total</i>	<i>\$8,900,000</i>	

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	2,900	12,000	7,900	8,400	31,200		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	2,900	12,000	7,900	8,400	31,200		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$2,900	\$12,000	\$7,900	\$8,400	\$31,200		

Grants to Political Subdivisions
Minneapolis Empowerment Zone Projects

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	2,900	12,000	7,900	8,400	31,200
State Funds Subtotal	2,900	12,000	7,900	8,400	31,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	2,900	12,000	7,900	8,400	31,200

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Chapter 492, Article 1, Section 22, Subd 10 (SEMI & North)	5,800
Laws 2000, Chapter 492, Article 1, Section 22, Subd 6 (Great Lake)	3,000
TOTAL	8,800

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	12,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

- Rather than being presented as a separate request, can these items compete for funding from the redevelopment grant program of the Department of Trade and Economic Development or the Livable Community Grant program of the Metropolitan Council?
- The Department of Transportation should review the Elliot Avenue bridge request for funding from the local bridge bonding grant program.
- A resolution of support for this project dated 11/26/01 has been received from the city of Minneapolis. The city council's top two priorities are the empowerment zone and planetarium projects. The council has endorsed but not ranked the Guthrie Theater, the Shubert Theater and the East Franklin Retail Center.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that unspent balances from previous Minneapolis empowerment zone appropriations be redirected for the highest priority portions of this request. This would include \$3 million from their 2000 bonding bill appropriation to the Great Lake Center empowerment zone and \$2.9 million for the SEMI-Project that are unencumbered and unspent.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? It's difficult to identify an exact amount of non-state funding from the information presented.
2.	Project fulfills an important state mission? Economic development is an important state and local mission.
3.	Has a state role been expanded in a new policy area? The state role in funding these types of projects needs further review, particularly in regards to how closely they align to smart growth principles. In addition, the project's eligibility for current state grant programs should be explored, rather than applying here as a separate request.
4.	Project is of local, regional, or statewide significance? This request is viewed as having primarily local benefit.
5.	State operation subsidies required? No state operating subsidies are being requested.
6.	Inequities created among local jurisdictions? Funding for this type of project could be viewed as creating inequities among local jurisdictions. Other communities would inevitably seek similar state funding for their development/redevelopment needs. Other communities already likely covet Minneapolis' federal empowerment zone designation and receipt of federal funds (as the only such-designated city in Minnesota).
7.	Does it compete with other facilities? The elements of the project are not deemed to be competition with other public or private facilities.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 11/26/01 has been received from the city of Minneapolis. The City Council's top two priorities are the empowerment zone and planetarium projects. The council has endorsed but not ranked the Guthrie Theater, the Shubert Theater and the East Franklin Retail Center.
9.	Predesign completed? The applicant should ask the Department of Administration whether a predesign is needed for this request.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Minneapolis is 92 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$6.27 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$115 million unreserved fund balance in its general and special revenue funds.

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

AGENCY PROJECT PRIORITY: 2 of 4 (City of Minneapolis)

PROJECT LOCATION: Downtown Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

The Minneapolis Library Board and city of Minneapolis jointly request \$30 million in state funding from the 2002 State Bonding Bill to construct, furnish and equip a new Minnesota Space Discovery Center and Planetarium (SDCP) to replace the 1961 Minneapolis Planetarium.

The SDCP will be developed as part of a larger urban development plan that includes the new Minneapolis Central Library, ancillary retail, housing and parking. In November 2000, the voters of Minneapolis approved a referendum for \$110 million for the Central Library Project. The state has previously appropriated \$1.0 million for pre-design and design activities for the Planetarium. The city and Library Board are requesting the state to fund an additional \$30 million, and will seek \$16 million in private-sector contributions through the sale of naming rights and sponsorship of exhibits and equipment to fund the balance of the project costs. The city will provide the land and will fund parking and other infrastructure improvements.

The new Minnesota SDCP will serve as a local, regional and statewide educational destination where students and the general public can learn about planet Earth and its relationship to the Universe. Key features will include:

- A 70 foot diameter, 250-seat planetarium theater for 3D, full-dome immersion "star shows";
- The North Star Observatory, which will allow students and the general public to explore the universe through interactive workstations connected to remote telescopes and orbiting satellites;
- The Space Exposition Hall for traveling exhibits on the most recent developments in space exploration and astronomical discovery; and
- Virtual Immersive Environments that will allow students and the general public to experience simulated space environments, such as the surface of Mars.

The SDCP will serve as a state-of-the-art educational resource for Minnesota students.

The primary mission of the SDCP will be to immerse children in an atmosphere that inspires awe and curiosity about science. Children will emerge from the Planetarium with a desire to learn more about the universe and their place in it. Scientist David Morrison has written, "Its visual appeal and intellectual fascination make astronomy the ideal gateway to science for young people."

In addition, the SDCP will engage the same technology used to observe the sky to focus on the Earth, making it an exceptional facility for highlighting the Earth sciences that are central to most school districts' core curriculums, including geology, ecology, and global change.

The SDCP will be more accessible to schools and students from Greater Minnesota.

The proposed SDCP will be far more accessible to Greater Minnesota students than the existing Minneapolis Planetarium for three reasons:

Dwell-time. The effectiveness of the SDCP as a statewide educational resource is directly linked to "dwell-time." The existing Minneapolis Planetarium offers a one-hour experience for visitors, which is a serious deterrent for groups from beyond the metro-area. The proposed SDCP would offer visitors a three-hour experience, which can be extended even further through joint programming with the Library. As a result, a visit to the SDCP will be both unique and justifiable for school groups from across the state.

Outreach. The SDCP's portable "star lab" with an inflatable planetarium and telescopes will equip staff educators to visit out-state schools, parks and community centers and reach people who would not otherwise be able to visit the SDCP.

Resource Center. The SDCP's space resource center will assist Minnesota teachers in the development of science modules for classroom use. Workshops will also help teachers integrate SDCP resources into their curriculum.

The SDCP will serve as a celestial gateway for urban children.

The SDCP has a special importance for Minnesota students from our urban centers. Due to worsening light pollution, urban children typically have far less exposure to the night sky than suburban and rural children. For some urban children, the planetarium's simulated night sky is their only opportunity to experience a star-filled heaven. Through school/planetarium partnerships, such as the Minneapolis Planetarium's Wish Upon A Star program, which funds field trips for students at Minneapolis' most disadvantaged public schools, opportunities can be developed

that will allow urban children early, frequent, and transformative exposure to the SDCP and its vast collection of educational experiences.

The SDCP will provide a full spectrum of age-appropriate experiences for K-12 students.

The existing Minneapolis Planetarium primarily serves children at the K-4 levels, because it lacks the technical sophistication and opportunities for interactive learning that are necessary to engage older children. The new SDCP will be able to accommodate far more diversified learning, including a story room for our youngest visitors where astronomy is brought to life by planetarium educators; workstations in the Observatory that incorporate interactive experiments for students of diverse ages; and virtual immerse environments for older students. The planetarium theater itself will be equipped to accommodate far more technologically sophisticated programming, allowing planetarium educators to develop age-appropriate "star shows" with educational content targeted to curriculum needs from kindergarten to high school levels.

In addition, with state-of-the-art technology and a fully operational modern observatory, the SDCP will be a tremendous resource for higher education institutions across Minnesota.

The SDCP will complement other metro area attractions.

The Twin Cities Metro Area is nationally renowned for its wealth of cultural attractions. However, within this constellation of attractions, the only resource currently focused on space is the Minneapolis Planetarium. The Minnesota Science Museum, which is the most similar in content and spirit, has explicitly chosen not to include astronomy among its featured themes. The SDCP will fill a clear void and effectively complement other attractions.

The only other public planetarium in Minnesota is a 40' theater in Hibbing, which lacks the 3D immersion technology and supplemental, interactive exhibits of the proposed SDCP.

The SDPC will be a compelling destination for tourists.

The Rose Center for Earth and Space in New York, and Adler Planetarium in Chicago have demonstrated that a well-designed, iconic planetarium can be a major draw for regional, national, and even international tourists. By combining an extended visitor experience with the latest and greatest in immersion technology, the new SDCP has the potential to serve the region as a destination point for tourists. Preliminary research anticipates a sustainable attendance of 250,000 annually. With a 70' foot theater and cutting-edge exhibits, such as the holodeck, the SDCP will rank as one of the elite planetaria in America and the premier planetarium in the Upper Midwest.

The SDCP will serve as a showcase for Minnesota's technology leaders.

With corporations such as Honeywell, Medtronic, and 3M, a major research university and one of the world's best medical centers, Minnesota has a rich legacy of technological innovation and discovery. The new SDCP, which can be used for everything from corporate events to state-of-the-art seminars engaging the latest in 3D immersion technology, will be a cutting edge resource of Minnesota's business and technology leaders. The Space Exposition Hall in particular will be an ideal setting to showcase innovative, space-oriented technologies developed here in Minnesota.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No new or additional state operating funds are requested with this project.

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

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Grants to Political Subdivisions
Minnesota Space Discovery Center & Planetarium

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	75	0	0	0	75	10/2001	12/2001
3. Design Fees							
Schematic	0	328	0	0	328	10/2001	03/2002
Design Development	0	328	0	0	328	04/2002	10/2002
Contract Documents	0	656	0	0	656	10/2002	07/2003
Construction Administration	0	328	0	0	328	04/2003	12/2005
4. Project Management						01/2001	12/2005
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	1,911	0	0	1,911		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						01/2003	09/2005
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	13,134	0	0	13,134		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	691	0	0	691		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						10/2005	12/2005
Furniture, Fixtures and Equipment	0	13,500	0	0	13,500		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	3,427	0	0	3,427		
SUBTOTAL: (items 1 – 8)	75	34,303	0	0	34,378		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$75	\$34,303	\$0	\$0	\$34,378		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	1,000	30,000	0	0	31,000
State Funds Subtotal	1,000	30,000	0	0	31,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	3,378	0	0	3,378
Other	0	0	0	0	0
TOTAL	1,000	33,378	0	0	34,378

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Article 1, Chapter 492, Section 5, Subd 10	1,000
TOTAL	1,000

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

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

Department of Administration Analysis:

- Predesign has not been received.
- Significant funding commitment has been made by the city of Minneapolis for the library component.
- Narrative states that the state has funded \$1.0 million for predesign and design; this is not reflected in the cost estimate breakdown for prior years.
- Cost estimate breakdown does not show the cost of the planetarium vs. the library cost.
- Occupancy costs of 18.2% above high limit of 12%. Explain variance.
- Project construction information has not been provided to examine \$/SF of functional areas.
- Construction Contingency of 7.2% is above high limit of 5% for new construction.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- Any breakdowns indicating from where the 250,000 visitors will originate? Minnesota vs. out-of-state? Metro vs. greater Minnesota?
- Please verify that \$46 million is the project cost for the planetarium. How soon can the private contributions be raised? Any available at this time?
- The applicant has attempted to describe their rationale for the statewide significance of this project. What is missing is a description of why the state should expand its role in funding such facilities or what precedent can be used to justify state funding for capital facilities of this type.
- One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million – by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that consideration be given to utilizing local option sales taxes (for this or other local cultural and arts requests). The Governor would support a broadening of existing authority to allow this. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? Up to \$16 million of a \$46 million project cost is from non-state sources.
2.	Project fulfills an important state mission? The state mission in funding planetariums is unclear.
3.	Has a state role been expanded in a new policy area? There is no apparent precedent for state funding of planetariums in Minnesota.
4.	Project is of local, regional, or statewide significance? This project is viewed as having a potential for regional or statewide significance. However, the precedent for state funding of this type of facility, at the full request level, is unclear.
5.	State operation subsidies required? No state operating subsidies are requested. Supplemental information supplied by the city indicates that some level of local public subsidies may be required for this project.
6.	Inequities created among local jurisdictions? No other requests have been received from other jurisdictions to fund this type of project.
7.	Does it compete with other facilities? According to Mayor Sayles Belton, there are eight permanent planetariums in Minnesota. Rather than being in competition with the other facilities, the Minneapolis project intends to supplement the other facilities with curriculum and support materials.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 11/26/01 has been received from the city of Minneapolis. The City Council's top two priorities are the empowerment zone and planetarium projects. The council has endorsed but not ranked the Guthrie Theater, the Shubert Theater and the East Franklin Retail Center.
9.	Predesign completed? A predesign document was approved by the Department of Administration.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Minneapolis is 92 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$15.68 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$115 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$35,000,000

AGENCY PROJECT PRIORITY: 3 of 4 (City of Minneapolis)

PROJECT LOCATION: Historic Mills District -- Minneapolis

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$35 million in state funding to help acquire land, construct, furnish and equip a landmark Guthrie Theater center on the banks of the Mississippi River in downtown Minneapolis. As outlined in the Guthrie Theater's 1998 long-range plan, a 227,000 square-foot Guthrie facility will include three stages. At its center, a 1,100-seat thrust stage will continue to be the Theater's hallmark for producing large scale and classic plays. The Theater's second space will be a 700-seat proscenium stage to produce the work of contemporary writers, promote long-term relationships with other theaters in Minnesota and around the region, and host international and national companies. The Theater's third space will be a 250-seat studio theater for new works and regional/national artist development and training. In its new home, the Guthrie Theater will fully realize artistic and educational potential that has not been possible with the limited space available in its current facility. With increased interest in the power of drama to influence young lives and imaginations, dedicated spaces are needed for classes, seminars and other statewide educational programs. A new Guthrie Theater provides the rare opportunity to create a significant new theater center that will strengthen Minnesota's international reputation as a unique and vital cultural destination.

Guthrie Theater: A History of National Significance and Statewide Service

Founded in 1963 by renowned Irish director Sir Tyrone Guthrie, the Guthrie Theater has grown immeasurably since its historic beginnings as America's flagship regional theater. A once small summer festival of four plays staged in rotation by a repertory company has grown into a year-round program playing to more than 400,000 (including 31,000 subscribers) audience members in two separate theaters and on an annual tour of greater Minnesota and the seven-state region.

The Guthrie has demonstrated leadership in making theater accessible to the widest constituency possible by offering innovative theater education programs, school partnerships, free and discounted tickets to students and seniors, and award-winning access programming for patrons with physical and sensory disabilities. Since its inception, more than 13 million people have attended performances at the Guthrie. Through Guthrie education programs (serving every school district in Minnesota) millions of high school students have experienced live theater for the first time, taking part in workshops and training programs and discovering the relevance of theater to their own lives. Last year alone, the Guthrie's education and community programs served more than 118,000 (40% of whom came from greater Minnesota).

Begun in 1973, touring remains an integral part of the Theater's mission. In the last two years alone, *Guthrie on Tour* has reached more than 70,000 people throughout Minnesota and the seven-state region. Communities ranging in size from Staples to Duluth have enjoyed productions of some of the Guthrie Theater's most popular plays. In the past two years, 46 communities have played host to Shakespeare's *A Midsummer Night's Dream* and Brian Friel's *Molly Sweeney*. In 2001, students and adults participated in 86 workshops that were offered by the tour's cast, technical staff and other Guthrie artists. Educational activities included student mentoring, pre-show discussions, hands-on workshops for students and adults, presentations to community groups and dozens of classroom visits. In 2002, 20 communities will experience the Theater's tour of Eugene O'Neill's *Ah, Wilderness!* and planning for the 2003 tour is already underway.

Limitations Current Facility

The Guthrie has far outgrown its original 85,000 square-foot facility. What was once a summer festival theater is today a \$17 million annual operation presenting as many as 12 productions a year and employing more than 900 people. Nearly one quarter of Guthrie staff works off-site, with various operations scattered over five separate Twin Cities locations: the Guthrie Lab, the production shop (where sets are constructed and then transported to the Guthrie's two theaters), the costume warehouse and rental facility, prop storage, and the Theater's development office. For a cultural institution with one of the state's largest education programs, the Theater operates with no designated classroom or seminar space. Audience amenities are lacking with problematic parking conditions, poor traffic circulation and grossly inadequate physical access, restrooms and concessions. Additionally, the Guthrie Theater does not own its current performance space. The highly customized facility and its site are owned by the Walker Art Center and leased to the Guthrie. The site's physical footprint and characteristics will not allow for the planned expansion of both institutions.

Plans for a New Facility: *Guthrie on the River*

In May 2001, the Minneapolis City Council and MCDA Board of Commissioners unanimously approved plans for the Guthrie's fair-market-value purchase of a 10.3-acre site designated for the construction of a new Guthrie Theater center. The site is located in the Historic Mills District neighborhood of downtown Minneapolis is bound approximately by West Mississippi River Parkway and 2nd Street South and Chicago Avenue and 11th Avenue South. The city has committed to building 1,000 parking spaces in adjacent and on-site parking ramps. In the future, the city will also consider construction of a public plaza, financially unrelated to the complex, along Chicago Avenue. The proposed public plaza would connect the Guthrie Theater to the Minnesota Historical Society's neighboring Mill City Museum.

Internationally renowned architect Jean Nouvel, in partnership with Minnesota-based Architectural Alliance, will serve as architects *Guthrie on the River* project.

This decision represents a consensus of the Architectural Selection Committee (comprised of Guthrie staff leadership, board members and community leaders) and follows a nine-month review of more than 35 local, national and international architects.

The Guthrie Theater is currently completing predesign and beginning the schematic design phase of the project. The predesign phase, begun in the spring of 2001, with the selection of the architectural team, has produced important planning data, which will guide the project through completion. Most notably, the architectural program and predesign cost planning were performed as part of this phase. The architectural program was executed by Fisher Dachs Associates, theater consultants retained for their specific expertise with the complex functional demands of performing arts facilities. The program (which details the uses of the 227,000 gross square feet required) was then submitted to the Guthrie Theater's cost consultants, Donnell Consulting, Inc. Like the theater consultants, the Guthrie Theater's cost consultants are specialists in capital arts projects with a thorough understanding of the unique complexities of arts facilities. Unlike many cost estimators who project expenses on a cost per square foot basis, Donnell Consulting's cost planning work is based on detailed analysis of each construction style, estimated materials, and structural and mechanical solutions required for theater construction. The projected budget included with this application is based upon predesign cost planning performed by Donnell Consulting, Inc.

As schematic design proceeds, the Guthrie Theater will rely not only on Donnell Consulting, Inc.'s cost estimations but on estimates provided by the general contractor, McGough Construction Company (St. Paul) assisted by mechanical engineers Michael Cooley Erickson (Minneapolis) and structural engineers Erickson Roed (St. Paul).

The Guthrie Theater intends to complete schematic design and schematic costing by January 2002, in preparation for groundbreaking in fall of 2002. The 24-month theater construction period will reach substantial completion at the end of 2004, with a public opening of the new Guthrie Theater in April 2005.

Private Fundraising Overview

In May 2000, a fundraising feasibility study completed by development-consulting firm Campbell & Company was presented to the Guthrie Theater Board of Directors. The study demonstrated strong support for the Guthrie, commending the quality of its productions, education programs, leadership, broad community support and vision for a new facility. The project is seen as beneficial to the state both as a cultural destination and as a catalyst for economic redevelopment. The Campbell study indicated the Theater's potential to raise a minimum of \$60 million in private gifts. Study participants felt that Guthrie patrons would make generous gifts if the project reflected a strong public/private partnership – participants also felt there was a role for both private contributions and government support. In July 2000, a campaign

structure was formalized to include Steering/Leadership Gifts, Board Fund, Corporate and Major Gifts Committees. As of October 2001, the Guthrie had raised more than half of the amount indicated in the Campbell feasibility study. As with all major capital campaigns, the initial fundraising is focused on securing larger gifts. The Guthrie has received numerous leadership gifts as well as unsolicited smaller contributions from patrons anxious to support the project. To date, pledges have been received from board members, former board members, corporations, foundations and long-time patrons. Based on the Theater's fundraising plan, the Guthrie is able to match a grant of \$35 million by the state of Minnesota. The Theater plans to publicly announce its formal fundraising campaign in January 2002 at which time schematic design will also be unveiled. The Guthrie will continue to pursue individual gifts from its more than 31,000 subscribers, arts patrons, businesses and foundations throughout the state. After the construction is well underway in 2003, the Theater will launch the public phase of the campaign soliciting more broadly through direct mail and telefundraising. There will be a special fundraising effort tied to the 40th anniversary of the Guthrie that same year. The campaign will be completed in 2004.

State of Minnesota's Role in *Guthrie on the River*

Non-profit arts organizations have traditionally relied on a mix of state and private funding in order to fulfill their missions. As evidenced in recent years, the state of Minnesota continues to play a vital role in helping to meet the capital needs of its valued cultural and civic organizations. This state leadership role is expressed in such vital capital undertakings as The Science Museum of Minnesota, Mankato's Technology Plus, the Duluth Entertainment & Convention Center, and the Hopkins Center for the Arts.

Under the proposal outlined herein, a critical state investment represents approximately one-third of the capital costs of a new multi-stage Guthrie Theater center. Understanding the importance of a public/private partnership, Minnesota businesses, together with individuals and foundations, have committed to provide the greater part of the new Guthrie's total project costs.

Long Term Benefits to State of Minnesota

Cultural institutions are an invaluable contributor to the high quality of life enjoyed in Minnesota. A new landmark multi-stage Guthrie Theater center will provide the following direct benefits to the state of Minnesota:

- **Enhancing the breadth and quality of cultural resources available to Minnesotans; serving 500,000 annually**

Since its founding the Guthrie Theater has served millions of people from throughout the world. The Guthrie is – and always has been – a source of

great pride for our state and nation. If the Theater is to retain its role as America's premier not-for-profit theater, it must expand to meet the growing needs of the audience it serves. The classics will remain central to the Theater's mission, now joined by the work of contemporary dramatists and present-day explorations. The theater must provide forums – both theatrical and educational, lab space and classroom space – where students and young artists can develop their talents.

■ **Providing direct and sustained economic growth; helping Minnesota businesses remain competitive in their ability to attract and retain a highly skilled labor force**

An economic study of a new Guthrie Theater facility indicates a lasting and positive impact on our state's economy. Construction will provide 1,200 full-time jobs over two years and generate a one-time economic boost of \$285 million to Minnesota's economy. The Theater will bring 200 new full-time jobs to the state, increasing the Guthrie's workforce to 1,100. Located near the heart of downtown Minneapolis, it will also play a vital role in the redevelopment of the Mississippi riverfront by attracting hundreds of thousands of residents and visitors to the area. Beginning in 2005, the Guthrie Theater's annual impact will rise to \$80 million annually – nearly 30% more than would be expected of current operations. The present value stream of additional economic impact provided by a new facility is estimated to be \$530 million over 25 years.

Minnesota's highly-skilled, highly-educated labor force remains one of the state's most important assets. As large and small employers compete for the nation's top professionals and laborers, quality of life is pivotal to a region's ability to attract and retain employees. *More than ever, arts organizations feel an obligation to uphold the Twin Cities' standing as an arts leader, especially in a competitive world where quality of life determines success or failure of a whole region.*

■ **Providing world-class educational opportunities for students across the state and region**

Generations of Minnesotans have been introduced to great theater through the Guthrie. In FY 2000-01, more than 118,000 people were served through the Theater's education programs and services, including 80,000 high school students representing every school district in Minnesota. Each year the Guthrie provides thousands of free and subsidized tickets to public school students and teachers, balancing state curricula with educational outreach services at little or no cost to schools. The Theater's joint B.F.A. actor training program with the University of Minnesota gives students practical experiences that complement classroom study, while *A Guthrie Experience for Actors in Training* prepares the country's best young M.F.A. students. Award-winning access and enrichment programming for patrons

with physical and sensory disabilities, summer theater camps and backstage tours serve people of all ages. Currently the Theater's education programs have no classroom space – students traveling from Greater Minnesota are required to work in the Theater's lobby, in hallways and on school buses. A new facility will house four state-of-the-art classrooms, thereby doubling to more than 200,000 annually, the Theater's capacity to serve Minnesota's young people.

■ **Anchoring Minnesota's role as a destination for cultural tourism**

It is projected that a new Guthrie facility will generate \$14.9 million annually in direct and induced tourism spending. Households representing 18 states are current season subscribers to the Guthrie Theater. During the 2000-01 season, the Theater sold single-play tickets to patrons from each of the 50 states in addition to the District of Columbia, the Virgin Islands and half of the Canadian provinces. Plans for the Guthrie on the River parallel Governor Ventura's *Big Plan* target of Promoting Minnesota/ Promoting the Tourism Industry wherein economic impact returns \$9 to every \$1 invested. A new landmark Guthrie Theater center will serve Minnesota as a catalyst for cultural tourism, attracting hundreds of thousands of residents and visitors annually while helping to revitalize downtown housing, retail, dining and entertainment industries.

■ **Stimulating an already-vibrant statewide arts community**

The flexibility of three stages in a new facility will provide increased opportunities for partnerships and collaborations with local, national and international arts organizations, greatly expanding the range of theater experiences available to Minnesotans. While hundred of thousands of people travel to the Guthrie for performances and programs each year, the Guthrie's programs also thrive in communities throughout the state. Through its regional touring program, *MAX Summer Education Conference*, *Schools on Stage* program and other partnerships, the Guthrie's work enhances cultural communities throughout the state. From Roseau to Rochester and Hibbing to Pipestone, Guthrie artists are sharing their expertise with young people and adults while providing world-class theatrical experiences in Minnesota's backyard. The new Guthrie will further unite the state and will serve as catalyst for collaboration, learning, entertainment and artistic energy.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The construction of the new multi-stage Guthrie Theater will have no impact on requests for operating funds from the state.

OTHER CONSIDERATIONS:

The Guthrie facility when completed will be owned by the Minneapolis Community Development Agency and operated by the Guthrie Theater Foundation, a not-for-profit Minnesota corporation founded in 1963.

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

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Grants to Political Subdivisions
Guthrie Theater on the River

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$3,000	\$0	\$0	\$3,000		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	534	0	0	534		
3. Design Fees							
Schematic	0	2,658	0	0	2,658		
Design Development	0	1,381	0	0	1,381		
Contract Documents	0	2,748	0	0	2,748		
Construction Administration	0	4,847	0	0	4,847		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	3,654	0	0	3,654		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2002	12/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	62,110	0	0	62,110		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	660	0	0	660		
8. Occupancy							
Furniture, Fixtures and Equipment	0	13,729	0	0	13,729		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	95,321	0	0	95,321		
9. Inflation							
Midpoint of Construction		02/2003					
Inflation Multiplier		6.50%	0.00%	0.00%			
Inflation Cost		6,196	0	0	6,196		
GRAND TOTAL	\$0	\$101,517	\$0	\$0	\$101,517		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,000	35,000	0	0	38,000
State Funds Subtotal	3,000	35,000	0	0	38,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	62,278	0	0	62,278
Other	0	0	0	0	0
TOTAL	3,000	97,278	0	0	100,278

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Article 1, Chapter 492, Section 14, Subd 3	3,000
TOTAL	3,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	35,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

- Predesign funding is part of this request. (How was construction cost determined without conducting predesign?)
- If the city and MCDA have already purchased the land; why is land acquisition part of this request?
- Design fees of 19.6% above high limit of 11% for new construction.
- Occupancy costs of 33.2% above high limit of 12%. Explain variance.
- No Construction Contingency costs assigned to project.
- Soft costs of 31.7% above high limit of 28%. May be attributable higher soft costs %.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows.

- The applicant has attempted to describe their rationale for the statewide significance of this project. What is missing is a description of why the state should expand its role in funding such facilities or what precedent can be used to justify state funding for capital facilities of this type.
- The applicant should identify a full funding plan that describes how and when the non-state funding will be obtained.
- One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million – by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that consideration be given to using existing revenues associated with the city's local option sales taxes (for this or other local cultural and arts requests). The Governor would support a broadening of existing authority to allow this. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? The total project cost is \$100 million with \$35 million requested in state funding.
2.	Project fulfills an important state mission? The state mission in funding cultural and arts facilities is unclear.
3.	Has a state role been expanded in a new policy area? The state role in funding cultural and arts facilities is unclear.
4.	Project is of local, regional, or statewide significance? This request is viewed as having potential for regional or statewide significance. However, the precedent for funding this type of facility, at the full request amount, is unclear.
5.	State operation subsidies required? No state operating subsidies are being requested. However, the Guthrie Theater received \$612,000 in operating funds from the State Arts Board in 1998 and \$608,000 in 1999.
6.	Inequities created among local jurisdictions? Funding for this type of project could be viewed as creating inequities among local jurisdictions. Other communities would inevitably seek funding for similar types of projects.
7.	Does it compete with other facilities? Depending on the type of productions held at this facility, the project could be in competition with other theatres. Certainly, the funding request is likely to be in competition with applicants for other arts projects.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 11/26/01 has been received from the city of Minneapolis. The City Council's top two priorities are the empowerment zone and planetarium projects. The council has endorsed but not ranked the Guthrie Theater, the Shubert Theater and the East Franklin Retail Center.
9.	Predesign completed? The status of predesign is unspecified.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Minneapolis is 92 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$18.29 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$115 million unreserved fund balance in its general and special revenue funds.

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

AGENCY PROJECT PRIORITY: 4 of 4 (City of Minneapolis)

PROJECT LOCATION: 516-528 Hennepin Avenue

PROJECT DESCRIPTION AND RATIONALE:

The city of Minneapolis and Artspace Projects, Inc., request \$10 million in state funding to help construct, furnish, and equip the Minnesota Shubert Performing Arts and Education Center. This unique project, consisting of two historic landmark buildings joined by a spectacular new Atrium, will create a regional arts and education center serving students and artists throughout Minnesota with interactive long-distance learning, artist exchanges, and other programs.

Project details

The Minnesota Shubert Center will consist of three linked buildings:

- *The Historic Shubert Theater*, a beautiful, remarkably intimate theater with 1,000 seats on the main floor and two balconies. The Shubert was designed by William Swasey, a distinguished theater architect of the early 20th century. Completed in 1910, the Shubert was for three-quarters of a century a fixture in downtown Minneapolis' entertainment district, first as a "legitimate" theater, then as a burlesque house, and finally as a wide screen movie theater. It is listed on the National Register of Historic Places.
- *The Hennepin Center for the Arts*, a downtown Minneapolis landmark built in 1888 as a Masonic temple. It was designed by Long and Kees, who also designed Minneapolis City Hall, the Flour Exchange, and the old Minneapolis Public Library. Transformed into an arts center in 1979 and owned by Artspace Project since 1996, it now houses 17 arts organizations, a 250-seat theater, and seven studios. It, too, is on the National Register of Historic Places.
- *A new three-story Atrium*, designed by award-winning architect Joan Soranno, that will stand between the other two and serve them both as a common lobby. The Atrium will offer a variety of amenities, including ticket office, coat check, concession area, rehearsal studio, classroom space, and a third-floor Event Center capable of hosting a catered dinner for up to 300 people.

State funding will be used only for renovation of the Shubert Theater, construction of a new stagehouse, and construction of the new Atrium. It will not be applied to any costs involving the Hennepin Center for the Arts.

Financing plan

The Minnesota Shubert is a \$34.25 million project, of which about \$11 million has been committed. The state's share will be about 29% of the total capital cost of the project.

The city of Minneapolis donated \$4.25 million to move the theater from Block E to its current site. Of the remaining \$30 million, two-thirds (\$20 million) is being raised from individuals, foundations, and corporations, one-third (\$10 million) from state funding.

Why the Minnesota Shubert?

The Minnesota Shubert project began as a campaign to save an historic theater from the wrecking ball. But in three years, it has evolved into a proposal to create a new cultural center that will address four vital needs:

- the need for a new arts education resource to serve the entire state;
- the need for an affordable midsize theater in the Twin Cities;
- the need to advance the art of dance as a cultural resource; and
- the need for a safe, economically vibrant, family-centered downtown Minneapolis.

The value of arts and arts education

We are beginning not only a new century, but a new era for arts education in America. Many studies have shown that young people who are actively involved in the arts tend to be better students and better citizens. Moreover, the arts are finally being recognized not only for their positive contributions to America's quality of life, but for their enormous economic impact - \$1 billion a year in Minnesota alone, according to a 1995 McKnight Foundation study.

A statewide resource

The most effective way to approach arts and arts education is on a statewide basis. As its name suggests, the Minnesota Shubert Center will be a statewide resource for both the performing arts and arts education. It will serve the thousands of students who currently attend classes, workshops, and performances conducted by the arts organizations that will use the Minnesota Shubert Center. Most of these groups also tour regularly throughout Minnesota.

The Minnesota Shubert Center will serve thousands more through long-distance learning. Ballet Arts, one of the Minnesota Shubert's resident groups, has created Dance Partners, which uses interactive video technology to teach children the basics of movement and dance. Because most Minnesota public school districts have this technology, programs like Dance Partners will literally bring arts education to every corner of the state.

In addition, the Minnesota Shubert Center, in partnership with regional arts organizations, will sponsor multi-directional exchanges that will give artists from Greater Minnesota the opportunity to perform in a high-profile venue in the state's largest city. Artspace Projects has established relationships with the Minnesota Ballet of Duluth and A Center for the Arts in Fergus Falls, and is working to build others. We believe these exchanges will strengthen the arts throughout Minnesota.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating subsidies are requested with this project.

OTHER CONSIDERATIONS:

The Minnesota Shubert Performing Arts and Education Center will not require on-going state operating subsidies. It will not expand the state's role in a new policy area. Because of its statewide educational focus, it will create no significant inequities among local jurisdictions. Nor will it compete with other facilities in such a manner that they lose a significant number of users (on the contrary, it will fill a vacuum by providing a much-needed medium-size venue). The Minnesota Shubert has the full support of the city of Minneapolis, which has already contributed \$4.25 million to the project.

State funds will be used only for Shubert Theater rehab and new construction and Atrium new construction. State funds will not be used for Hennepin Center for the Arts rehabilitation work. The total \$34.25 million project cost includes \$1 million in rehabilitation work to the Hennepin Center for the Arts. This rehab work will be funded through non-state sources.

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

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Grants to Political Subdivisions
Minnesota Shubert Performing Arts Center

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$2,000	\$0	\$0	\$2,000		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	250	0	0	250		
3. Design Fees							
Schematic	0	375	0	0	375		
Design Development	0	500	0	0	500		
Contract Documents	0	1,125	0	0	1,125		
Construction Administration	0	500	0	0	500		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	3,100	0	0	3,100		
Commissioning	0	0	0	0	0		
Other Costs	0	700	0	0	700		
5. Construction Costs						11/2003	05/2005
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	18,904	0	0	18,904		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	4,300	0	0	0	4,300		
8. Occupancy							
Furniture, Fixtures and Equipment	0	2,496	0	0	2,496		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	4,300	29,950	0	0	34,250		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$4,300	\$29,950	\$0	\$0	\$34,250		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	10,000	0	0	10,000
State Funds Subtotal	0	10,000	0	0	10,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	4,250	0	0	0	4,250
Private Funds	50	19,950	0	0	20,000
Other	0	0	0	0	0
TOTAL	4,300	29,950	0	0	34,250

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

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

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million – by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

A resolution of support for this project dated 11-26-01 has been received from the city of Minneapolis. The city council's top two priorities are the empowerment zone and planetarium projects. The council has endorsed but not ranked the Guthrie Theater, the Shubert Theater and the East Franklin Retail Center.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that consideration be given to existing revenues associated with the city's local option sales taxes (for this or other local cultural and arts requests). The Governor would support a broadening of existing authority to allow this. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required? No state operating funds are requested. However, Art Space Projects, Inc. received \$62,000 in operating funds from the State Arts Board in 1998 and \$61,000 in 1999.
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 11/26/01 has been received from the city of Minneapolis. The City Council's top two priorities are the empowerment zone and planetarium projects. The council has endorsed but not ranked the Guthrie Theater, the Shubert Theater and the East Franklin Retail Center.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Minneapolis is 92 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$5.23 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$115 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$3,500,000

AGENCY PROJECT PRIORITY: 1 of 1 (Mpls Public Schools)

PROJECT LOCATION: Fort Snelling State Park

PROJECT DESCRIPTION AND RATIONALE:

This project is to renovate four buildings on the Fort Snelling upper bluffs for use as a residential academy. The Minnesota Valley Academy (MVA) will use Building 101 as the initial program facility along with construction of new residential cottages for the academy and Building 65 as a shared services facility. Building 101 is one of three barracks buildings and is a National Register designated property. In a second phase, two other historical structures, 102 and 103, will be renovated, and further space in Building 101 will be renovated.

MVA was an original grantee from the Department of Children, Families and Learning, as authorized by the 1998 legislature for an urban residential academy. In 1999, the state reduced its support from four residential academies to two due to insufficient funds for program goals. MVA did not receive round one funding from the state grants largely because its site at Fort Snelling was not yet approved.

MVA has made significant progress since its original application. This includes the work with the Department of Natural Resources (DNR) and the Minnesota Historical Society (MHS) in obtaining prospective tenant status at the site at Historic Fort Snelling. Securing a site for a residential academy has proved difficult for some organizations in the past, and the MVA has already passed that hurdle with the help of these two state agencies. MVA is the lead tenant selected by DNR for the Fort Snelling site.

In addition, the MVA has worked with the Minneapolis Public Schools to designate the residential academy as a contract school in partnership with the state's largest school district. This partnership will ensure per pupil funding aid for the ongoing educational costs and use of Minneapolis teachers for the program staff.

The MVA also contracted with the Council on Crime and Justice to define and quantify the need for a residential academy setting for educationally neglected children in Minnesota. There are an estimated 545 "education neglected," 5,813 children in "out-of-home" placement in Hennepin County, and 591 termination of parental rights cases. All of these students are potentially eligible, on a voluntary basis, to attend the academy.

The rehabilitation of Building 101, the first of three barracks buildings, will accommodate the first 120 students admitted to MVA and will include separate wings for educational and residential facilities. This first building will serve students in grade four. Forty students will be added annually until the total complement is met.

As a second phase, after a further detailed planning process, Buildings 102 and 103 will be restored when additional accommodations are required. These two building will serve elementary, middle and secondary school students in modular layouts.

MVA will be able to share services facilities with other non-profit tenants at Fort Snelling, including cafeteria and laundry. MVA will also have access to the adjacent public park playing fields and will take advantage of the proximity of Fort Snelling State Park for other recreational activities.

MVA has statewide significance in that its primary purpose is education and the state has already recognized MVA's viability by awarding it one of only four residential academy grants for planning funds. The DNR and the MHS have also endorsed the MVA plan for a residential academy. It also is a third model for an urban residential program, complementing Synergy and Catholic Charities. The renovation will secure and preserve Fort Snelling's Historic officers row, a National Register site of unique importance.

MVA will have an impact regionally, by working with and improving the lives of some of the hardest to serve students statewide. Although our contract is the Minneapolis Public Schools, we will have the ability to serve students from throughout the metro-area.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

There will be no new state dollars requested. A portion of the operating funds will result from state funding of students from Minneapolis Public Schools.

OTHER CONSIDERATIONS:

The DNR or Special School District Number 1 will lease the facility to MVA for a minimum of 35 years. The Minnesota Valley Academy, an independent 501c3, will operate the facility.

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

Dan Hambrock, Executive Director of Facilities and Operations
807 Northeast Broadway
Minneapolis, MN 55413
Phone: (612) 668-0200
Fax: (612) 668-0225

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	360	0	0	360		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2003	07/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,720	0	0	5,720		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	170	0	0	170		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	250	0	0	250		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	6,500	0	0	6,500		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$6,500	\$0	\$0	\$6,500		

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

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,500	0	0	3,500
State Funds Subtotal	0	3,500	0	0	3,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	7,500	0	0	7,500
Other	0	0	0	0	0
TOTAL	0	11,000	0	0	11,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,500	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

A preliminary review of the proposal raises several concerns. Although funding for the school has been requested in various forms in the last few years, this proposal has not gone through a formal review and comment process at the Department of Children, Families and Learning. It is uncertain if the proposed renovations have been cleared through the appropriate state and federal agencies. In addition, it is not clear what revenue sources would be used by the school for operating the care and treatment component of the school.

Finally, the term of the proposed lease (35 years) should be received by the state's bond counsel to see if it meets statutory and constitutional requirements related to public ownership. The term may be too long as proposed.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$7.5 million in private funds will match \$3.5 million in state funds.
2.	Project fulfills an important state mission? Education is an important state and local mission.
3.	Has a state role been expanded in a new policy area? See DOF analysis.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local significance.
5.	State operation subsidies required? The full financial operating costs and funding are unclear.
6.	Inequities created among local jurisdictions? The proposal is a charter school.
7.	Does it compete with other facilities? The proposal is a charter school.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 10/30/01 was received from the Minneapolis Public Schools Board of Education.
9.	Predesign completed? The states at predesign for this project is unclear.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? Tax capacity caculations are not relevant to charter school proposals.

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

AGENCY PROJECT PRIORITY: 1 of 2 (City of Minnetonka)

PROJECT LOCATION: City of Minnetonka

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1 million in state funding, which will leverage an additional \$1 million from other public and private sources, to acquire up to 20 acres of land for the purpose of providing permanently affordable, scattered-site, owner-occupied housing. The city of Minnetonka will partner with the West Hennepin Affordable Housing Land Trust (WHAHLT), a non-profit corporation serving multiple jurisdictions, to purchase existing single-family, owner-occupied housing, retain the land for the Trust, and offer the homes for sale to families earning at or below 80% of median income.

Affordable housing is at a premium in the Twin Cities metro area. The city of Minnetonka has made great strides in meeting its Livable Communities Act affordable housing goals over recent years. Through previous actions of the Minnetonka City Council, 350 units of affordable owner-occupied and rental housing have been added to the community since 1995. In addition, the city has preserved the affordability of 218 units.

Although considerable progress has been made, the city faces two significant and growing challenges in attempting to add more affordable units: 1) the lack of available land; and 2) the extraordinary cost of the land.

Through the efforts of a task force appointed by its City Council, the city of Minnetonka initiated the creation of WHAHLT for the purpose of providing affordable, scattered-site homeownership opportunities for eligible families. Although established through the efforts of the city of Minnetonka, WHAHLT serves all of suburban Hennepin County. The Trust provides an important tool to help the city address the barriers of land availability and cost, and will help ensure the permanent affordability of owner-occupied housing throughout suburban Hennepin County.

WHAHLT will own the land, and retain title to the land in perpetuity. The land is then leased to individuals or families who own the home on the land, maintaining the structures and the property. A WHAHLT leaseholder has the same benefits as other homeowners, such as the ability to build equity, to deduct interest and property tax payments from income taxes, and to pass on the home to their heirs.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested with this project.

OTHER CONSIDERATIONS:

Funding Committed:

■ Private Developer	\$400,000
■ Private Foundation	\$300,000
■ City Contribution	\$250,000
■ Federal Contribution	\$ 50,000*
	*(City and Hennepin County Community Development Block Grant and Home Funds)

The Council has authorized the formation of the WHAHLT and included the \$250,000 city contribution in its adopted 2002-2006 CIP. An additional resolution of support for this request will be provided.

MHFA has been instrumental in helping all Minnesota land trusts access their available mortgage products. WHAHLT serves as a land trust model that MHFA can promote around the state and builds on MHFA's effort to support all land trusts.

The program is of regional benefit. WHAHLT serves all of suburban Hennepin County. Providing affordable housing in these communities is a benefit to the entire metro area.

There are 44 cities in suburban Hennepin County that can benefit from this program. Other communities around the metro area are exploring the WHAHLT model. WHAHLT has been asked to provide administrative and technical assistance to land trusts forming outside of suburban Hennepin County.

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

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Phone: (952) 939-8216
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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition						01/2003	12/2005
Land, Land Easements, Options	\$0	\$2,000	\$0	\$0	\$2,000		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	2,000	0	0	2,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$2,000	\$0	\$0	\$2,000		

Grants to Political Subdivisions
Minnetonka -- Affordable Scattered Site Housing

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,000	0	0	1,000
State Funds Subtotal	0	1,000	0	0	1,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	50	0	0	50
Local Government Funds	0	250	0	0	250
Private Funds	0	700	0	0	700
Other	0	0	0	0	0
TOTAL	0	2,000	0	0	2,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC

- What is Minnesota Housing Finance Agency's role?
- This is for a 50% match, \$1 million from state and \$1 million from other.

Department of Finance Analysis:

Project proposal should be reviewed by the Minnesota Housing Finance Agency to determine how this request, or similar requests from other local governments might fit into a larger statewide housing policy.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$1 million in state funding is requested to match \$1 million in local and private funds.
2.	Project fulfills an important state mission? Affordable housing is an important state and local mission.
3.	Has a state role been expanded in a new policy area? The state role in funding local requests, rather than through MHFA, is unclear.
4.	Project is of local, regional, or statewide significance? The request is viewed as having primarily local benefit in the west metro area.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Funding for this request could be viewed as creating inequities among local jurisdictions. Other communities would inevitably seek similar state funding for housing projects in their communities.
7.	Does it compete with other facilities? Affordable housing facilities funded by this request are not viewed as being in competition with other facilities.
8.	Resolutions from local governing bodies provided? A resolution of support dated 6-25-01 was received from the Minnetonka City Council.
9.	Predesign completed? N/A.
10.	Project is disaster related? This project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Minnetonka is 25 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$3.89 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$7.4 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$796,000

AGENCY PROJECT PRIORITY: 1 of 2 (City of Minnetonka)

PROJECT LOCATION: Glencoe

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$796,000 in state funding to acquire land, design and construct a new railroad switching yard facility in Glencoe, Minnesota. The project will achieve the following objectives:

- Eliminate severe and growing noise disruptions to existing residential neighborhoods in Minnetonka, St. Louis Park, Hopkins and Glencoe.
- Minimize the obstruction of vehicular traffic at railroad grade crossings in the Glencoe area.
- Encourage economic development in Glencoe.
- Provide an overall improvement in efficiency of railroad operations.
- Improve existing inequities along the railroad corridor by relocating the disturbing operations to an undeveloped region guided for industrial development.

The cities of Minnetonka, St. Louis Park, and Hopkins (the cities) have been jointly working to eliminate noise disturbances to their residents living adjacent to segments of rail lines where rail car sorting operations are performed. In 1999, the cities funded a noise study that concluded that these sorting operations generate noise levels that exceed the state of Minnesota noise standards.

The cities have actively pursued solutions to mitigate the noise from these rail operations. All efforts to date have been temporary solutions, while a permanent solution is pursued. The construction of the Glencoe switching yard was identified as the long-term goal that would completely eliminate the blocking operations from the residential communities

The railroad operator, Twin Cities & Western Railroad (TC&W) has cooperated with the cities both with short-term and long-term mitigation programs. Short-term efforts have included assisting the cities in funding the installation of a new crossover, as well as alternating the locations where the operations are performed on a prescribed schedule. TC&W has also made progress on the shared long-term goal by completing concept design, contacting adjacent land owners to determine land availability and cost, and by preparing cost estimates.

The cities have also worked with the city of Glencoe to help achieve the long-term goals of that city. Glencoe would benefit from both an operational and economic development standpoint. The construction of the Glencoe Switching Yard benefits

the city by relocating rail car maneuvers to the east end of the city, thereby eliminating noise disturbances to residential areas which are concentrated on the west end of town.

The relocation of the rail car movements also benefits the city of Glencoe by reducing the amount of time that the rail cars occupy grade crossings. This includes a benefit to the Minnesota Department of Transportation (MnDOT) Trunk Highway 22 Glencoe By-Pass Highway Project (Morningside Corridor) by minimizing the rail crossings of Morningside Road, which is the proposed location of Highway 22.

In addition, the city of Glencoe has guided the area in proximity to the proposed switching yard for industrial use, and sees the increased rail service as a benefit to an industrial park that would encourage economic development.

As a related issue, TC&W is nearing completion of an agreement with MnDOT and the Minnesota Valley Regional Rail Authority that would expand their operations to include the now defunct Minnesota Prairie Line (MPL). This rail line was abandoned in the summer of 2000, and several prior owners in recent times have had little success in maintaining its existence.

MnDOT is working to resurrect use of this line, and TC&W has stated that a switching yard would improve their efficiency. This would enhance the likelihood of success of the MPL; thereby supporting the state's mission to transport more cargo by rail, as opposed to trucking over already overcrowded highways.

Out of a concern that this expansion would further worsen the already untenable noise problems in the neighborhoods of the three communities, the cities approached MnDOT to request that the TC&W rehabilitation of the MPL be expanded to include funding of a switching yard. This request was denied.

To date, the short-term solutions implemented by the cities and TC&W have provided little improvement. With increasing rail traffic levels imminent, the cities believe constructing the Glencoe switching yard is essential to protect their communities from worsening conditions.

In summary, this project achieves several important state missions, including improving quality of life for its residents by reducing noise impacts, improving efficiency of local and state transportation systems, and encouraging economic growth by supporting new development.

The remaining balance will be paid for by the cities of Minnetonka, St. Louis Park and Hopkins, and by Twin Cities and Western Railroad Company. The specific shares are being negotiated.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

McLeod County Rail Authority will own the facility. Twin Cities and Western Railroad Company will operate the facility. It is not uncommon for a local rail authority to own railroad rights-of-way and/or infrastructure that is operated by a private enterprise.

The applicants have been working with MnDOT to obtain funding for this project, in addition to the capital budget request dollars. These negotiations are ongoing.

The benefit goes beyond the locality of Glencoe, as the railroad serves a large area of southwestern Minnesota. There are benefits to the metropolitan area as well by moving the switching activity away from densely populated residential areas to an industrial area.

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

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Grants to Political Subdivisions
Glencoe -- Railroad Switching Yard

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$50	\$0	\$0	\$50		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	25	0	0	25		
Contract Documents	0	10	0	0	10		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						10/2002	05/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,507	0	0	1,507		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	1,592	0	0	1,592		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$1,592	\$0	\$0	\$1,592		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	796	0	0	796
State Funds Subtotal	0	796	0	0	796
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	398	0	0	398
Private Funds	0	398	0	0	398
Other	0	0	0	0	0
TOTAL	0	1,592	0	0	1,592

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	796	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC

- Public ownership will occur. (T C & W Railroad will also be providing funds).
- Minnesota Department of Transportation (MnDOT) denied a previous funding request. Reason unknown.

Department of Finance Analysis:

MnDOT should be asked to review this project in regards to state rail transportation policy. Are there any current state funding programs offered through MnDOT? Is there any precedent for state funding of such facilities?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$796,000 is requested to match an equal amount of local funds.
2.	Project fulfills an important state mission? Transportation and rail service is an important state and local mission.
3.	Has a state role been expanded in a new policy area? The state's role in funding rail switching stations is unclear. The Department of Transportation and the Minnesota Freight Advisory Committee is reviewing this funding request.
4.	Project is of local, regional, or statewide significance? The request is viewed as having primarily local benefit to the west metro area.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Past precedent for funding such facilities is unclear. MnDot should comment on how such a request fits into a larger rail transportation policy and how such facilities are best financed.
7.	Does it compete with other facilities? This request is not viewed as being in competition with other facilities.
8.	Resolutions from local governing bodies provided? Resolutions of support for this project have been received from the Minnetonka City Council (9/24/01), Hopkins City Council (10/16/01), St. Louis Park City Council (10/15/01), and Glencoe City Council (9/17/01).
9.	Predesign completed? N/A.
10.	Project is disaster related? This project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Glencoe is 293 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$29 per city resident.

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2002 STATE APPROPRIATION REQUEST: \$4,200,000

AGENCY PROJECT PRIORITY: 1 of 1 (Murray County)

PROJECT LOCATION: Pipestone, Murray and Redwood counties

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$4,200,000 to plan and acquire land for a 60-mile multi-use, multi-season state trail in southwest Minnesota and to construct a 20 mile segment of that trail.

The application is being submitted by Murray County on behalf of the southwest Minnesota Multi-Use Trails Advisory Board. This body, supported by public and private sectors in Pipestone, Murray and Redwood Counties, is a voluntary group that has come together to work for trail development in this area.

The Casey Jones Trail was the first Minnesota legislatively authorized trail. The trail was authorized to connect Lake Shetek State Park, in Murray County to Pipestone, Minnesota in Pipestone County. Only the portion in Pipestone County has been opened to public use and that portion has not been developed for use beyond horseback riding and hiking. Right-of-way has never been acquired to complete the trail to Lake Shetek. Thirty years after the authorization, the Casey Jones Trail remains the only state trail in a huge area of southwest Minnesota; and, for all practical purposes, is undeveloped.

In 1993 Murray County received federal funding from the original ISTEA program to construct a six-mile loop trail connecting Lake Shetek State Park to the city of Currie. This project stimulated new interest in trails in southwest Minnesota. On 3-22-99 a meeting was held involving leaders from Pipestone, Murray, Cottonwood and Redwood Counties to consider ways to stimulate the development of the Casey Jones Trail from Pipestone to the new six-mile loop trail and to expand it to the northeast. From that meeting rose the need to do a Regional Trails Plan for the nine county region. The Southwest Regional Development Commission undertook the task and in early 2000 the Southwest Regional Trails Plan was adopted. The Casey Jones Trail was clearly identified as the only state trail in the area and could provide a backbone for additional trails.

Last year Murray County, along with Pipestone and Redwood Counties formed the southwest Minnesota Multi-Use Trail Advisory Board, with representatives from both the public and private sectors. The primary focus of this group is to see the Casey Jones state trail expanded and developed, while encouraging connecting trails to feed into this backbone.

Legislation will be introduced in the coming session to authorize an expansion of the trail to include a portion from Lake Shetek State Park to Walnut Grove, in Redwood

County. When completed the trail will be owned and operated by the Minnesota Department of Natural Resources (DNR) as part of the State Trail System. The resulting 60-mile multi-use, multi-season trail will connect such major attractions as the Pipestone National Monument, the headwaters of the Des Moines River, Lake Shetek State Park, End-O-Line Railroad Park and Museum, and Wilder Museum in Walnut Grove. In addition, it will connect the following cities: Pipestone, Woodstock, Lake Wilson, Hadley, Slayton, Currie and Walnut Grove. The route of the trail will include agricultural land, wind turbine development, lakes and streams, wildlife areas as well as historically significant sites. The trail will be designed as a dual track, layered trail providing access for multiple user groups, including hiking, biking, roller blading, horse back riding, cross-country skiing and snowmobiling.

In order to move the project forward, Murray County is serving as the applicant in requesting \$4,200,000 in bonding funds to implement phase 1. Murray County, acting as the fiscal agent, would work through the three-county advisory board as it proceeds with the process of planning and acquisition of right-of-way. The advisory board will work closely with DNR during the planning and acquisition portion. Once the right-of-way is acquired, it will be turned over to the DNR, Trails and Waterways Division. Planning would start immediately upon obtaining funds. Acquisition will take place in FY 2002 and FY 2003. The first portion to be identified and acquired would be the four miles needed to bridge the gap in the right-of-way owned by DNR between Pipestone and Lake Wilson. That would allow construction to begin on the Pipestone to Lake Wilson portion in FY 2003.

We are not showing any non-state funds available or to be contributed to the project at this time. This project will be a state owned and state operated trail. There is a tremendous amount of support for the trail in this area and we are confident that local funds would be available to assist in this project. However, the six-mile hard surface loop trail that was constructed with ISTEA funds awarded in 1993 involved approximately \$280,000 of federal and local funds. Adding this trail to the state system would, in a sense, represent federal and local contributions. Other funding sources, such as TEA21 could be available for construction of phase 2 and 3.

Phase 2 - \$3,400,000 (2004)

The second phase is the construction of approximately 19 miles from Walnut Grove to the six-mile loop trail connecting Lake Shetek Park and the city of Currie.

Phase 3 - \$3,600,000 (2006)

The third phase is the construction of approximately 20 miles from the six-mile loop trail at Currie to Lake Wilson, connecting the west and northeast segments, thereby completing the 60-mile plus multi-use, multi-season state trail.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The trail will be owned and operated by DNR. Upon completion of the project, maintenance of the trail will be the responsibility of DNR. No operating cost estimates have been provided.

OTHER CONSIDERATIONS:

Minnesota has developed a great state trail system and the process of legislatively authorizing state trails makes sense. When the legislature authorized a trail from Lake Shetek State Park to Pipestone, it displayed a great deal of foresight. Unfortunately, it was ahead of its time. Various circumstances kept that trail from being fully developed. Interest was rekindled in the early 1990s and now the time has come to provide southwest Minnesota with a fully developed trail that is part of the state trail system.

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

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Grants to Political Subdivisions
Casey Jones Trail

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$800	\$0	\$0	\$800		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	400	0	0	400		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	280	3,000	3,400	3,600	10,280		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	280	4,200	3,400	3,600	11,480		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$280	\$4,200	\$3,400	\$3,600	\$11,480		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,200	3,400	3,600	11,200
State Funds Subtotal	0	4,200	3,400	3,600	11,200
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	280	0	0	0	280
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	280	4,200	3,400	3,600	11,480

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	4,200	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, a comprehensive technical review was unable to be provided. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

The Department of Natural Resources was also asked to review this request and did not recommend funding at this time. By transferring ownership to the state, an ongoing financial obligation will be placed upon the state.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required? Operations would be transferred to DNR, and would require maintenance funding to DNR.
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided?
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Pipestone County is 45 of 87 counties in the state (1 is high). Murray County is ranked 19 and Redwood County is ranked 34. If the project costs were 100% locally funded, its annual costs over the next five years would be \$23 per resident in each of the three counties.

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2002 STATE APPROPRIATION REQUEST: \$7,500,000

AGENCY PROJECT PRIORITY: 1 of 1 (MN Valley Regional Rail Authority)

PROJECT LOCATION: (Norwood to Hanley Falls), Carver, Sibley, Renville, Redwood, and Yellow Medicine counties

PROJECT DESCRIPTION AND RATIONALE:

This is a 94.5 mile long, government owned, short line railroad that starts in Norwood and terminates in Hanley Falls, running through Carver, Sibley, Renville, Redwood and Yellow Medicine counties.

This is a request for \$7.5 million in state funding to continue the Phase 2 rehabilitation of the 94.5 mile long short line railroad that runs from Norwood to Hanley Falls, Minnesota. The railroad is, presently, embargoed by the federal Surface Transportation Board which means no operations of any kind. We have no ability to move large units/volumes of material in our area other than trucking. We have secured the \$6 million funding necessary to accomplish Phase 1 of the project. Phase 1 will restore the railroad to FRA Class I status (minimum of 10 MPH operations). We are seeking the additional total of \$15 million necessary to achieve Phase 2 of the rehabilitation. Phase 2 will allow the railroad to operate at FRA Class II status (minimum of 25 MPH operations).

The railroad cannot achieve the volume of car traffic necessary at a Class I (10 MPH) status, if the Rail Authority cannot secure the necessary funding to achieve Class II (25 MPH) status it is likely that it will not be able to sustain operations.

This is a project that supports agriculture, south central Minnesota economic development and significantly reduces truck traffic (road wear and congestion) from West Minnesota into the metro area.

The project has regional significance as it will return to our constituents the ability to haul grain, kaolin clay, cannery goods, ethanol and other bulky or large volume goods at competitive cartage prices. It has state significance as it will reduce truck traffic coming into the west metro area (as much as 80,000 truck sorties per year taken from the highway system) with corresponding reduction in traffic congestion and road wear. It will also allow our grain producers an estimated 10 to 15 cents per bushel price savings for their product which will increase profitability of a key component of the state's economy.

The markets for Minnesota agricultural, food and manufactured products are distant. When those markets are distant and the quantities and weights of those products are heavy; railroad shipping tends to be less costly than shipping by trucks. Rail shipping permits Minnesota farmers, food processors and manufacturers to be competitive in markets that they otherwise would not, or to be able to get a higher price for their

goods than is otherwise attainable. These circumstances are applicable to every shipper on the rail-line. An excellent example is the rapidly growing California demand for products from the ethanol plant located on the rail line in Winthrop. That plant will need to be expanded to meet the demand, however that market in California is too costly to serve at such a great distance using trucks. The same circumstances are true for the grain cooperatives and elevators on line that need to reach export markets on the West Coast and on the Gulf of Mexico. This also applies to the food processing plant in Arlington, the animal feed plant in Redwood Falls, and the rock and clay quarries in Redwood Falls. Without the railroad, these businesses will be more marginal and less competitive. The farmers will not be able to get as high a price as possible for their crops. The roads in the area will be more stressed. The tax base of the counties and cities will be lower. The economy of the area will be adversely impacted without a viable, publicly owned and improved rail-line.

This rail-line is owned by the Minnesota Valley Regional Railroad Authority (MVRRA) which is a unit of local government. It is public infrastructure in the same way as a state highway, a county road, a city street, a municipal sewer, a municipal airport or the inland waterway system. While this line will be modestly profitable and able to be fully maintained in its upgraded condition from its revenues; it is not feasible for any private entity to finance the front end capital costs of the rehabilitation of this public property. While the benefits to the counties, cities, shippers, farmers and the area's economy are much greater than the needed investment, it is not feasible to charge a high enough freight rate to recover the cost without driving away most of the business. Public funding from state and federal sources is absolutely necessary.

Over the last 25 years, six different railroad operators have failed in their attempts to economically operate this 94 mile rail-line. There has always been strong demand for shipping on this line. That demand is now growing rapidly. The primary reason for the failures has always been the decrepit condition of the tracks. The MVRRA assumed ownership and control of the rail-line during 2000. The rail-line is currently embargoed due to unsafe track conditions. The most recent operator ceased operations in August 2000 and subsequently declared bankruptcy.

The rehabilitation would be carried out in three phases as follows:

- Phase 1 would reopen the railroad with construction beginning in early spring 2001 and limited operations beginning in August or September 2001.
- Phase 2 would continue the rehabilitation process in 2002, upgrade portions to 25 mph operations and restore the capability for service to the connection with the BNSF railroad on the west end of the line.
- Phase 3 would complete the rehabilitation in 2003 with most of the line upgraded to permit 25 mph operations and 286,000 lb gross car weight limits (up from the current 263,000 lb limits).

Financing for Phase 1 would be provided by an existing loan program under the Minnesota Rail Service Improvement program. It is estimated to cost approximately \$6 million of which the state would lend \$4.8 million, the MVRRA would invest \$600,000 and the shippers would lend \$600,000. Efforts to obtain this financing have already commenced. This financing must be in place by January 2001 to enable the solicitation of bids for construction and the acquisition of materials for the construction season. Any delay would preclude a late summer resumption of limited service.

Financing for Phases 2 and 3 would come from state and/or federal grants. One possible source is a federal program for a light density line demonstration project authorized at \$17.5 million but not yet appropriated. The other is to seek state legislation in 2001 to provide public infrastructure financing for the completion of the project. A legislative consultant would be hired to assist in these efforts. The complete funding of the project is necessary as 10 mph operations can only be conducted at a loss to any operator and with unreliable, costly service to the shippers. This funding (\$9 to \$12 million) needs to be committed by the end of the 2001 legislative session.

In order to obtain the financing and facilitate the rehabilitation, a contract with a viable railroad operator must be complete. An RFP for an operator must be issued to pre-qualified parties by early November 2000. The operator must have demonstrated technical, regulatory and financial capability to be able to successfully participate in the physical aspects of the rehabilitation, to obtain rates from connecting carriers, to obtain the necessary operating authority, to comply with Federal Railroad Administration safety, licensing, inspection and qualification requirements, to obtain the approval of Minnesota DOT, and to commence operations in the fall of 2001. An operating contract should be in place by the end of 2000.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The entire purpose of this request is to allow the railroad to achieve an operational efficiency in which it is self-sustaining. No new or additional state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The MVRRA is the facility owner, it is a five county joint powers authority (Carver, Sibley, Renville, Redwood and Yellow Medicine). The Twin Cities and Western Railroad (Glencoe) will be the operator of the railroad, under contract from MVRRA.

Phase 2 of the restoration (Phase 1 is funded) will be entirely for additional track, tie and ballast replacement with selected bed restoration. There will be occasional bridge reinforcement.

The railroad will be the same size (length) that it is now.

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

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Grants to Political Subdivisions
Minnesota Prairie Line Rehabilitation

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						06/2002	09/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	6,000	15,000	0	0	21,000		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	6,000	15,000	0	0	21,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$6,000	\$15,000	\$0	\$0	\$21,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	4,800	7,500	0	0	12,300
State Funds Subtotal	4,800	7,500	0	0	12,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	600	0	0	0	600
Private Funds	600	0	0	0	600
Other	0	7,500	0	0	7,500
TOTAL	6,000	15,000	0	0	21,000

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
TOTAL	0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	7,500	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC

- Narrative states that an operating contract should be in place by the end of 2000. Did this occur?
- Has approval been obtain from MnDOT as stated in the narrative?

Department of Finance Analysis:

- The Minnesota Department of Transportation should review this request in regards to state rail transportation policy, the precedent for state funding programs for similar requests, and comment on the perceived value of the project.
- Would Phase 2 of this request be eligible for additional state rail loans?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$7.5 million is state funding is requested to match an equal amount of local funds.
2.	Project fulfills an important state mission? Rail transportation is an important state mission.
3.	Has a state role been expanded in a new policy area? The state has previously funded phase I of this project.
4.	Project is of local, regional, or statewide significance? The project is viewed as having potential for regional (multi-county) significance.
5.	State operation subsidies required? No state operating funds are being requested.
6.	Inequities created among local jurisdictions? MnDot should describe the precedent for state funding of such rail lines and whether other jurisdictions may also be seeking similar state funding requests.
7.	Does it compete with other facilities? The project is not received as being in competition with other facilities.
8.	Resolutions from local governing bodies provided? A resolution has not been provided, to date.
9.	Predesign completed? N/A
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? N.A. - The grantee would be the Minnesota Valley Regional Rail Authority.

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

AGENCY PROJECT PRIORITY: 1 of 1 (Olmsted County)

PROJECT LOCATION: Rochester

PROJECT DESCRIPTION AND RATIONALE:

Olmsted County is requesting to receive capital grant assistance for the Olmsted County Materials Recovery Facility (MRF) for the purpose of cleaning the mixed solid waste fuel used in the Olmsted County Waste-to-Energy Facility (OWEF).

This is the only capital assistance request being submitted for Olmsted County and is the number one priority. The project will be located adjacent to the OWEF located in the city of Rochester.

The total estimated capital cost of the project is \$6 million. It is our intention to request 50% of the funding or \$3 million in FY 2002. The project is expected to be on-line and operating in September 2004. At this time there is no request for additional capital dollars for this project in FY 2004 or FY 2006. Olmsted County is prepared to fund the remaining capital amount from either equipment replacement reserves or a bond issue.

This request is for \$3 million in state funding to design, construct, furnish and equip a new MRF for removing additional recyclable material from the waste stream. Olmsted County currently has a recycling rate of 39%-43% but waste sorts indicate that an additional 4,600 tons of recyclable material can be removed from the waste stream with the installation of the facility.

Olmsted County has a functioning Integrated Solid Waste Management (ISWM) system. This system includes waste abatement programs; a recycling and self-hauler drop-off center; a yard waste composting facility; a regional hazardous waste facility; a waste-to energy facility; and a landfill for the disposal of waste combustor and coal ash, mixed municipal solid waste and construction and demolition debris. All facilities except the landfill are located adjacent to each other on the eastern edge of the city of Rochester.

Dodge County also participates through a Joint Powers Agreement in our ISWM system, in part by using a transfer station to dispose of MSW at the Olmsted County disposal facilities. The two-county area encompasses about 600 square miles and serves a population base of approximately 142,000.

The MRF will be an up-front 360 tons per day capacity facility for fuel cleaning and the physical location of the proposed MRF would be adjoined to the south side wall of the existing OWEF and expand southward. The current design is for a building addition of approximately 23,200 square feet and the procurement of equipment used

in removing recyclable material from the waste stream. The placement of the facility adjoined to OWEF will allow the haulers to dispose of the waste to the MRF which will be designed to recover aluminum, ferrous metals and corrugated cardboard materials from the incoming waste stream. The recyclable materials will be sold at market to cover the operating costs of the facility. The option of recovering plastic materials at a future date is dependent upon improved markets. In addition, the facility design also removes, prior to combustion, the "fines" material from the incoming waste stream for disposal.

The proposed up-front MRF is intended to increase the amount of materials recycled from the waste stream and to increase both the unit availability and energy output of the waste-to-energy facility. The MRF is also intended to reduce the metal emissions as well as the amount of material being landfilled.

The major objectives for the proposed MRF are

- Increase the OWEF processing capacity by a minimum of 9% (from 60,000 tons per year to 65,600 tons per year).
- Reduce the raw MSW bypass by a minimum of 33% (from 17,200 tons per year to 11,600 tons per year).
- Increase the recovery of recyclable materials by a minimum of 4,675 tons per year.
- Reduce the scheduled OWEF boiler outage time by 12-16 days per year by removing glass and aluminum from the MSW waste stream.
- Improve OWEF boiler operating characteristics by removing large non-combustible objects which plug chutes, under-fire air flow and ash discharges, leading to fuel, staff and environmental expenses.
- Improve OWEF worker safety by reducing boiler outages and improving boiler operating characteristics leading to less direct exposure to furnace and the toxic metals, lead and cadmium.
- Reduce toxic metal emissions by removing the "fine" fraction of the MSW stream, which contains a disproportionately high concentration of toxic metals.
- Prepare for ash utilization by removing non-combustible material from the MSW stream thereby satisfying a prerequisite needed for the ash utilization.

The MRF conceptual design has these basic components:

- The processing capacity of the MRF must be large enough to process all of the MSW that is delivered each day and projected out for 20 years. The estimated MSW peak would require a design of approximately 360 tons per day. Extended hours would be used to help keep the capital cost down and process all waste each day during peak delivery days.
- Objectionable material (large and small appliances, car batteries, ropes and twines, car parts and large film type materials) would be targeted for removal from the waste stream.

- The recyclable materials corrugated cardboard, aluminum cans, and ferrous metals would be targeted for recycling. Plastics would be evaluated as an optional fourth commodity based on market conditions.
- No size reduction would be utilized other than the trommeling process for bag opening.
- MRF design should minimize the contact between workers and waste. When workers must come into contact with waste (sorting), facility design shall incorporate prudent hygienic and ergonomic safeguards.
- Provisions should be made to allow for the maximum amount of hand sorting when markets are high for recyclables. Minimal staffing should be used when markets are poor.
- The core staff (supervisor, operator/mechanics and lead picker) may be Olmsted County employees. Hand pickers may be contracted workers or may be county staff.
- The MRF would be located on the OWEF site just south of the existing tipping floor, which would be utilized to the maximum extent possible.
- MRF design would allow easy delivery of MSW directly to the Pit in case of MRF breakdown.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The MRF will be owned by Olmsted County and may be operated by county staff or will be contracted with the private sector to operate the facility. Currently the county owns a recycling center located near the Waste-to-Energy facility. The operation of the recycling center is contracted with private sector operators. This allows the county to obtain its goals in recycling with a partnership in the private sector.

The current schedule for the MRF is to perform feasibility study and secure funding by March 2003. The design, permitting, and procurement is estimated to take six to nine months and should be complete by September 2003. Construction would begin in September of 2003 and would expect to be completed by June of 2004 for start up and testing. Commercial Operation is expected to begin September 2004.

The operation of the facility will be funding through the revenue from the sale of recyclable materials, operational savings at other facilities, and tip fees charged to haulers.

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

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Olmsted County Public Works Department
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Rochester, MN 55904-4744
Phone: (507) 287-2479
E-mail: mossing.gene@co.olmsted.mn.us

Susan Parker, Controller
Phone: (507) 287-2485
E-mail: parker.sue@co.olmsted.mn.us

Grants to Political Subdivisions
Olmsted County Materials Recovery Facility

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	275	0	0	275		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,972	0	0	1,972		
Infrastructure/Roads/Utilities	0	327	0	0	327		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	560	0	0	560		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	2,866	0	0	2,866		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	6,000	0	0	6,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$6,000	\$0	\$0	\$6,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,000	0	0	3,000
State Funds Subtotal	0	3,000	0	0	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	3,000	0	0	3,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	6,000	0	0	6,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

10/17/01 GOC

- No predesign has been received to evaluate.
- Information indicates no Predesign Fees are accounted for this project.
- No Project Management costs assigned to project.
- Design fees of 12.0% above high limit of 11% for new construction.
- Occupancy costs of 24.7% above high limit of 12%. Explain variance. May have construction costs in wrong category.
- Construction Contingency of 24.4% is above high limit for 5% for new construction.
- Soft costs of 61.7% is above high limit of 28%. May be attributable to higher soft cost %.
- Project Construction data indicates a new 23,200 sf facility for \$85.00/sf. This appears low for the intended function. Please justify costs.

Department of Finance Analysis:

Funding is requested for construction of a materials recovery facility (MRF) for the purpose of cleaning the solid waste fuel used in the Olmsted County waste-to-energy facility. Olmsted County proposes removing an additional 4,600 tons of recyclable materials (aluminum, ferrous, and corrugated cardboard) from the waste stream.

The upfront MRF will increase the amount of materials recycled from the waste stream, increase processing capacity, increase facility energy output, reduce facility downtime, and reduce toxic metal emissions. The upfront MRF will utilize mechanical technology with minimum line pickers. Olmsted County has a joint powers agreement with Dodge County for waste processing.

The proposed Olmsted project is eligible under CAP but was not funded during the FY 1999-2000 funding round due to lack of available funds. If adequate funding is provided to the CAP program, Olmsted can be assured of funding from the CAP program. If the project were funded outside of the CAP program, OEA would still wish to administer any funds allocated to county.

OEA should comment on the project's relative priority among competing requests.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$3 million in non-state funds will match an equal amount of state funding.
2.	Project fulfills an important state mission? Waste recovery and pollution control is an important state mission.
3.	Has a state role been expanded in a new policy area? The state has funded similar facilities in the past through the OEA.
4.	Project is of local, regional, or statewide significance? The project has multi-county significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Similar requests are likely pending from other jurisdictions.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution of support dated 2/6/2001 was received from the Olmsted County Board of Commissioners.
9.	Predesign completed? NA
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Olmsted County is 29 of 87 counties in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$4.83 per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Olmsted County was carrying a \$22.7 million unreserved fund balance in its general and special revenue funds.

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

AGENCY PROJECT PRIORITY: 1 of 1 (City of Olivia)

PROJECT LOCATION: Olivia at Highways 212 & 71

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$2 million in state funding to acquire land, construct, furnish and equip the Minnesota Center for Agricultural Innovation. The center will be a Minnesota and global destination for agricultural leaders, students and businesses. It will provide a venue for showcasing innovation, new products and procedures that will move farmers and agribusinesses successfully into the new millennium. At a time when few young people are choosing farming as a career, the center intends to dispense "hope" to youth, practitioners and agricultural leaders. At the core of the center will be education on innovation that has the potential to attract young farmers and provide a successful model for revitalizing already existing family farms. We call it, "a positive strategy to help a struggling industry."

There is great potential for the center to become a Minnesota, national and perhaps even an international educational center for innovation in agriculture. Based upon an historical record review of lodging guests at the Sheep Sheede Inn, agricultural leaders and students from 53 foreign nations and all 50 states have visited Olivia from 1997-2000.

The center board of directors is working closely with instructors from Ridgewater College's Agriculture/Business Management Program and the U.S. Government Agricultural Offices located in Olivia. We have also visited with AURI out of Morris, and the Prairie Waters Tourism Coalition and have received their support and encouragement. The Renville County Commissioners and Renville County Economic Development have written letters of support for the center because they feel it will impact the entire county economically. A Renville County Tourism Office will be located at the center. There is a general feeling that the center will be a regional hub for agriculture and tourism.

The measurable goals of the project include the following:

- To provide a venue where new products and promising innovations in agriculture can be displayed and introduced to practitioners, youth, agribusinesses, and the public. Ideas that merit attention will come from a wide variety of agricultural leaders (AURI, Value-Added Cooperatives, Agribusinesses, Environmental Service Companies, the University of Minnesota, Ridgewater College, etc.), and will highlight different types of production methods and styles of agriculture (sustainable agriculture, organic crop production, etc.).

- To provide training programs on innovation for both farmers and agribusiness leaders from Minnesota, the nation and the world.
- To provide a unique regional and national training facility that places heavy emphasis on agricultural innovation and positive change in operational procedures, marketing and management of farms and agricultural land.
- To provide a place for students from both urban and rural areas to come to study and be exposed to future trends in farming and agribusiness.
- To provide a place for travelers and tourists to gather information on activities and events in Renville County and the surrounding region. (The Olivia Area Chamber of Commerce and a Renville County Visitor's Center.)
- To provide an ag office complex that provides "one stop" help and assistance for local and regional farmers.

The city of Olivia will own the center, and it will be operated by the Corn Capital Trust, Inc., an IRS approved 501(c) 3 corporation. The project is a cooperative venture of the city and the trust.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state funds are requested for operating costs.

OTHER CONSIDERATIONS:

The Corn Capital Trust, Inc. met with a variety of departments and advisers during its formative stages in 1999. No suggestions were forthcoming that the center grant should be submitted by the Department of Agriculture of the Department of Trade and Economic Development (DTED) during early interactions with the DTED's representative Steve Markuson and Department of Agriculture, Assistant Commissioner Jim Boerboom. However, both were very support of the concept. The Trust was also encouraged to pursue a grant by both Senator Dean Johnson and Representative Gary Kubly during early discussions on the center.

This project is a cooperative venture of the city of Olivia and the Corn Capital Trust, Inc. Since it will be operated by the Corn Capital Trust, Inc., the center is viewed as a private sector venture that arose out of a specific need identified by members of the Corn Capital Trust, Inc., a 501(c) 3 IRS approved non-profit corporation. Cooperation among the two state agencies along with other local, county, regional, national and international organizations and agri-business corporations is anticipated.

The Corn Capital Trust, Inc., whose board of directors includes Olivia's city administrator, hired Sabongi Consulting Group, Inc. to provide an architectural rendering of the center. Front and rear elevations and a floor plan have been completed and are included.

Up to this point in time, the Trust has been in its silent phase of fund raising attempting to locate a benefactor and/or a major corporation to provide a lead gift and take some degree of responsibility for the center's fund raising effort.

In September, the Minnesota Center for Agricultural Innovation identified its first major contributor. The center received a Pledge Agreement from Alliance Pipeline, L.P. for \$150,000. In addition, this Canadian based gas pipeline company has agreed to provide leadership during the center's public fund-raising efforts. This contribution also matched a Southwest Minnesota Foundation \$50,000 Challenge Grant.

Plans are being formulated to launch a corporate fund-raiser utilizing the Alliance Pipeline leadership team. When the public capital campaign is initiated, appropriate foundation grants will be written, organizations and individuals will be invited to donate and naming rights will be granted for significant contributions.

Board members feel this question is almost impossible to answer with any degree of accuracy. However, we believe we are able to predict with a good deal of reliability who center program users will be. The following have already been identified:

- the statewide agriculture community including farmers and agri-business leaders;
- Ridgewater College Business and Agricultural Management instructors and students;
- AURI;
- The University of Minnesota Extension Services, Tourism and Ag Experiment Stations;
- Regional high school agriculture classes, FFA and 4-H groups;
- U.S. Department of Agriculture;
- Renville and Redwood Area County Economic Development
- Locally based research and processing agri-businesses;
- Olivia Area Chamber of Commerce and Renville County Visitor's Bureau; and
- Visitors interested in agriculture from throughout Minnesota, the nation and the world.

National and international seed companies currently utilize Olivia and Renville County for research and study. In fact, Olivia has the highest concentration of seed research and processing companies of any place in the world. Because of this,

agricultural leaders from throughout the nation and around the world travel to Olivia and Renville County to study innovative strategies. This fact is evidenced by a four-year historical study showing that visitors from 53 foreign countries and all fifty states have come to learn about agriculture from this unique region of Minnesota.

Besides the concentration of research and production facilities, it is interesting to note that the Minnesota Agricultural Statistics 2001, released by state statistician Michael Hunst, states the following facts about Renville County: Renville County is the number one producer of corn in the state. The county is also the number one producer of soybeans, green peas, and sweet corn. The county is fourth in pig crop numbers, fifth in hogs, and sixth in sugar beet production. We are second in the state in both total cash receipts and in crop receipts.

Research and production done in Olivia and Renville County has, and continues to have, a major impact on both national and international agriculture. For example, Olivia facilities provided enough soybean seed to plant four million acres in the Upper Midwest. A conservative estimate is that this seed would yield approximately \$640 million in crop production, and this does not include any value added endeavors.

The value of the research and production of Olivia developed seed on international commerce is immeasurable. For example, Pau Seeds, a French company, uses its Olivia facility to develop varieties of seed that are hardy in this latitude. It is their only selected location in the world used for this type of research, experimentation and development. Seed research by Thurston Genetics, LLC, a division of BASF, is utilized around the nation and the world. The newly formed BEI Agricultural Environmental Solutions Division will soon provide the only service of this type in the United States.

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

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E-mail: cityofolivia.olivia.mn.us

Gary R. Herman, President, Corn Capital Trust, Inc.
412 South Second Street
Olivia, MN 56277
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E-mail: smaster@tds.net

Grants to Political Subdivisions
Minnesota Center for Agricultural Innovation

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2002	07/2003
Site & Building Preparation	0	385	0	0	385		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,555	0	0	2,555		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	307	0	0	307		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2002	07/2003
Furniture, Fixtures and Equipment	0	125	0	0	125		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	685	0	0	685		
SUBTOTAL: (items 1 – 8)	0	4,057	0	0	4,057		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$4,057	\$0	\$0	\$4,057		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
State Funds Subtotal	0	2,000	0	0	2,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	2,057	0	0	2,057
Other	0	0	0	0	0
TOTAL	0	4,057	0	0	4,057

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Chapter 492, Article 1, Section 10, Subd 5 -- VETOED --	500
TOTAL	500

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	2,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01

- Why isn't this grant coming from the Department of Agriculture or Department of Trade and Economic Development?
- Predesign has not been received.
- Information indicates no Predesign Fees are accounted for on this project.
- No design or project management costs assigned to project.
- Occupancy costs of 27.6% above high limit of 12%. Explain variance.
- Construction contingency of 10.4% above high limit of 5% for new construction.
- Functional costs/sf appear low for space function: 1) \$100.02/sf for lobby, conference rooms, kitchen; 2) \$100.03/sf for dining, office complex, meeting rooms; 3) \$75.00/sf for innovation halls. Please justify costs for analysis.

Department of Finance Analysis:

The applicant is encouraged to consider the following questions or concerns:

- This project may be duplicative of services offered by Ag Experiment Stations of the University of Minnesota (such as the U of M's southwestern research and outreach center at Lamberton).
- Until additional private matching funds are received to demonstrate strong community support, it may be advisable to hold off on submitting a state funding request.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? Private fund raising is underway to raise \$2.057 million in matching funds. \$200,000 has been committed so far.
2.	Project fulfills an important state mission? The state mission in agriculture research and outreach has traditionally been funded through other means, such as Ag Experiment and Outreach Centers of the University of Minnesota.
3.	Has a state role been expanded in a new policy area? This request would expand the state's role in funding for local facilities of this type.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local benefit, with potential for multi-county significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? If this project were funded, other communities might seek similar state assistance.
7.	Does it compete with other facilities? Elements of the project are viewed as being in competition with, or duplicative of other facilities and programs of the U of M.
8.	Resolutions from local governing bodies provided? A letter of support dated 2/25/00 was received from the Mayor and City Council.
9.	Predesign completed? A predesign has not been received to date.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Olivia is 368 of 884 cities in Minnesota (1 is high).

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2002 STATE APPROPRIATION REQUEST: \$125,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Pipestone)

PROJECT LOCATION: Old City Hall -- Pipestone

PROJECT DESCRIPTION AND RATIONALE:

This project involves the design and construction of an external shaft and hoist way and installation of an elevator in an empty lot directly adjacent to the three-story Pipestone County Museum building in downtown Pipestone, MN, and the renovation of a third floor area to be used as a community room and museum programs room, at a total cost of \$288,000 of which the state is asked to provide \$125,000. This will allow full accessibility to the museum's second and third floors, as called for in the Americans with Disabilities Act (ADA). It will also permit the museum to convert the third floor from a storage area into a regional programs room. In addition, an enclosed stairwell will be included in the construction. Currently, the second floor exhibit galleries and museum's third floor are accessible only by a single central stairway, representing a major fire safety concern which will be rectified by the new construction. At the conclusion of this project, the new construction will be the property of the city of Pipestone. Work is expected to begin in the spring of 2003 and be completed in the late fall.

For over 40 years, the city of Pipestone has provided a sizable portion of the operating budget for the Pipestone County Museum, operated by the Pipestone County Historical Society, a private non-profit 501(c)3 corporation. The purpose of the Society is "to foster an awareness of our county's history, and its connection with the history of Minnesota, our region, and nation." This is done through conduct of the museum, open daily 360 days per year, guided group and school tours of the museum and the city's historic district, outreach programming to groups within a 60 mile radius, and through operation of a museum web page. In exchange for support of the Society's public mission, the museum's Executive Director submits quarterly reports to the Pipestone City Council, which provides oversight of museum operations and evaluation of the Society's performance in carrying out its mission. In supporting this mission, the city has provided capital improvement funding for increasing handicapped accessibility to the museum in compliance with the ADA. In the past five years, the city has funded the construction of a wheelchair ramp and the widening of museum entrances to enhance accessibility. This project further cements the partnership between the city of Pipestone and the Pipestone County Museum to provide the highest quality educational and tourism services to the broadest possible public.

Of the total cost, the city of Pipestone has pledged in its regular City Council session to provide \$13,000 for the project. Pipestone County, which has long provided operating funds to the museum, has provided \$6,250 for the project in the coming year. The Historical Society will provide \$22,000 in regular funds (currently in hand)

and \$3,000 in user financing through an increased admission price to the museum. In addition, the museum will undertake a capital campaign to raise \$30,000 from individual donors and corporate sponsors. Some \$45,000 will be sought in the form of grants from the Blandin Foundation, the Otto Bremer Foundation, and the McKnight Foundation, as well as the Minnesota Historical Society State Capitol Projects Grants-in-Aid Program.

Throughout its 119-year-history, the Pipestone County Museum has incurred no outstanding debt and built a small cushion of savings and endowment funds to help with hard times and special projects. These reserve funds will be invested virtually in their entirety into the elevator project. Any increased costs involved with the future operation of the elevator will be covered using money generated from increased museum admission prices and other sources. At no time will state operating subsidies be requested. The funding pledged to the project by the city of Pipestone and county of Pipestone represent the maximum possible given the state of the local agricultural economy and declining tax base. Support in the form of donations from corporations and individuals and grant funds from foundations and supporters of capital improvements to historic properties will take a strong effort to generate. These efforts and contributions will provide for over 50% of the project cost and represent the maximum possible commitment local, private, and user financing can provide.

The city of Pipestone (population, 4,300) is visited by more than 100,000 tourists each year. Approximately 46% of visitors come from Minnesota, many of them from the Twin Cities metro area. Five percent, 1 in 20, visit from a foreign country. The remaining 49% come from across the United States. The Pipestone County Museum serves as a major attraction to area tourists, educating them about the history of the county, state, and region through exhibits detailing the area's pre-history, Native American heritage, white settlement, and recent past. Programs and tours serve thousands more, drawing in and reaching out to school children and senior citizens from a wide region of Minnesota, South Dakota, and Iowa. Since its founding in 1880, the Pipestone County Historical Society has been affiliated with the Minnesota Historical Society (MHS) and has long been an MHS institutional member. Through its own programs PCHS carries forward MHS' mission of "foster(ing) among people an awareness of Minnesota history so that they may draw strength and perspective from the past and find purpose for the future." Conversations with MHS staff indicate that this project will have the full support of the Minnesota Historical Society in the legislature.

The Pipestone County Museum is relatively unique among area historical societies in being housing in a multi-story National Register structure. The single-story homes of the nearby Murray County Historical Society in Slayton and the Lyon County Historical Society in Marshall make them naturally more accessible. This project will put the museum's accessibility on a par with that of other museums in the region. Efforts to improve the museum facilities will only aid other county historical societies and attractions in southwestern Minnesota. The Pipestone

County Museum has long made every effort to cooperate and cross-promote with such organizations and attractions. The museum carries brochures and travel information from sites as diverse as Blue Mound State Park (Luverne) and the Laura Ingalls Wilder Museum (Walnut Grove) free of charge to the brochure providers. These brochures are available to visitors in a large rack near the museum's entrance. In addition, the museum staff are knowledgeable about regional tourism and regularly provide advice to visitors about other places to visit in the area. The ability of the museum to provide such information will be further enhanced by the elevator project, providing newly accessible space on the third floor to show videos, conduct programs, and provide other resources on area tourism.

In short, this project promotes a number of goals important to the state of Minnesota. It provides for increased accessibility under the ADA for a public facility. It rectifies fire safety concerns for visitors and other users of the facility. The project will help to promote and serve local tourism in an economically depressed area of the state, thereby assisting in our area's economic development. Finally, it will carry forward the state-supported mission of the MHS to educate the people of Minnesota and visitors from across America and around the world about our state's proud history.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

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

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Grants to Political Subdivisions
Pipestone County Museum Improvements

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	282	0	0	282		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	282	0	0	282		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$282	\$0	\$0	\$282		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	125	0	0	125
State Funds Subtotal	0	125	0	0	125
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	19	0	0	19
Private Funds	0	138	0	0	138
Other	0	0	0	0	0
TOTAL	0	282	0	0	282

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	125	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01; revised 11/9/01

- Predesign is not required. (Construction cost is less than \$750,000).
- No design or other soft costs are identified.
- Project construction information and costs have not been provided to examine \$/SF of functional areas or percentages.

Department of Finance Analysis:

Rather than being submitted herein as a separate request, perhaps this request could be routed to the Minnesota Historical Society (MHS) for consideration in their statewide grant programs.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects

- | |
|---|
| 1. Non-state matching funds contributed?
\$157,000 in non-state funds will match \$125,000 in state funding. |
| 2. Project fulfills an important state mission?
The state mission in funding improvements to local projects of this type is unclear. |
| 3. Has a state role been expanded in a new policy area?
Projects of this type have been previously funded through MHS grant programs. |
| 4. Project is of local, regional, or statewide significance?
The project is viewed as having a primarily local benefit. |
| 5. State operation subsidies required?
No state operating subsidies are requested. |
| 6. Inequities created among local jurisdictions?
Similar requests compete for funding through existing MHS grant programs. |
| 7. Does it compete with other facilities?
No. |
| 8. Resolutions from local governing bodies provided?
A resolution of support dated 9/20/99 was received from the Pipestone City Council. |
| 9. Predesign completed?
A predesign is not required for this project. |
| 10. Project is disaster related?
The project is not located in a disaster area. |
| 11. Per-capita tax capacity of the local jurisdiction?
The 2001 per capita tax capacity rank of the city of Pipestone is 409 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$5.84 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Pipestone County had a \$7.4 million unreserved fund balance in its general and special revenue funds. |

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2002 STATE APPROPRIATION REQUEST: \$137,000

AGENCY PROJECT PRIORITY: 1 of 1 (Ramsey County)

PROJECT LOCATION: Falcon Heights

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1,574,000 in state funding for predesign, design, construct, furnish, and equip a new Interpretive Center for the Gibbs Museum of Pioneer and Dakotah Life to present a period of friendly associations between the Pioneer and Dakotah peoples, often called the "Middle Ground" period by historians.

In the year 2002, costs will total \$316,261 of which state funds will cover \$137,500. These funds will cover preparation and planning for construction: predesign, schematic design, design development, preparation of bid documents, construction administration, and costs of state staff project management.

Construction itself will begin in 2004. These costs will total \$2,873,000 of which the state funds of \$1,436,500 will help cover site and building preparation, decommissioning/moving of current admissions building, construction, construction contingency, furniture, equipment and relocate, and other costs.

The new Interpretive Center will serve as the platform and launching site for the true story that not only documents the rich heritage of both the pioneers and Native Americans of the region, it also places the Gibbs Museum as a top statewide and regional tourism destination. Nowhere else in the region is the story of the *amicable association* between the pioneers and the Dakota people being told. Dakotah history is more often told in terms of bloodshed, bitterness and war. The story is also a beacon of hope for contemporary cross-cultural understanding and acceptance. It is fitting that this venue is located in the easily accessible center of the metropolitan area in the state capital's county.

The construction of the Interpretive Center at Gibbs Museum will complete the expanded interpretation (already begun with a grant from Legislative Commission on Minnesota Resources (LCMR) in 1999) of this historic site that includes a comparison of Native American Dakotah lifestyle with that of the pioneer Gibbs family between 1835-1862. The project is part of the long-range plan to expand the interpretation of this historic site into two time periods, the first when Jane Gibbs came to Minnesota as a small girl and lived among the Dakotah of Cloud Man's band at Lake Harriet in the 1830s, and the second when Jane and her husband, Heman Gibbs, returned to Minnesota and started farming at the Gibbs farm in 1849.

The project's primary goal is an engaging learning experience of little-known period of Minnesota history, for a projected 30,000 visitors. The project addresses the need to give Euro Americans and Native Americans alike a more complete perspective of

all the people who lived in Minnesota during the middle decades of the 19th century. Modern Minnesotans are far more likely to hear about the Dakotah Conflict (also known as the "Great Sioux Uprising" of 1862) than about the "Middle Ground." The Gibbs Museum offers a remarkable venue for educating young people and adults about the "Middle Ground," including comparisons and contrasts of Dakotah and pioneer life.

The community has already invested over \$800,000 in the society's ten-year plan to expand the interpretation of the Gibbs Museum. Improvements to date have included an archaeological site of the original dugout sod house, a replica of the original "soddy," native prairie and landscape of the era, a replica Dakotah bark lodge and drying rack, tipi, replica artifacts of the period, Indian trail and travois, Dakota garden and pioneer garden, and medicine gardens of both the Dakotah and pioneers.

The new Interpretive Center building sets the stage with exhibits/orientation/assembly space, collection storage space, classrooms, admission and visitor amenities. The project will:

- Establish the Gibbs Museum and its expanded Native American Dakotah interpretation as a major tourism attraction, regionally and locally.
- Heighten visitor-learning experiences through displays of historic artifacts, programs demonstrations and lectures.
- Fulfill visitor needs with improved rest rooms, doubling the size of the current gift shop giving visitors a better shopping environment, selection, and a variety of Native American handicrafts. The new facility conforms to all current Americans with Disabilities Act (ADA) standards.
- Maximize use of classroom space using high technology teaching aids and hands-on educational experiences in craft making and demonstrations. The classroom space propels the development of expanded off-site programming throughout the entire school year.
- Optimize Ramsey County Historical Society archival collections storage and maintenance space in a climate-controlled facility augmenting space now provided in several Ramsey County owned facilities.
- Involve area organizations such as senior citizen groups, boy scouts, area businesses, local historical organizations and lecture series programs in the public meeting space.
- Lengthen the visitor season through the winter months. Increases in visitors and programs will expand gift shop and admissions revenue, minimizing impact of additional operating expenses.

With the many outdoor improvements to the site, the museum now needs to make the site accessible during the winter months and inclement weather for tourism and education. Some of the most effective and inspiring educational experiences occur

when an individual experiences the reality of another era – outside the formal classroom. Few people today can imagine the rigors of farm life in Minnesota in 1850, or the natural rhythms of the seasonal Dakota lifestyle in the early 1800s in the region. The Interpretive Center will not only expand the programs of the site, it will offer a unique view of the region's distinctive Native American and pioneer heritage and it will become a major tourist attraction for regional and international visitors alike.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

Ramsey County will own the building, and lease it to the Ramsey County Historical Society which will operate the facility.

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

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Grants to Political Subdivisions
Gibbs Museum Interpretive Center

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$41	\$0	\$0	\$41		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	30	0	0	30		
3. Design Fees							
Schematic	0	35	0	0	35		
Design Development	0	41	0	0	41		
Contract Documents	0	82	0	0	82		
Construction Administration	0	51	0	0	51		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	36	0	0	36		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						11/2004	02/2006
Site & Building Preparation	0	0	75	0	75		
Demolition/Decommissioning	0	0	17	0	17		
Construction	0	0	2,400	0	2,400		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	96	0	96		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	217	0	217		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	68	0	68		
SUBTOTAL: (items 1 – 8)	0	316	2,873	0	3,189		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$316	\$2,873	\$0	\$3,189		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	137	1,436	0	1,573
State Funds Subtotal	0	137	1,436	0	1,573
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	179	1,437	0	1,616
Other	0	0	0	0	0
TOTAL	0	316	2,873	0	3,189

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	137	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? Resolutions of support for this project have been received from the Board of Directors of the Ramsey County Historical Society (dated 2/22/01) and Ramsey County Board of Commissioners (dated 10/16/01).
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Ramsey County is 20 of 87 counties in Minnesota (1 is high). If the state share of 2002 project costs were 100% locally funded, its annual costs over the next five years would be 5 cents per county resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), Ramsey County was carrying a \$153 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$550,000

AGENCY PROJECT PRIORITY: 1 of 3 (City of Rochester)

PROJECT LOCATION: Next to existing Rochester Nat'l Guard Facility

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$568,000 in state funding for Phase 1 only (land acquisition and Fire Tower construction) of a multi-phase project to acquire land, predesign, design, construct, furnish and equip a public safety training center consisting of a live burn building and tower, an indoor firearms range, and classroom. Phase 1 of the facility will meet some of the several training needs of area fire fighters and law enforcement personnel. The facility will provide a site for essential and necessary "live burn" training for fire fighters and tactical skill training for law enforcement officers. Phases 2 and 3 will meet some of the essential and necessary firearms training for peace officers.

The city of Rochester, the third largest city in the state, as well as the entire southeastern Minnesota region has experience unprecedented growth in the last decade. The public safety training needs have far exceeded the facilities available in the region.

In spite of Rochester and Olmsted County's population, growth and central locality for the southeastern corner of Minnesota, the fire fighter and law enforcement agencies of the region are woefully underserved in training facilities. The services of a live burn facility or indoor firearms range are not available in the region. Although Rochester owns and operates an outdoor firearms range, which is also utilized by Olmsted County Sheriff's department, Rochester Community and Technical College and regional security agencies, its capacity for training is greatly limited. It appears inevitable that the outdoor range will be closed within the very near future. The land acquired in Phase 1 will accommodate all space needs for Phases 2 and 3.

Unlike local peace officers, the fire departments within the region have never had a live burn facility. This situation forces regional Fire Department officers to train in makeshift venues and in less than totally safe circumstances.

There are over 200 law enforcement officers in Olmsted County. There are approximately 600 licensed peace officers living within a 60-mile radius of Rochester. Fire fighters number over 200 in Rochester and Olmsted County and over 1,500 in the 60-mile radius. In addition to the active officers of the region, Rochester Community and Technical College is the home for a Minnesota Peace Officer Standards and Training Board approved law enforcement program with an annual enrollment of approximately 100 students.

			Total Costs	State Request
Phase 1	Year 2002	Fire Training Tower	\$1,068,000	\$ 568,000
Phase 2	Year 2004	Indoor Firearms Range	\$3,342,639	\$1,671,320
Phase 3	Year 2006	Classroom Facility	\$ 148,252	\$ 74,126

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The live burn facility would be owned by the city of Rochester and operated by the city's fire department. The firearms range and classroom will be jointly owned by the city of Rochester and Olmsted County and jointly operated by the Olmsted County Sheriff's Office and the Rochester Police Department. The burn facility would be available to all fire departments in the Region for ongoing training needs. The burn facility will also be used by area law enforcement agencies for various training needs including tactical exercises.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$400	\$0	\$0	\$400		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	104	0	0	0	104		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0	06/2002	09/2002
Construction Administration	0	8	132	0	140		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	30	20	0	50		
Commissioning	0	0	0	0	0		
Other Costs	0	20	20	0	40		
5. Construction Costs						10/2002	12/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	415	290	0	705		
Infrastructure/Roads/Utilities	0	116	1,505	0	1,621		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	27	70	0	97		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	10	200	0	210		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	10	0	0	10		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	104	1,036	2,237	0	3,377		
9. Inflation							
Midpoint of Construction		01/2003	01/2005				
Inflation Multiplier		6.20%	15.00%	0.00%			
Inflation Cost		64	336	0	400		
GRAND TOTAL	\$104	\$1,100	\$2,573	\$0	\$3,777		

Grants to Political Subdivisions
Regional Public Safety Training Center

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	104	550	1,286	0	1,940
State Funds Subtotal	104	550	1,286	0	1,940
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	550	1,287	0	1,837
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	104	1,100	2,573	0	3,777

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws of Minnesota 2000, Chapter 492, Section 20, Subd 2	104
TOTAL	104

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	550	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01; revised 11/9/01

- Predesign has been submitted.
- No Project Management or Construction Contingency costs assigned to project.
- Design fees of 20.60% above high limit of 11% for new construction.
- Occupancy costs of 19.3% above high limit of 12%. Explain variance. May have construction costs in wrong category.
- Project Construction data indicates firearms range at \$134.41/sf. History indicates range of \$225 to \$250/sf for this type of function. The live burn facility & instructor station of \$378.79 appears high. Please justify costs.

Department of Finance Analysis:

- Project cost information discussed in there narrative doesn't equal cost information on the Project Cost or Project Detail forms.
- Did this project receive any funding from the 2000 bonding bill (public safety training facility grant program)? If so, please describe the amount and purpose of the grant.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? This is a three-phase project. All three phases would provide a 50% non-state match.
2.	Project fulfills an important state mission? Public safety is an important state mission.
3.	Has a state role been expanded in a new policy area? Funding was provided in the 2000 bonding bill for a handful of local public safety training facilities. It is unclear whether this funding was expected to be one-time funding, or on-going with additional state appropriations to follow.
4.	Project is of local, regional, or statewide significance? The project is viewed as having a primarily local benefit, with potential for regional significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Other jurisdictions may likely seek similar funding.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 09/17/01 has been received from the Rochester City Council. Letters of support suggesting partnership opportunities have also been received from the Minnesota Department of Military Affairs, Rochester Community and Technical College, and Riverland Community College.
9.	Predesign completed? A predesign has been received and reviewed by the Department of Administration.
10.	Project is disaster related? The project is not located in a disaster-area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Rochester is 134 of 884 cities in Minnesota (1 is high). If the state share at 2002 project costs were 100% locally funded, its annual costs over the next five years would be \$1.28 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$21.3 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$2,300,000

AGENCY PROJECT PRIORITY: 2 of 3 (City of Rochester)

PROJECT LOCATION: Civic Cultural Campus/Mayo Park

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$2,300,000 in state funding to support efforts to construct, furnish and equip the new Rochester Art Center (RAC) to be located in the heart of downtown Rochester. This project is the result of the Mayo Civic Center's recent 74,000 sq. ft. expansion across the Art Center's front lawn, which has forced the Art Center to relocate.

With the successful completion of the Rochester Art Center's Capital Campaign, RAC will expand its current facility from 10,000 sq. ft. to a new 36,000 sq. ft. three-story building situated along the banks of the Zumbro River. This greatly expanded and improved facility will benefit southeastern Minnesota immeasurably. RAC will be able to bring world-class exhibitions to the region and provide greater opportunities for children and adults to explore and understand the significance of art in their lives through education and outreach programs that respond to the needs of an increasingly diverse audience in southeastern Minnesota. With the addition of the new Rochester Art Center, the civic cultural campus comprised of the Mayo Civic Center and the Rochester Civic Theater will be complete.

In this architecturally distinctive facility, the first floor will feature a premier gallery shop; a grand lobby will provide an extraordinary space for special events, performances and other private and public receptions along with a *café* for casual dining. Terraced outdoor sculptural spaces will offer access to the river gardens and city parkland. The second floor will house two state-of-the-art climate controlled galleries in order to bring exhibitions featuring regionally and nationally recognized artists to southeastern Minnesota. An audio visual room will support the exhibition program. The third floor will include administrative offices and three large classroom spaces for classes, lectures, seminars, and workshops. Support spaces in the basement will house workshop, storage spaces, and adjunct offices.

Rochester Art Center History and Significance

Rochester Art Center is a Center for the Visual Arts located in southeastern Minnesota. As a non-profit arts organization, the Art Center has been a major part of the region's cultural life since its founding in 1946. Initially its programs were held in a variety of spaces from the upper level of the public library to a small schoolhouse. With generous public support and the donation of land by the city of Rochester, the existing facility was built in 1956 and later expanded in 1965. Under the 1957 lease agreement, RAC agreed to pay the city of Rochester \$1 per year for the lease of the premises for 49 years from March 1957 to February 2006. In exchange, the city

agreed to maintain the facility and grounds under the terms of the lease. For over 44 years RAC's lease arrangement with the city of Rochester has been sustained.

The current two-level brick facility houses two galleries, one classroom space, a multipurpose room used for educational programs and receptions, eight administrative offices, one workshop and two storage spaces.

Annually the Rochester Art Center sponsors over 200 programs, reaching an audience of over 65,000 in its current facility. Since 1946 RAC has served over 1.4 million people in the community and region.

Rochester Art Center's significance in the region has been to provide opportunities for people of all ages to have access to the art and artists of our time and to discover the importance of the human creative spirit in our everyday lives. For over 50 years, the Art Center has presented the works of artists of local, regional and national significance as well as supported the creative development of its constituency in the region. These efforts have been realized through such programs as:

- **Southeastern Regional Artist Exhibition** a biennial juried exhibition of art works by artists from Blue Earth, Dodge, Fillmore, Freeborn, Goodhue, Houston, LeSeur, Mower, Olmsted, Rice, Steele, Wabasha, Waseca and Winona counties.
- **Upper Mississippi River exhibition** featured paintings and drawings by eight artists from Goodhue, Olmsted and Steele counties.
- **American Woodturners: An Emerging Contemporary Art Form** a national exhibition which showcased works by leading woodturners in Minnesota and the United States.
- **Pure Vision: American Bead Artists** an extraordinary contemporary American Bead exhibition, originally co-curated with Winona State University, Winona, Minnesota and the Leedy Voulkos Art Center in Kansas City. This exhibition later toured throughout the United States through Exhibits USA (1998-2000) and has reached an audience of over 60,000.

RAC provides an innovative array of educational programs including classes, films, lectures, and tours for children and adults; presents workshops for emerging artists to develop their professional careers; and sponsors a wide range of outreach programs to inspire and enrich lives of its regional constituency. Educational highlights for youth, families, educators and artists include:

- **Southeastern Minnesota High School Art** juried exhibition representing students from the communities of Adams, Chatfield, Dennison, Dover, Elgin, Eyota, Glenville, Grand Meadow, Hayfield, Kasson, Kenyon, Myrtle, Northfield,

Oronoco, Plainview, Rochester, St. Charles, Sargent, Stewartville, Wanamingo and Zumbrota.

- **Art of the World: Student Banner Exhibition (1999-2001)** presents works about cultural symbols by English Speakers of Other Language students from Bosnia, Somalia and Southeast Asia. This exhibit continues to tour to regional sites.
- **Families at Risk** provided free art programs for families at risk in Stewartville, Pine Island and Byron.
- **Art on Wheels** provides free bus transportation annually to public schools in Olmsted County. This program was funded by US Bancorp.
- **Art Career Day** provides a forum for high school students in southeast Minnesota to become acquainted with career possibilities in the arts. Professionals in such areas as art, art education, computer graphics, architecture, medical illustration, photo journalism, photography and arts administration come and talk with students about their background, experience and career opportunities in their prospective fields.
- **Seminar for Art Educators in Southeastern Minnesota** brings art teachers in elementary, middle and high schools together to share ideas and talk about their needs and resources.
- **Professional Development Opportunities for Emerging Artists** provides an on-going forum for artists in the region to learn about grants and professional development opportunities from the Minnesota State Arts Board, the Jerome Foundation, McKnight Foundation and Bush Foundation at the Art Center.

For over 25 years Rochester Art Center has had a history of working in collaboration with the University of Minnesota in Minneapolis, Mankato State University in Mankato and Winona State University in Winona in bringing to the region exhibitions and workshops of major national artists. For 29 years, RAC has presented the Total Arts Day Camp, a summer program directed at children grades 1-6 to work with professional artists. This exceptional program has been a role model for children's art education programs at the North Dakota Museum of Art in Grand Forks, North Dakota; the John Michael Kohler Art Center in Sheboygan, Wisconsin and the Waterloo Art Center in Waterloo, Iowa.

As a result of its commitment to creativity, excellence, accessibility and diversity, the Art Center's artistic leadership has been recognized with major grant support from the Minnesota State Arts Board, the McKnight Foundation and the Bush Foundation for nearly 30 years.

Limitations of the Current Facility

Expansion of the RAC has been a long-term goal of the organization. The current facility has been inadequate for a number of years. Gallery spaces are cramped and do not meet the American Association of Museum's accreditation standards for

presenting traveling exhibitions (lack of environmental controls, security and lighting). There is a shortage of classroom space to meet the demands of a growing audience. Facility rental opportunities are limited due to the lack of separation between public and gallery spaces. Inadequate storage has forced RAC to rent off site storage.

The recent expansion of the Mayo Civic Center complex has created new and urgent problems for RAC. Visitor access has been greatly restricted due to physical barriers erected by the Mayo Civic Center to control traffic flow to their complex. Parking at the Art Center always has been a challenge. Now, it is nearly non-existent. Former parking spaces have been converted to loading zones that service the new Mayo Civic Center addition. Attendance at RAC functions and programs has suffered as a result of these changes.

Plans for the New Facility

In November 1998, the city of Rochester donated a prime one half-acre riverfront site adjacent to the Mayo Civic Center for the construction of the new Rochester Art Center. The city also gave RAC \$1.7 million toward architectural and construction costs. In December 2000, the city increased its contribution to the building project by \$1.4 for a total gift of \$3.1 million. Additionally, RAC has raised \$2.8 million in private funds from foundations, businesses and individuals. The total amount raised to date is \$5.9 million (\$1.2 million bridge fund and \$4.7 million construction) toward a total project cost of \$8,856,000.00.

The architectural firm of Hammel, Green and Abrahamson was hired to design the new facility due to their impressive museum design experience. Construction of the new facility is expected to begin in June 2002, with completion slated for June 2003.

Benefits to the state

An expanded RAC will provide the following benefits to the state:

- Serve a regional audience of over 300,000.
- Increase programs from 204 (FY 2000) to 416 (FY 2004).
- Increase tourism in southeastern Minnesota.
- Expand outreach educational programs and collaborations with schools, educators, government agencies and other visual arts institutions in southeastern Minnesota.
- Support economic development efforts in the region.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested for this project.

OTHER CONSIDERATIONS:

The new facility will be owned by the city of Rochester. Rochester Art Center will enter into a lease of no less than 50 years nor more than 99 years of the real estate for \$1 per year. Similar to the past lease agreement, the city will maintain the grounds, provide support for the maintenance and upkeep of the building and assume responsibility for major repairs related to the facility.

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

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Rochester Art Center
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Fax: (507) 288-7737

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	7	0	0	0	7	02/1999	04/1999
3. Design Fees							
Schematic	0	45	0	0	45	04/1999	06/1999
Design Development	0	90	0	0	90	05/1999	06/1999
Contract Documents	0	225	0	0	225	06/1999	09/1999
Construction Administration	0	90	0	0	90	06/2002	01/2003
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	25	0	0	25		
5. Construction Costs						01/2001	06/2002
Site & Building Preparation	0	205	0	0	205		
Demolition/Decommissioning	0	12	0	0	12		
Construction	0	5,317	0	0	5,317		
Infrastructure/Roads/Utilities	0	95	0	0	95		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	336	0	0	336		
Other Costs	0	25	0	0	25		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	1,200	0	0	1,200		
8. Occupancy						10/2002	01/2003
Furniture, Fixtures and Equipment	0	300	0	0	300		
Telecommunications (voice & data)	0	50	0	0	50		
Security Equipment	0	50	0	0	50		
Other Costs	300	0	0	0	300		
SUBTOTAL: (items 1 – 8)	307	8,065	0	0	8,372		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		6.00%	0.00%	0.00%			
Inflation Cost		484	0	0	484		
GRAND TOTAL	\$307	\$8,549	\$0	\$0	\$8,856		

Grants to Political Subdivisions
The New Rochester Arts Center

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,300	0	0	2,300
State Funds Subtotal	0	2,300	0	0	2,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	3,100	0	0	3,100
Private Funds	307	2,493	0	0	2,800
Other	0	656	0	0	656
TOTAL	307	8,549	0	0	8,856

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	2,300	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million – by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that consideration be given to using existing revenues associated with the city's local option sales taxes (for this or other local cultural and arts requests). The Governor would support a broadening of existing authority to allow this. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required? No state operating funds are requested with this project. However, the Rochester Art Center received operating funds of \$31,000 from the State Arts Board in 1998 and \$32,000 in 1999.
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for the project dated 10/16/01 has been received from the Rochester City Council.
9.	Predesign completed? A predesign for this facility has been reviewed by the Department of Administration.
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Rochester is 134 of 884 cities in Minnesota (1 is high). If the state share at 2002 project costs were 100% locally funded, its annual costs over the next five years would be \$5.36 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$21.3 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$50,000,000

AGENCY PROJECT PRIORITY: 3 of 3 (City of Rochester)

PROJECT LOCATION: Communities in southern Minnesota

PROJECT DESCRIPTION AND RATIONALE:

On behalf of several communities along the DM&E Railroad line in southern Minnesota, we are submitting a state-bonding request of \$50 million for community mitigation funding. This bonding request is similar to the request that we submitted in 1999. That bonding request had resolutions of support from 15 communities, including all the largest cities along the DM&E line and representing over 208,880 citizens. The project should be referenced as coming from Mankato, Rochester and other communities along the DM&E line.

The Federal Surface Transportation Board will decide the fate of the DM&E's proposed expansion to increase from 3 to 37 trains per day through our communities. It is currently anticipated that the final Environmental Impact Statement (EIS) for this project will be issued in late November to early December 2001. As a result, our communities believe that the issue of the amount of mitigation that will be needed to address traffic, public safety and economic concerns in our communities that result from this project will be germane in the 2002 legislative session.

The project would provide matching grant funds to the cities and counties adjacent to the DM&E Railroad Corridor that extends across southern Minnesota from South Dakota to and including Winona. The grant funds are requested to mitigate the impacts that an increase from the current three trains per day to 37 trains per day will have on the cities and counties adjacent to the rail corridor.

The DM&E Railroad project is being described as the largest railroad project to be constructed in over 100 years. It involves the construction of new railroad line from Rapid City, South Dakota to the Powder River Basin in Wyoming and the complete reconstruction of over 800 miles of DM&E Railroad lines from Rapid City, South Dakota to Winona, Minnesota. This will involve the re-building of the DM&E Railroad lines entirely across Minnesota. The purpose of the project is to haul low sulfur coal from the Powder River Basin to some markets in Minnesota but primarily eastward to Wisconsin, Chicago, the Great Lakes Basin and other destinations. It has been estimated by the Company and the Federal Surface Transportation Board that this will result in adding 34 coal trains, each approximately 1 ½ miles in length, per day to the existing three freight trains per day that go through the cities and counties in southern Minnesota.

The DM&E project is currently proceeding through an EIS review and approval process being conducted by the Surface Transportation Board (STB), a federal regulatory agency. During this process the board will consider certain environmental

mitigation measures to be provided by the DM&E. It is anticipated that the STB will issue the final EIS for the project by the end of 2001. Historically the environmental mitigation measures ordered by the STB have been minimal and have not addressed the more significant environmental and quality of life mitigation issues that have been raised by affected cities in other states that have been subject to railroad expansions under STB regulations. This situation leaves in particular all the cities along the DM&E Railroad corridor in southern Minnesota in jeopardy and faced with degradation in their quality of life and exposure to significant public costs to mitigate traffic, noise, and emergency service impacts.

The cities affected by the project include most of the largest Minnesota cities south of the Metro area: Winona, Rochester, Owatonna, Waseca, Mankato, and New Ulm.

These cities are, by and large, responsible for much of the economic growth in southern Minnesota. The anticipated impacts to these communities due to the proposed railroad project include a significant increase in traffic congestion and resultant delays in the delivery of emergency services affecting life and safety; a substantial increase in train noise levels to unacceptable levels for the most closely adjacent properties; a reduction in property values for adjacent properties; and a reduction in the potential economic growth and job creation due to an overall reduction in the quality of life. These issues will not be adequately addressed in the STB process. The DM&E project will have potentially the single greatest negative impact on the affected cities of any project in recent memory. The project will have severe impacts on the cities through which the trains will pass.

Some communities have reached an agreement with the DM&E Railroad to provide more mitigation measures than are typically provided under the STB process. However, these steps by the railroad, while worthwhile and welcomed, will not make these communities whole in light of the significant impact that an increase of 34 coal trains per day will cause these communities. Other communities have not reached any agreement with the DM&E and are reliant on what likely will be minimal mitigation measures incorporated in STB orders.

The capital bonding request that is proposed would provide \$50 million in grant allocations to be made available for cities and counties along the DM&E line in Minnesota. The funding would be utilized for capital projects to allow these local governments to mitigate the impacts of the DM&E project on their communities. Capital mitigation measures would include but not be limited to; traffic crossing safety improvements; traffic/train vehicle conflict reduction measures such as grade separations, improvements to connecting streets to re-direct traffic to other crossings, or alternative railroad alignments; pedestrian safety measures; noise mitigation measures including but not limited to sound walls, the construction of terms, acquisition or relocation of the most severely impacted properties, whistle-free crossing improvements, directional horns for train crossings and other measures to reduce noise impacts on adjacent properties; improvements to

emergency services operations designed to reduce emergency response time including but not limited to advance train warning systems, and construction of emergency services facilities (fire, police, and ambulance) to improve response time.

Matching funds are proposed to be provided by the local government units that would access their share of the bonding appropriation. Local matching funds would consist of local government funds, private sources, or costs for mitigation measures provided by the Railroad for mitigation measures in excess of the measures required by the STB decision.

Agencies of the state are supporting the project in the STB process. State assistance is warranted, as the major cities in southern Minnesota will be negatively impacted by a state endorsed project. It is proposed that the funding allocation for the first \$25 million would be based on the population of the cities affected by the corridor project. The greatest impact of the project will be on these urban areas. The second \$25 million would be distributed among the cities and counties determined by an allocation based on the traffic exposure level for each intersection affected by the project. The second \$25 million in funding would be divided by the total traffic exposures and each governmental jurisdiction would receive its proportionate share of the allocation based on their traffic exposure. Minnesota Department of Transportation (MnDOT) would provide accurate figures on the traffic exposures for each intersection.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No impact on state agency operating budgets is planned.

OTHER CONSIDERATIONS:

- The costs for needed mitigation improvements will be an expense that these communities could not have expected or anticipated. It will pose a burden on these communities, which cannot be accommodated in the local budgets. The local units would leave it up to the legislature and the governor to determine if matching funds should be required in this instance. Nevertheless \$12 million in matching funds (24%) is included in the proposal.
- The projects will fulfill an important statewide mission by assisting in providing critical emergency services and traffic safety mitigation measures. It is the state's mission to help retain healthy cities in southern Minnesota for future job growth and retention purposes.
- The bonding request would result in projects that help to mitigate traffic, life safety concerns along the entire DM&E corridor across southern Minnesota. It would benefit the entire region of southern Minnesota and the entire state of

Minnesota by offsetting a significant harm to the public safety and the economy of southern Minnesota.

- The project will not require new or additional state operating subsidies.
- It will not expand the state's policy role in another area. There have not been and are not likely to be any other railroad re-construction projects in Minnesota under the purview of the Federal Surface Transportation Board, and certainly none of this magnitude.
- State funding will not create inequities. All the cities affected by the project will receive funding based on their proportionate population and based on their proportionate share of the traffic exposures. The greatest impact of the project will be on these urban areas. Additionally, counties will receive their proportionate share of funding based on traffic exposures for the crossings that are not located within a municipality.
- The projects will not compete with other facilities.
- Resolutions of support for the proposed state funding will be provided from affected communities.

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

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Grants to Political Subdivisions
DM&E Railroad Corridor Mitigation

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$3,000	\$0	\$0	\$3,000		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	1,710	0	0	1,710		
Contract Documents	0	2,280	0	0	2,280		
Construction Administration	0	3,990	0	0	3,990		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	47,550	0	0	47,550		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	1,470	0	0	1,470		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	2,000	0	0	2,000		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	62,000	0	0	62,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$62,000	\$0	\$0	\$62,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	50,000	0	0	50,000
State Funds Subtotal	0	50,000	0	0	50,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	12,000	0	0	12,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	62,000	0	0	62,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	50,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Did recent action at the federal level after this request was received change the need for this funding request?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? Resolutions of support for this request have been received from the cities of Winona, Balaton, Springfield, Mankato, Rochester, Tyler, Sanborn, Goodview and Lake Benton.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? N.A. - multiple jurisdictions are associated with this request.

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2002 STATE APPROPRIATION REQUEST: \$11,500,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Savage)

PROJECT LOCATION: South of the Minnesota River in Savage by TH 13

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$11.5 million in state funding to design and construct local road access improvements that will enhance TH 13 service to the Ports of Savage, located along the Minnesota River in Savage, Minnesota. The project includes construction of new local frontage roads, access consolidations, signals, and bridge construction adjacent to and within the TH 13 corridor in Savage.

The Ports of Savage are a nationally prominent port for the shipment of grain and other commodities from Minnesota to the rest of the world. The Ports of Savage include five private facilities: Harvest States (grain), Port Cargill (grain, salt and fertilizer), Cargill West (grain), Port Bunge (grain), and Port Richards (calcium carbonate). Minnesota farmers transport their commodities primarily by truck and rail to the Ports of Savage for export throughout the world. The Ports of Savage, on an annual basis, handle at least 5% of the total United States inland waterways grain traffic. In the past 10 years, the Ports of Savage have averaged between four and five million tons of grain shipped, rivaling the Port of Duluth. In addition to shipping, the ports area serves other functions. For example, Cargill's operations include a PDF (process development facility), research and development, as well as a joint effort between Cargill and Dow on biodegradable polymers. Furthermore, 400,000 – 800,000 tons of products (aggregates, salt, fertilizer and steel) are imported into Minnesota through the Cargill Facility annually.

Highway access to the Ports of Savage is exclusively provided by a segment of TH 13, which runs east-west through northern Scott and Dakota Counties and the cities of Savage and Burnsville, between Interstate 35W on the east and TH 169 on the west, both of which are on the states Interregional Corridor System (IRC). TH 13 is a four lane divided highway with many unsignalized full accesses. It also lacks interconnected frontage roads. TH 13 currently operates at or near capacity with an average daily traffic of 45,000 vehicles per day. This daily traffic is projected to increase to 75,000 vehicles per day by 2020. Operationally, TH 13 in essence functions as an on-off ramp for traffic using TH 169 and Interstate 35W.

The continued viability of the Ports of Savage requires improved access and capacity on TH 13. TH 13 carries the highest percentage of truck traffic Minnesota (27%) and that commercial trucking is in serious conflict with the expanding commuter traffic generated by this rapidly growing part of the metropolitan region. Trucks cannot easily access the Ports of Savage and nearby industries because of growing congestion, lack of signals, lack of a comprehensive frontage road system, inadequate stacking and staging areas, and a lack of truck acceleration/deceleration

lanes. The high percentage and number of trucks sharing the highway with commuter traffic also raises significant safety concerns.

In 1998, a corridor study was completed which recognized the deficiencies in the corridor and the conflicts between freight accessing the ports and commuter traffic, and recommended both short and long-term improvements as necessary. This study was sponsored by the cities of Savage and Burnsville, along with Minnesota Department of Transportation (MnDOT), and included both Scott and Dakota Counties on the Technical Steering Committee. This application essentially covers the recommended short-term improvements.

This project will construct a series of frontage roads, signals and access modifications, which will interconnect the five Ports of Savage facilities between Dakota Avenue and Glenhurst in the city of Savage. This project will result in a continuous loop of local frontage roads on both the north and south side of TH 13, which will help separate ports and industrial bound trucks from commuter traffic passing through the area. It will provide full access signals at key strategic intersections to allow good access to the Ports of Savage while ensuring the safety of commuters who share the roadway with the trucks. The use of ITS technology for signage, directions, remote truck staging areas, etc. will also be explored. The specific planned improvements include:

- A local frontage road on the south side of TH 13 from Quentin Avenue to Dakota Avenue, including a new grade separated crossing at the railroad tracks.
- A local frontage road on the north side of TH 13 between Quentin Avenue and Glenhurst Avenue, including access modifications, closures, and a new signal.
- Intersection modifications to Dakota Avenue and TH 13, including a signal and acceleration/deceleration lanes and a local frontage road connection to Yosemite Avenue.

The project clearly serves and furthers important state interests by improving a vital link between Minnesota's agricultural economy and the market place. The Ports of Savage's importance to Minnesota is well recognized. In 2001, the MnDOT's Freight Advisory Committee, as part of its study of freight movement in Minnesota, highlighted TH 13 as a missing link in the state's interregional corridor network. The Advisory Committee urged the Commissioner of the MnDOT to elevate TH 13 to interregional corridor status and assist the city of Savage in ensuring that the Ports of Savage remain a viable intermodal hub within the nation's grain transportation network. MnDOT has not included any improvements to this segment of TH 13 in its 20-year plan.

The proposed project will also relieve congestion and promote better planning in the project area consistent with the "smart" growth strategies of the Metropolitan Council. The city of Savage is one of the fastest growing cities in Minnesota and

will continue to grow at a rapid pace. The proposed project will facilitate better planning and development that will benefit the entire southwestern metropolitan area.

The proposed project will not compete with other facilities or create inequities among local jurisdictions. The state of Minnesota regularly provides funding for highway improvements, the unique needs of the Ports of Savage requires funding to address the particular difficulties existing along TH 13. The proposed project will not expand the state's role into a new policy area.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The city of Savage will own and operate the frontage roads and other improvements. All improvements will be public facilities.

Fifty percent of the total project cost will be contributed from local funding sources, such as county and municipal state aid funds, special assessments, user fees, cities of Burnsville and Savage General Funds, or private/public partnerships. The exact local funding package will be finalized at such time as the bonding application is approved and monies become available. The city of Savage and other local governmental units are fully prepared to fund the 50% match.

The city of Savage requests \$11.5 million in state bonding to complete this congestion relief project. This improvement is necessary for improved freight access to the Ports of Savage and to reduce overall congestion in the corridor. There are three individual segments of the project, as follows:

- This segment consist of a frontage road connection on the south side (123rd Avenue) between Quentin Avenue and Dakota Avenue, including a grade separated crossing at the railroad tracks.

Construction costs	\$1,900,000
Engineering, planning costs	600,000
Total estimated project costs	<u>\$2,500,000</u>

- This segment reconfigures the intersection of Quentin Avenue and TH 13, including adding a signal at Quentin Avenue and turning lanes. A frontage road will be constructed on the north side of TH 13 between Quentin Avenue and Glenhurst Avenue. Access consolidations will be made by eliminating five existing intersections, reducing full access to restricted access at three other intersections, removing the existing signal at Lynn Avenue, and the development of additional turn lanes, acceleration lanes and buss pull-over/transit lanes.

Construction costs	\$9,900,000
Engineering, planning costs	3,000,000
Total estimated project costs	<u>\$12,900,000</u>

- This segment consists of a new signal at Dakota Avenue and a frontage road on the north side of TH 13 between Dakota and Yosemite. It will consist of additional trucking acceleration/deceleration lanes and other intersection improvements/modifications on TH 13.

Construction costs	\$5,200,000
Engineering, planning costs	1,400,000
Total estimated project costs	<u>\$6,600,000</u>

Environmental Assessment: The city also is requesting that the Environmental Assessment costs for the whole corridor be included in the bonding request. This work is needed for all three segments and also for any future long-range projects that are developed. The cost of this work is \$1 million.

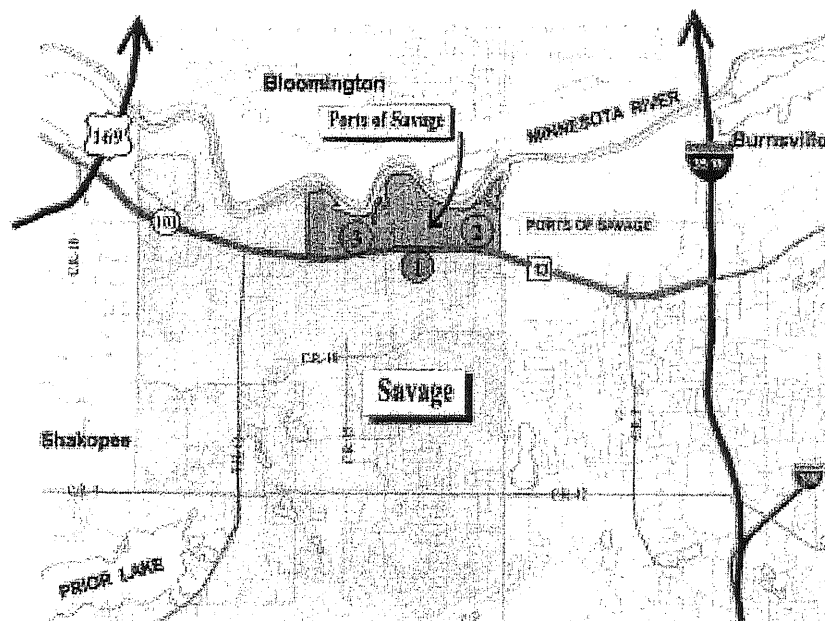
Project Costs:

Total start up costs (i.e. engineering, planning, etc.)	\$5,000,000
Total construction costs	17,000,000
Total environmental costs	1,000,000
Total project costs	<u>\$23,000,000</u>

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

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City Administrator
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T.H. 13 Corridor Improvements



TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	5,000	0	0	5,000	05/2002	12/2002
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						01/2003	12/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	17,000	0	0	17,000		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	1,000	0	0	1,000		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	23,000	0	0	23,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$23,000	\$0	\$0	\$23,000		

Grants to Political Subdivisions
Improving Access to the Ports of Savage

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	11,500	0	0	11,500
State Funds Subtotal	0	11,500	0	0	11,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	11,500	0	0	11,500
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	23,000	0	0	23,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	11,500	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 11/9/01

- MnDOT has denied previous requests for improvements.

Department of Finance Analysis:

- MnDOT should review this request to see if it is eligible for funding from an existing loan or grant program (local transportation aid, port development grants, etc.) MnDOT should also comment on its urgency and relative priority among competing requests.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects

1.	Non-state matching funds contributed? State funds are requested to match an equal amount of non-state funds. However, an unidentified amount of these non-state matching funds may likely come from county and municipal state-aid funds.
2.	Project fulfills an important state mission? Transportation is an important state and local mission.
3.	Has a state role been expanded in a new policy area? More review is needed to understand how this request fits with state transportation policies in general, and eligibility for transportation grants in particular.
4.	Project is of local, regional, or statewide significance? The project is viewed as having a primarily local benefit, with potential for regional significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? How this request compares to other funding requests, and state funding policies, is unclear.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 11-5-01 was received from the Savage City Council.
9.	Predesign completed? N/A
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Savage is 106 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$109 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$5.8 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$492,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of St. Louis Park)

PROJECT LOCATION: CSAH 25 at Belt Line Blvd -- St. Louis Park

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$492,000 in state funding to aid in financing project development, design, construction, and construction administration/inspection of a grade separated pedestrian/trail crossing over Hennepin CSAH No. 25 at Belt Line Boulevard in St. Louis Park, Minnesota. Currently, there is an at-grade pedestrian/trail crossing on the east side of this signalized intersection. The vehicle traffic on CSAH 25 averages about 24,000 vehicles per day at a posted speed limit of 45 MPH. The intersecting city street, Belt Line Boulevard, carries about 13,000 vehicles per day at a posted speed limit of 30 MPH. Pedestrians/bicyclists currently use this crossing to access mass transit both north and south of CSAH 25, to access the recently constructed regional trail just south of CSAH 25, to access an industrial/commercial complex south of CSAH 25, and to access the city's regional park and recreational center (hockey, swimming, and waterslide) as well as the developing Park Commons complex.

This project has both local and regional significance. The city recently adopted a citywide sidewalk and trail plan of which this crossing is of significant importance. This crossing not only reconnects portions of the city severed by CSAH 25, but also provides a trail link between two county regional trails (the SWLRT Trail and the Cedar Lake Trail). This crossing and trail link will provide for more effective regional usage not only for commuting, but it will also provide access to a major recreational facility and industrial/commercial areas. The need for this crossing was strongly expressed during the public process used when adopting this citywide system of sidewalks and trails. During the early 1990s a young boy was killed at this intersection while crossing CSAH 25 on his way to the recreation complex.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The city of St. Louis Park will own and operate/maintain this crossing.

If financing can be obtained, this improvement could be designed in FY 2002 and contracts awarded in early FY 2002. Construction could begin as early as 6-1-02. The bridge would be available for use by the end of FY 2002.

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

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City of St. Louis Park
5005 Minnetonka Boulevard
St. Louis Park, MN 55416
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Fax: (952) 924-2663
E-mail: mrardin@stlouispark.org

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	83	0	0	83	01/2002	05/2002
Construction Administration	0	83	0	0	83	06/2002	12/2002
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	30	0	0	30		
5. Construction Costs						06/2002	12/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	716	0	0	716		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	72	0	0	72		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	984	0	0	984		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$984	\$0	\$0	\$984		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	492	0	0	492
State Funds Subtotal	0	492	0	0	492
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	128	0	0	128
Private Funds	0	0	0	0	0
Other	0	364	0	0	364
TOTAL	0	984	0	0	984

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	492	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 11/9/01

- St. Louis Park should ask DNR to review this request.

Department of Finance Analysis:

- The request would address a safety issue. While not part of the Metro Regional Trail System, this project would connect two regional trails.
- The Minnesota Department of Transportation should be asked for their thoughts on this project. It may be eligible for MnDOT grants or loans, or DNR trail grants.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$492,000 in non-state funds will match an equal amount of state funding.
2.	Project fulfills an important state mission? Transportation and pedestrian circulation is an important state and local mission.
3.	Has a state role been expanded in a new policy area? At this time, the state's role in funding these types of projects is unclear.
4.	Project is of local, regional, or statewide significance? This project is viewed as having primarily local benefit, with potential for multi-county significance depending on its relationship with the regional trail.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Other jurisdictions might likely seek similar funding for pedestrian crossings and trails.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution of support for this project dated 11/5/01 has been received from the St. Louis Park City Council.
9.	Predesign completed? Predesign is not required for this type of project.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of St. Louis Park is 51 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$2.23 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$10.9 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$45,000,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Saint Cloud)

PROJECT LOCATION: Downtown St. Cloud

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$45 million in state funding to acquire land, design, construct and equip an expansion to the St. Cloud Civic Center.

Background

The St. Cloud Civic Center is a convention center located in downtown St. Cloud along the Mississippi River. The city of St. Cloud owns and operates the Civic Center, which serves the convention and meeting space needs of the immediate St. Cloud area and the entire central Minnesota region. The existing facility opened in 1989 and contains 103,000 square feet of space including two large rooms (combined area of 42,000 square feet), four meeting room suites (combined area of 12,600 square feet), as well as commensurate common space. The existing facility also includes two levels of underground parking with a total of 365 parking spaces.

The St. Cloud Civic Center hosts a variety of convention center activities. The Civic Center averages over 400 events per year, including:

- 230 to 250 small meetings and small conferences;
- 45 to 55 conventions, major conferences, and trade shows;
- 20 to 25 consumer shows (car shows, home shows, outdoor sports shows, etc.)
- 80 to 100 social and entertainment events (banquets, weddings, parties, concerts, etc.)

In the year 2000, total daily attendance for all Civic Center events was 285,873 people. Using industry standards, these visitors resulted in an estimated \$18.7 million to the St. Cloud area's economy. Once the expansion is completed, total daily attendance is expected to increase to 431,200 visitors, resulting in an estimated \$31 million to the St. Cloud area's economy.

Additional Space Needed

The Civic Center has suffered from a shortage of space during the past five years. The shortage is particularly acute during the prime convention seasons of mid-February through mid-April and August through mid-November. Unless the Civic Center is expanded, the shortage of space will result in the loss of existing and potential business. The space shortage problem is manifested in two ways. First, many of the large conventions, particularly those with an accompanying trade show, need more square footage than is currently available. Presently, 13 major Civic Center clients have expressed concerns that the Civic Center lacks adequate space

for their events, which could result in the loss of their business. Second, there is not sufficient space in the Civic Center to host more than one moderately sized event simultaneously. Between April 2000 and October 2001, the St. Cloud Area Convention and Visitors Bureau identified 34 different events that were unable to meet in St. Cloud because the Civic Center was already booked. As a result, the St. Cloud Civic Center was forced to turn away that potential business.

The proposed expansion would address these problems by adding the following building elements to the existing Civic Center facility:

- 35,000 to 40,000 square feet of exhibit and trade show space;
- 20,000 to 22,000 square feet of divisible ballroom space;
- 9,000 to 10,000 square feet of meeting room space;
- appropriate common space, storage/load-in space, and additional food preparation facilities;
- a 400 stall parking ramp; and
- river front enhancements to the Civic Center.

The proposed expansion will both increase the Civic Center's meeting space and enhance the downtown commercial district. The Civic Center serves as an anchor within the St. Cloud's downtown commercial, government and entertainment district. The proposed expansion will likely result in the construction of an additional 100 to 150-room downtown hotel property to service the increased Civic Center business. The proposed expansion is expected to generate new eating and entertainment establishments as well.

Funding Request

The city of St. Cloud request the full project cost of \$45 million in state funding. No local contribution is expected to be made towards the project.

During the 2001 legislative session, the city of St. Cloud requested legislative permission to impose a local option sales tax to fund a series of regional improvements, including a regional events center. The legislature did not authorize the sales tax and the regional events center could not be constructed. Consequently, the Civic Center must be expanded to meet the space needs that would have otherwise been addressed through legislative approval of the sales tax for the regional events center. The sales tax denial means the city of St. Cloud must request the full \$45 million Civic Center cost be included in the 2002 bonding bill.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No operating funds are request for the proposed project. The city of St. Cloud will own and operate the facility.

OTHER CONSIDERATIONS:

The city of St. Cloud's request is consistent the prior funding requests approved for similar bonding projects. Most recently, in 1998, the state of Minnesota provided state funding for convention center projects in Duluth, Rochester, and Minneapolis. Consequently, approval of the proposed expansion project will not expand the state's role in a new policy area. The state of Minnesota has an appropriate role in funding regional economic development projects like the Civic Center expansion. State funding will result in increased economic development and retail activity in the St. Cloud region.

The proposed project is of regional and statewide significance. The existing Civic Center serves the meeting and convention needs to the immediate St. Cloud area and central Minnesota region. As a regional facility, the St. Cloud Civic Center provides facilities not otherwise available in the area. Events from throughout the region and state hold their events at the Civic Center. Since similar state-funded facilities (Duluth, Rochester, Minneapolis, and St. Paul, among others) are located a reasonable distance from St. Cloud, the proposed project is not expected to compete with other facilities in such a manner that they lose a significant number of users to the expanded Civic Center. Similarly, state funding will not create significant inequities among local jurisdictions.

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

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Grants to Political Subdivisions
St. Cloud Civic Center Expansion

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$2,250	\$0	\$0	\$2,250		
Land and Buildings	0	750	0	0	750		
2. Predesign Fees	0	125	0	0	125		
3. Design Fees							
Schematic	0	125	0	0	125		
Design Development	0	375	0	0	375		
Contract Documents	0	1,875	0	0	1,875		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						06/2004	01/2006
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	33,150	0	0	33,150		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	1,000	0	0	1,000		
8. Occupancy							
Furniture, Fixtures and Equipment	0	2,000	0	0	2,000		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	3,350	0	0	3,350		
SUBTOTAL: (items 1 – 8)	0	45,000	0	0	45,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$45,000	\$0	\$0	\$45,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	45,000	0	0	45,000
State Funds Subtotal	0	45,000	0	0	45,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	45,000	0	0	45,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	45,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Because the city is seeking \$45 million for a local tourism and economic development project without any proposed contribution of local matching funds, the request is not viewed as being presented in good faith. As suggested by M.S. 15A.86 the city should consider at least a 50% local funding match.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? No local matching funds are proposed. The city may wish to consider at least a 50% local funding match, as suggested by M.S. 16A.86.
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project has not been received from the City of St. Cloud.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of St. Cloud is 166 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$19 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$8,560,000

AGENCY PROJECT PRIORITY: 1 of 1 (Central Minnesota)

PROJECT LOCATION:

PROJECT DESCRIPTION AND RATIONALE:

Project Description By Priority:

1. Graves Farm, Benton County
2. Rush Lake, Sherburne County
3. Baker/Watab Lake, Sartell
4. Island View Mississippi River Park, Sauk Rapids
5. Plum Creek Regional Park, St. Cloud
6. Warner Lake Expansion, Stearns County
7. Welcome Center on Lake Wobegon Trail, St. Joseph
8. Elk River/Princeton rail-trail, Sherburne County
9. Quarry Park and Nature Preserve (40 a.), Stearns County
10. Dehler-Sauk River Site, Sartell
11. Welcome Center on Lake Wobegon Trail, St. Joseph
12. Quarry Park and Nature Preserve Improvements, Stearns Co.
13. Lk Wobegon Trail- Albany/Holdingford blacktop, Stearns Co.
14. Eastman Park, St. Cloud
15. Quarry Park and Nature Preserve Interpretive Center, Stearns Co.
16. Central Minnesota Regional Trail Master Plan, Region-wide

Project title: Graves Farm Regional Park and Nature Preserve (1)

Project description and rationale: This request is for \$427,000 in state funding (added to a previous Department of Natural Resources (DNR) grant of \$673,000) to match \$427,000 in county funding to acquire land for use as a Regional Park and Nature Preserve. The Central Minnesota Regional Parks and Trails Coordinating Board has identified the Graves Farm property as the priority land acquisition project for development as a regional park.

This property is located on the Mississippi River less than 10 miles north of the growing St. Cloud metro area. The total parcel encompasses 289 acres, including about 3,300 feet of shoreline on the river. It is located directly across the river from the 230-acre Stearns County Mississippi River Park and adjacent to a 220 acre state-owned DNR Wildlife Management Area. Acquisition of this property is a rare opportunity to link together these significant natural areas and to protect the resources for future generations through public stewardship opportunities. The combined ownership of the public properties will total nearly 750 acres and include substantial shoreline on both sides of the river.

The current owners are planning to sell this property, and have offered the county the opportunity to purchase this land for use as a park and nature preserve prior to selling it to a developer. It is believed that this is the last large piece of property of this quality and location along the Mississippi River in Benton County. Development pressure in this region has resulted in the creation of high-density residential lots. Due to increasing demand for river property, this parcel would also be subdivided quickly if allowed to go onto the open market. The sale of this property is being coordinated through the Trust for Public Land (TPL), a non-profit land conservation organization founded to protect land for the public's use and enjoyment. The county has until approximately September 2002 to acquire the necessary funds.

In closing, it is important to note that currently there are no state parks established in the tri-county area of Benton, Sherburne and Stearns Counties. Therefore, local units of government have taken initiative to establish appropriate parks (and trails) at considerable expense. Due to the high cost of this project, and its inherent regional value, state bonding dollars are being requested to support the purchase of the Graves property.

Project contact person.

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Project title: Rush Lake Project (2)

Project description and rationale: The project involves the acquisition of 105 acres of land along Rush Lake, located in the southeast one-fourth of Section 27, T35N, R29W of Sherburne County. The Rush Lake Park Project was ranked 2nd overall among the 20 projects considered by the Central Minnesota Regional Parks and Trails Committee. The total project cost for the acquisition of 105 acres is \$1.3 million, based on land values of comparable land use and type. The total request for state funds in FY 2002 is \$650,000. At this time, there are no additional state funds to be requested for subsequent project costs or future project phases. Sherburne County will be the primary contributor to the project with possible assistance from local townships and cities.

This request is for \$650,000 in state funding to acquire land for a county park that would provide a variety of recreational activities. The current landowners have expressed a sincere interest to work with the county for this purpose and have previously met with representatives from the county, including the Sherburne County Park Commission about their plans. The County Board and the Park Commission both agree that this property would be a tremendous asset to the county and to the public and wish to identify and pursue methods to acquire it. With

the mutual interest shown by the landowner and the county to work together and have the land be used as a county park, the project is very feasible and realistic. The property is located in the west-central part of Sherburne County and has approximately 900 feet of lakeshore along Rush Lake. There are a limited number of lakes in Sherburne County that can provide multiple recreational uses for the public and therefore, the opportunity to acquire land on this lake is a high priority for the county. One of the primary objectives of the county would be to restore the lakeshore to a public beach, as it was formerly used many years ago. Its close proximity to an existing DNR Public Water Access enhances the use of the lake for fishing, boating, and other water recreational uses. In having a public water access to Rush Lake, access to Briggs Lake and Lake Julia is also gained since the three lakes are linked to one another. With a 105-acre County Park situated along Rush Lake with a beach and an existing Public Water Access nearby, this property would immediately be viewed as a tremendous amenity to the area and provide valuable economic, recreational, and environmental benefits.

The land has a good diversity of land cover with approximately 60% open field, which is currently being farmed for agricultural crops, and 40% wooded. The forest composition consists primarily of mature northern pin oak and bur oak with some hackberry, aspen, maple, linden, and cherry scattered around. The emphasis of the park would be on recreational activities including hiking, biking, picnicking, cross-country skiing, and roller blading but would also include environmental education focusing on wildlife, vegetation, and history. Educational features could include the history of the existing windmill, interpretation of the native vegetation of the Anoka Sand Plain ecosystem, and the wildlife and water species present. A trail system would be developed for these activities which eventually could connect to other trails and/or facilities in the surrounding area, including township trails and parks, county trail systems, and the Sherburne National Wildlife Refuge.

Sherburne County is one of the fastest growing county's in the state and the nation. The need to provide safe and well-placed recreational activities for the residents is important. Considering the rate of growth in the county and the amount of land being purchased and developed, Sherburne County's first priority is land acquisition. If the land were acquired, the park would become the first and the primary county park in the northwestern part of the county. Palmer Township Park is located about four miles away and has been a very successful and active park where many of the summer recreation programs for kids and adults are held. The township representatives and the county officials view this park and the Rush Lake Park site as being complimentary of one another and would enhance the value of each. It's close proximity to State Hwy. 25 and County Road #16 would provide good access to the park for local residents and non-residents. The property is located about six miles from the Sherburne National Wildlife Refuge, which is an extremely valuable resource and feature of the county. Located around this property are several large acreage parcels that are currently being farmed. As these properties are developed in the future, the opportunity to expand the park would be an option, if desired.

The land is currently available by the landowner and can be acquired by the county as terms and financial arrangements are established. At this time, Sherburne County officials have given approval to pursue this property through the Capital Bonding Request process and support the acquisition of this property.

Project contact person.

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E-mail: admin@co.sherburne.mn.us

Project title: Watab (Baker) Lake Land Acquisition (3)

Project description and rationale: This request is for \$300,000 in state funding to acquire 60 acres of land for a nature park around Watab (Baker) Lake to match \$300,000 from the city of Sartell. This park will provide residents in the city of Sartell and surrounding area a quiet place to visit. This park trail system will eventually connect to the current trail system. The trail system will also connect to the city of Sauk Rapids and the city of St. Cloud. As the cities in this region continue to grow at this fast pace it is important we preserve land for future generations

Project contact person.

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Project title: Mississippi Parks Expansion (4)

Project description and rationale:

This Project is for \$250,000 in state funds to match \$250,000 in local funds to acquire four properties linking Municipal Park and Island View Park in Sauk Rapids. Acquisition of these four properties will accomplish three objectives: 1) It will connect the two existing parks; 2) It will close the gap for two regional bicycle trail system; 3) It will allow for construction of the missing link in the historic Oxcart Trail.

The Oxcart Trail, built in 1995-96, is part of the larger regional trail system, which follows the Mississippi River along its East Bank. This trail extends from South Side

Park, north 2.7 miles to the city of Sartell, where it connects to the Sartell Trail which crosses the Mississippi River and proceeds north through Sartell.

In 1998, the city of St. Cloud and the city of Sauk Rapids connected the Beaver Island Trail in St. Cloud the Oxcart Trail. This route connects four river parks in Sauk Rapids, three in St. Cloud and one in Sartell.

The properties proposed for acquisition are currently single-family residences with their own wells and individual septic treatment systems. After a review of the existing septic records, from the Benton County Department of Development, the septic systems for three of the four properties do not meet Minnesota Rule 7080 and are considered non-compliant.

The property being acquired will be an addition to existing river front park property. The city will own the property. There are no facilities being considered at this time.

Project contact person.

Ross C. Olson
Community Development Director
City of Sauk Rapids
115 North Second Avenue
Sauk Rapids, MN 56379

Project title: Plum Creek Regional Park (5)

Project description and rationale: This request is for \$858,000 in state funding to match an equal amount from the city of St. Cloud to help acquire land for future development of a regional park within the city of St. Cloud. This property has local, regional, and state significance due to its proximity to the Mississippi River. Explorer, Zebulon Pike, is thought to have located his camp in proximity to these properties on his trip through the area on the Mississippi River. The future regional park will comprise of three parcels at approximately 172 acres. It has significant floodplain river frontage with forests and prairie that we need to protect from development. We need to preserve this property for the future enjoyment of our citizens for park and recreational use.

The city is planning an extension of the Scenic River Trail and Beaver Island Trail through this proposed park on it southward development to the Stearns County Park – Warner Lake Park. This trail also connects to other St. Cloud community and regional parks to the north and we expect to connect to the Lake Wobegone Trail west of St. Cloud.

The city of St. Cloud will own and manage the property after it is acquired. They will provide for operation and maintenance of future facility improvements as they are developed.

Project contact person.

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Project title: – Warner Lake property acquisition (6)

Project description and rationale: This request is for \$275,000 in state funding to match an equal amount from Stearns County to assist with the acquisition of 50 acres of land adjacent to the heavily used regional park around Warner Lake in southeastern Stearns County. Warner Lake Park is a heavily used park with a variety of facilities including one of the few public beaches in Stearns County, hiking/cross country skiing trails, picnic shelters and a nature center.

The park draws people from throughout Minnesota. The close proximity to one of the fastest growing areas in the state St. Cloud/Sherburne County and the quick access of Interstate 94 make it a busy park.

The 50 acres is adjacent to the southern portion of the park and is only 350 feet from Warner Lake. This piece of property could be developed into a commercial/industrial site. This type of development would have a negative impact on the park. The owner of the land has approached the county and offered to sell the 50 acres to the county.

Owner and operator of facility – Stearns County

Project contact person.

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Project title: St. Joseph Wobegon Trail Welcome Center (7)

Project description and rationale: The city of St. Joseph is requesting \$25,000 to match an equal amount of local and private funds to acquire additional property and construct a welcome center in the city of St. Joseph in anticipation of the Lake Wobegon Trail extension into the city. Stearns County Parks Department will be extending the Lake Wobegon Trail into the city of St. Joseph from the city of Avon in

2003. The trail is regional in nature and currently is constructed from Sauk Center to Holdingford.

The St. Joseph Wobegon Trail Welcome Center will serve as a regional trail head for central Minnesota and the Lake Wobegon Trail system. The facility will consist of approximately 2,000 square feet, and will include restroom facilities, picnic area and vending spaces. The facility will promote commercial activity adjacent to the trail and will connect to the city's downtown commercial areas.

In addition to the facility, the site will have an extensive park and ride area for the users of the trail. It is anticipated that trail users will be entering the trail system at St. Joseph from the Twin Cities and other metro areas. The city is planning for an extensive area for cars and trailers for the convenience of the users. According to sister communities along the trail, the need for over a 100 parking spaces is not unrealistic. The St. Joseph Wobegon Trail Committee will be completing a site plan for the project that includes a parking area and as a result, the need for additional property adjacent to the facility. The city anticipates the facility being used equally in the summer and winter months.

The regional significance of the project and the extension of the Wobegon Trail to St. Joseph are immense. Connecting communities with recreational facilities supports communication among governmental units and family. St. Joseph looks forward to working with Stearns County, city of Avon and area residents to complete the next phase of the trail and welcome center. In addition, talks are already taking place regarding the extension of trail from St. Joseph to the city of St. Cloud.

The city of St. Joseph will own the facility and will be operated under the umbrella of the St. Joseph Park Board.

Project contact person.

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Project title: Elk River – Princeton Rail Trail (8)

Project description and rationale: The project involves the acquisition of right-of-way of various parcels of property located along the abandoned railroad bed extending from the city of Elk River to the city of Princeton. The request consists of approximately 25 acres of land, which is comprised of various distances of abandoned railroad bed measuring, on average, 100 feet in width. The parcels in question are all located in either Livonia Township (T34N – R26W) or Baldwin

Township (T35N – R26W) and are owned by multiple landowners. The former Burlington Northern Railroad (BN RR) bed runs parallel along the west side of State Hwy. 169 and extends from Wright County on the south side of Sherburne County to Mille Lacs County on the north side. The BN RR Trail Project was ranked 8th overall among the 20 projects considered by the Central Minnesota Regional Parks and Trails Committee. The total project cost for the acquisition of an estimated 25 acres is approximately \$190,000, based on local right-of-way land values. The total request for state funds in FY 2002 is \$95,000. At this time, there are no additional state funds to be requested for subsequent project costs or future phases. Sherburne County will be the primary contributor to the project with cooperation from local townships and cities.

This request is for \$95,000 in state funding to acquire land along the abandoned BN RR bed for a non-motorized recreational trail that would serve as the backbone of Sherburne County's Trail System. With the county's recent acquisition of some of the railroad parcels and with the local cities and townships in the county that already own some parcels, about 60% of the entire railroad bed in the county is under public ownership. Of the estimated 40% that remains in private ownership, this request would involve the acquisition of half of this balance, leaving 20% of the total railroad bed for future acquisition. The project would involve obtaining the fee title from landowners for a 100-foot wide right-of-way from Elk River to Princeton. The project would involve the acquisition of property involving approximately 15 to 20 different landowners.

One of the first goals identified by the Sherburne County Park Commission was to acquire this abandoned railroad bed, if feasible. In 1997, with some land being available, the county purchased approximately 35 acres of railroad right-of-way. With the acquisition of this land and the financial involvement made, the county has shown their commitment to this project and sees the recreational and economic value that a trail system of this type could have. Besides the acquisition of this land, Sherburne County has continued to pursue the other parcels along the railroad bed. In 2000, representatives from the county visited with each landowner owning a portion of the abandoned railroad bed between the city of Zimmerman and the city of Elk River. The purpose of the meetings was to verify with the landowners the county's interest in the land but more importantly, to assure them that the landowners interest's came first. A land survey was then conducted on these parcels to identify any environmental or property issues. The county's next step will be to work with those landowners interested in selling. A similar process has been started with the parcels between Zimmerman and Princeton. Based on this approach, this request will assist the county in acquiring land of only the willing participants (sellers). Since some of the owners of these parcels may not be immediately interested in selling their land, some parcels may take longer to acquire than others, or the trail may need to loop around certain parcels. Over time, as this main trail becomes established, trail links from the Burlington Northern Railroad bed to the Sand Dunes State Forest, the Sherburne National Wildlife Refuge, and to local community parks or facilities will follow. The project also has some

outstanding regional and statewide significance since the trail could provide a valuable inter-county link with many counties, creating a multi-facet trail system many miles long.

As stated above, the trail located within Sherburne County boundaries would potentially have multiple owners including Sherburne County, the city of Elk River, the city of Zimmerman, the city of Princeton, and local townships. The parcels that would be potentially acquired with these project funds would be under Sherburne County ownership and remain that way. Since negotiations have not yet occurred with every landowner involved and assuming that some parcels may not be available for ownership, a time has not yet been determined for the development of the trail system. As negotiations and discussions continue, a more defined and distinct trail map can be drawn with a time schedule set. Current plans are to continue meeting with the different landowners involved, identify those who are willing to sell, and plan accordingly. Based on the responses and discussions with landowners so far, the majority of owners are supportive of the trail, as long as motorized use is not allowed.

Sherburne County is one of the fastest growing county's in the state and the nation. A trail system of this type would be the recreational foundation for Sherburne County and provide the public with a safe, multi-purpose recreational trail system. Please consider this request for state bonding funds for FY 2003.

Project contact person.

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Project title: Quarry Park and Nature Preserve land acquisition (9)

Project description and rationale: This request is for \$220,000 to match \$220,000 from Stearns County to assist with the acquisition of 40 acres of land adjacent to the present Quarry Park and Nature Preserve. This piece of property would provide an ideal location for park facilities on the south side of the existing park. The terrain and vegetation is appropriate for the development of parking lot, picnic and rest room facilities and the development of open playfields.

The acquisition of this 40 acres would help preserve the existing forest area of the park. The existing park is the largest and newest regional park in the central Minnesota area. Park users include the DNR, University of Minnesota, St. Cloud State University and citizens from throughout the state. A survey of park users showed that 50% of the park users came from outside of Stearns County

Project contact person.

Chuck Wocken, Park Director
Stearns County Parks
1802 County Road 137
Waite Park, MN 56387
Phone (320) 255-6172
Fax: (320) 255-6177
E-mail: chuck.wocken@co.stearns.mn.us

Project title: Dehler Property Acquisition (10)

Project description and rationale: This request is for \$200,000 in state funding to match an equal amount from the city of Sartell to acquire 15 acres of land for future park development. This park will eventually connect to the city of St. Cloud's Whitney Park. We will accomplish preserving land along the Sauk River for future generations to enjoy. Land in this area is going fast due to growth and river property will even go faster. Trails through this park would link directly to the city of St. Cloud

Project contact person.

Bradley Borders
Public Works Director
PO Box 140
Sartell, MN 56377
Phone (320) 656-9247
Fax: (320) 253-3337
E-mail: brad@sartellmn.com

Project title: Lake Wobegon Trail Head Welcome Center (11)

Project description and rationale: The city of St. Joseph is requesting \$100,000 to match local and private funds to acquire additional property and construct a welcome center in the city of St. Joseph in anticipation of the Lake Wobegon Trail extension into the city. Stearns County Parks Department will be extending the Lake Wobegon Trail into the city of St. Joseph from the city of Avon in FY 2003. The trail is regional in nature and currently is constructed from Sauk Center to Holdingford.

The St. Joseph Wobegon Trail Welcome Center will serve as a regional trail head for central Minnesota and the Lake Wobegon Trail system. The facility will consist of approximately 2,000 square feet, and will include restroom facilities, picnic area and vending spaces. The facility will promote commercial activity adjacent to the trail and will connect to the city's downtown commercial areas.

In addition to the facility, the site will have an extensive park and ride area for the users of the trail. It is anticipated that trail users will be entering the trail system at

St. Joseph from the Twin Cities and other metro areas. The city is planning for an extensive area for cars and trailers for the convenience of the users. According to sister communities along the trail, the need for over a 100 parking spaces is not unrealistic. The St. Joseph Wobegon Trail Committee will be completing a site plan for the project that includes a parking area and as a result, the need for additional property adjacent to the facility. The city anticipates the facility being used equally in the summer and winter months.

The regional significance of the project and the extension of the Wobegon Trail to St. Joseph are immense. Connecting communities with recreational facilities supports communication among governmental units and family. St. Joseph looks forward to working with Stearns County, city of Avon and area residents to complete the next phase of the trail and welcome center. In addition, talks are already taking place regarding the extension of trail from St. Joseph to the city of St. Cloud.

The city of St. Joseph will own the facility and will be operated under the umbrella of the St. Joseph Park Board.

The new facility will consist of approximately 2,000 square feet and will have such amenities as restrooms, vending areas and picnic area.

Project contact person.

Chad A. Carlson
Economic Development Director
PO Box 668
St. Joseph, MN 56374
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Fax: (320) 363-0342
E-mail: ccarlson36@home.com

Project title: Quarry Park and Nature Preserve Site and Facility Improvements (12)

Project description and rationale: This request is for \$268,059 to match an equal amount from Stearns County for the development and construction of facilities and improvements at Quarry Park and Nature Preserve. Quarry Park and Nature Preserve is the largest and newest regional park in central Minnesota. Park users include the University of Minnesota, DNR, St. Cloud State University; St. John's University, the College of St. Benedict, local school students and citizens from throughout the state.

The site and facilities improvements included in the project include an accessible trail to a scenic overlook, a footbridge across a quarry, swimming access to a quarry, improvement of the park entrance and the installation of a historic derrick.

Owner and operator of facility - Stearns County

Project contact person.

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Phone: (320) 55-6172
Fax: (320) 255-6177
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Project title: Hard surfacing of Lake Wobegon Regional Trail from Albany to Holdingford (13)

Project description and rationale: This request is for \$282,000 in state funding to match an equal amount from Stearns County to assist with the construction of a hard surface on 9.4 miles of the Lake Wobegon Regional Trail from Albany to Holdingford. This section of regional trail is on a scenic abandoned railroad corridor in the heart of Lake Wobegon Country. In the December 2000 issue of National Geographic, Garrison Keillor named Holdingford as the most Wobegonic of cities.

The hard surfacing of this regional trail will allow in line skaters to enjoy this section of trail. Hard surfacing is also expected to increase the number of trail users and could thus have a positive economic impact on the somewhat isolated rural town of Holdingford.

Hard surfacing of this section trail will also match Morrison County's plan to build a hard surfaced trail to the Stearns/Morrison County line. It will also fit with the larger plan to build a hard surfaced Paul Bunyan State Trail south of Little Falls to connect to the Lake Wobegon Regional Trail.

The section of Lake Wobegon Regional Trail that is open is already proving to be a statewide asset. It is drawing people from throughout the state, other states, other countries and receiving international publicity.

The corridor is owned by the Stearns County/St. Cloud Regional Rail Authority. Stearns County manages the corridor and is responsible for construction and operations.

Project contact person.

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Waite Park, MN 56387
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Project title: Eastman Regional Park – Municipal Pool Replacement (14)

Project description and rationale: This request is for \$2.5 million in state funding to match \$2.5 million from the city of St. Cloud to help replace the existing and aging city swimming pool in Eastman Regional Park within the city of St. Cloud. This facility has local and regional significance. It is the only large public outdoor swimming pool in the central Minnesota region. It services the population, of not only the residents of St. Cloud, but also the cities and rural residents of the tri-county area of Stearns, Benton, and Sherburne Counties.

We need to replace this facility due to its age (over 50 years old) which is increasing our maintenance and operation cost significantly. In addition, code violations relating to structural and equipment deterioration and to the facilities original designs place the health and safety of the patrons and staff at risk. Pool design standards and codes relating to safety, accessibility, etc., 50 years ago have changed significantly. We need to replace this facility in the very near future or close it. Its loss would have a significant impact on the recreational opportunities for the resident in the tri-county area.

The proposed pool replacement would be an aquatic facility sized to fit the existing park area, making use of the existing parking and utilities. The city of St. Cloud will own and operate the facility.

The present pool facility is eight lanes wide and 50 meters long. It has a bather capacity of 1,200.

Project contact person.

Prentiss A. Foster, Park Management and Planning Assistant
St. Cloud Park Department
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St. Cloud, MN 56301
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Fax: (320) 650-3430
E-mail: pfoster@ci.stcloud.mn.us

Project title: Quarry Park and Nature Preserve Interpretative Center (15)

Project description and rationale: This request is for \$2,035,461 in state funding to match local funds to assist with the design, construction, furnishing and equipping of the Quarry Park and Nature Preserve Interpretative Center. This Interpretative Center will provide static and interactive exhibits on the history of Minnesota's granite industry and the park biological communities. These communities include the state endangered tubercled rein-orchid, the rare yellow ladyslipper and the red-shouldered hawk.

The statewide significance of this Interpretative Center will be that it provides information about one of the most geologically significant areas in the world.

This Interpretative Center will include classrooms, sanitary facilities, an outdoor amphitheater and park support facilities

Project contact person.

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Project title: Central Minnesota Trail Planning (16)

Project description and rationale: This request is for \$75,000 in state funding to match an equal amount from local jurisdictions to assist in the development of a regional trail plan for the central Minnesota area of Benton, Sherburne and Stearns Counties. These three counties are one of the fastest growing areas of the state. Local citizens have shown support for trails by using them, by voting for a sales tax referendum that would fund them and in independent surveys. Citizens from throughout the state and country come and use the trails to enjoy their natural beauty and to check out the culture of Lake Wobegon.

When planning a trail project that will have such a wide impact and is a significant investment it is important that local governments work together. Local counties and cities have begun these collaborative efforts. These local jurisdictions can benefit from a state-planning grant just as the Ramsey/Washington County area benefited from a state-planning grant.

Project contact person.

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CENTRAL MINNESOTA REGIONAL PARKS AND TRAILS

State of Minnesota Bonding Request for Fiscal Year 2003

29-Oct-01

Regional Status established by Minnesota Statute 85.50-85.52

	<u>Acquisition (A)</u>		<u>State Bond</u>	<u>Project Costs</u>
	<u>Development (D)</u>		<u>Request</u>	<u>Total</u>
	<u>Planning (P)</u>	<u>Local Match</u>		
ACQUISITION by priority				
A-1) Graves Fram, Benton County (\$673,000 State grant awarded)*	(A)	\$427,000	\$427,000	\$854,000
A-2) Rush Lake, Sherburne County	(A)	\$650,000	\$650,000	\$1,300,000
A-3) Baker/Watab Lake, Sartell	(A)	\$300,000	\$300,000	\$600,000
A-4) Island View Miss. River Pk., Sauk Rapids	(A)	\$250,000	\$250,000	\$500,000
A-5) Palm Creek Regional Pk., St. Cloud	(A)	\$858,000	\$858,000	\$1,716,000
A-6) Warner Lake Expansion, Stearns County	(A)	\$275,000	\$275,000	\$550,000
A-7) Welcome Center on Lk. Wobegon Tr., St Joseph	(A)	\$25,000	\$25,000	\$50,000
A-8) Elk River/Princeton rail-trail, Sherburne County	(A)	\$95,000	\$95,000	\$190,000
A-9) Quarry Park and Nature Perserve (40a.), Stearns County	(A)	\$220,000	\$220,000	\$440,000
A-10) Dehler-Sauk River Site, Sartell	(A)	\$200,000	\$200,000	\$400,000
DEVELOPMENT by priority				
D-11) DELETE Lake Wobegon Trail - Avon/St. Joseph, Stearns County	(D)	\$0	\$0	\$0
D-12) Welcome Center on Lake Wobegon Tr., St. Joseph	(D)	\$100,000	\$100,000	\$200,000
D-13) Quarry Park & Nature Preserve Improvements, Stearns County	(D)	\$268,059	\$268,059	\$536,118
D-14) Lake Wobegon Tr. - Albany/Holdingford blacktop, Stearns County	(D)	\$282,000	\$282,000	\$564,000
D-15) Eastman Park, St. Cloud	(D)	\$2,500,000	\$2,500,000	\$5,000,000
D-16) Quarry Park & Nature Preserve Interpretive Center, Stearns County				
Pre-design complete on Interpretive Center	(D)	\$2,035,461	\$2,035,461	\$4,070,922
PLANNING by priority				
P-17) Central MN Regional Trail Master Plan, Region-wide	(P)	\$75,000	\$75,000	\$150,000
* The total project costs for the Graves farm will be \$2.2 million once all grants and local costs are added.				
The Regional Park & Trail plan is flexible on projects depending on the State's priority		\$8,560,520	\$8,560,520	\$17,121,040

Grants to Political Subdivisions
Central Minnesota Regional Parks and Trails

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	17,121	0	0	17,121		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	17,121	0	0	17,121		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$17,121	\$0	\$0	\$17,121		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	673	8,560	0	0	9,233
State Funds Subtotal	673	8,560	0	0	9,233
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	8,561	0	0	8,561
TOTAL	673	17,121	0	0	17,794

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Laws 2000, Chapter 492, Article 1, Sec. 7, subd. 11 (Regional grants)	500
DNR grant to Benton County for acquisition of the Graves Farm	673
TOTAL	1,173

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	8,560	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 11/9/01

- Originator of this request should obtain a review and comment from DNR.

Department of Finance Analysis:

- The relationship of this request with park and trail funding otherwise recommended by DNR is unclear. DNR should review and comment on the various components of this request. Many elements of this request meet the criteria for existing grant programs including Natural and Scenic areas, Regional Parks, Regional Trails, Local Trail Connections, and Outdoor Recreation grants, without requiring the need to develop a new state grant program.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? State funds are requested to match an equal amount of non-state funds.
2.	Project fulfills an important state mission? Providing recreational opportunities is an important state and local mission.
3.	Has a state role been expanded in a new policy area? \$500,000 for regional parks and trails in greater Minnesota was provided in the 2000 bonding bill. \$673,000 has already been awarded from DNR for acquisition of the Graves farm.
4.	Project is of local, regional, or statewide significance? The project is of regional (multi-county) significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Other areas of the state have proposed local park and trail requests also.
7.	Does it compete with other facilities? This funding request will likely compete with other local funding requests.
8.	Resolutions from local governing bodies provided? A resolution of support for the Graves Farm project dated 10/2/01 has been received from the Benton County Board of Commissioners. A general resolution of support dated 10/23/01 has been received from the Stearns County Board of Commissioners.
9.	Predesign completed? Predesign is likely required for subprojects (14) municipal pool and (15) interpretive center.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of Stearns County is 52 of 87 counties in Minnesota (1 is high).

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2002 STATE APPROPRIATION REQUEST: \$70,000,000

AGENCY PROJECT PRIORITY: 1 of 6 (City of Saint Paul)

PROJECT LOCATION: RiverCentre Convention Complex -- Saint Paul

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$70 million in state funding to design, construct, furnish, and equip a new Roy Wilkins Center that will include a 6,000 seat performance hall and 50,000 square foot exhibit space for the purpose of attracting and hosting expanded civic and musical events, conventions, and trade shows, educational programs, and theatrical performances. The facility would also serve as a memorial tribute to Roy Wilkins and the civil rights movement in Minnesota.

Why does the existing building need to be replace:

- The existing Roy Wilkins Auditorium and Exhibit Hall are outdated and cannot attract patrons or serve current needs.
- The Twin Cities is missing economic opportunities because of the current facility limitations.
- Repositioning the facility will attract medium-sized conventions, trade shows, and serve growing Ordway Center and concert needs.
- Creating a tribute to Roy Wilkins will appropriately mark and celebrate his contributions to the civil rights movement.

Statewide Benefits:

This project will not only honor one of Minnesota's greatest civil rights leaders, it will allow current public investments in the Ordway, RiverCentre, and Xcel Energy Center to have even greater statewide impact. This project will complete downtown St. Paul's convention and entertainment complex with a theater that will support large meetings, concerts, statewide high school events, and increased diversity programming for under-served urban and rural groups.

- Theaters in the 4,000 – 6,000 seat range are the fastest growing facility type in the country. The size is ideal for traveling Broadway shows that can sell out a large house, and popular music concerts for audiences who want a setting with better acoustics, seating, and atmosphere than those offered by the typical large arena.
- The new Roy Wilkins Center will attract a unique type of convention. It will not compete with convention centers in other Minnesota cities. Rather, new conventions will be drawn from national groups who require the secondary-market pricing of St. Paul's hotels and access to big city amenities such as cultural attractions and a major airport.

Expanded Concert and Education Programs:

With a new Roy Wilkins facility, the Ordway Center for the Performing Arts can offer Minnesota new and unique cultural and entertainment programming. A new Roy Wilkins facility is critical to the Ordway Center's programmatic growth and to maintaining the Ordway Center's and St. Paul's national recognition as a center for the performing arts.

This enhanced national presence will derive from three specific areas of programming at the new Roy Wilkins Center:

Original Productions – The Ordway Center anticipates a minimum of eight performance weeks of original productions. In addition, the Roy Wilkins stage will allow rehearsal periods of three weeks for each production. The Ordway Center will utilize a new Roy Wilkins Center up to 22 weeks a year.

Children's Programming – The Ordway Center has a huge statewide demand for its education programs, which have been used as a national educational model. With a renovated Roy Wilkins, the Ordway Center can increase the Performing Arts Classroom series to serve 56,000 students by booking an additional week for each of two popular shows.

Interactive TV Broadcasting (ITV) of the Performing Arts Classroom Series also will increase, expanding the Ordway Center's reach to school children in Greater Minnesota.

Long-Running Theatrical Presentations – Additional stage space will allow the Ordway Center to compete for and secure theatrical presentations that require more than the limited dates that are now available. The Ordway Center anticipates a need for six to ten weeks of theater time for those periods when a long-running theatrical performance is artistically and economically desirable.

Expanded Convention Business

Minnesota will benefit from a new Roy Wilkins Center that is positioned in the national and international market to attract and serve the following market niches:

- Information technology
- Medical
- Corporate
- International business and government
- Higher education

These market segments also represent convention and meeting clients who have high budgets for meeting production costs and tend to attract convention attendees who pay above-average hotel, food and retail prices in larger metropolitan areas. Such higher-end specialized meetings promise more revenue to Minnesota through significantly higher economic impact.

Synergy with Existing Facilities

The RiverCentre complex and Ordway Center for the Performing Arts have a unique opportunity to capitalize on their adjacent locations and complimentary public events, conventions, programs and performances. The addition of the new Roy Wilkins Center would expand the opportunities to serve the public effectively and efficiently with new convention/exhibit space and a 6,000 seat theater for shared use by RiverCentre and Ordway Center programs.

A Tribute to Roy Wilkins and Civil Rights in Minnesota

Roy Wilkins, a Minnesotan who gave exemplary service to his state and his country, grew up in St. Paul. At an early age, Wilkins started working for the National Association for the Advancement of Colored People (NAACP), the nation's oldest, largest and most respected civil rights organization. He served the NAACP and the civil rights movement for 46 years and headed the organization for almost half of that time, from 1955 to 1977.

A public museum or monument is valued in that it involves the community. Currently, there are no civil rights museums in the Upper Midwest nor any in-depth historical exhibits devoted to Roy Wilkins in Minnesota. It is imperative and appropriate that a high quality, in-depth exhibit be developed to honor his contributions. The lobby and public spaces of the Roy Wilkins Center will offer an ideal opportunity to create a multimedia exhibit of Roy Wilkins' life, his contributions to society, and his ties to Minnesota.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested for this project.

OTHER CONSIDERATIONS:

The city of St. Paul will own the facility and the RiverCenter Authority will operate the facility.

Non-state funds available or to be contributed to the project:

- \$20.5 million from the RiverCentre Authority
- \$20.5 million from the Ordway fund-raising

This \$41 million is less than half of the project cost. However, in the context of the whole complex this bonding request is in line with how the state of Minnesota has funded other convention facilities in first class cities.

Non-state sources have carried most of the burden in building the first two parts of this facility. The RiverCentre Convention facility was funded by the city's one-half cent sales tax. The Xcel Energy Center was paid for by a \$48 million interest free

loan and a \$17 million grant from the state. The balance was paid for by the city's one-half cent sales tax and the Minnesota Wild.

So the direct state contribution to the current complex is the interest on the \$48 million loan and the \$17 million grant. This is out of a \$259 million combined building cost for the RiverCentre convention building (\$84 million) and the Xcel Energy Center (\$175 million). St. Paul also paid the whole cost of the original Roy Wilkins Center.

So even if the state contributed \$70 million in the 2002 bonding bill, for the New Roy Wilkins Center, the percentage of state investment in this complex would still be less than the state's investment in either the Minneapolis or Duluth convention complexes.

We also expect the requested state's share of the project to come down as we complete the predesign.

Current Facility:

- Lower Wilkins exhibit hall is 36,000 square feet
- Wilkins Auditorium is 44,800 square feet

New Facility:

- 281,663 gross square feet (refer to predesign manual Section VI, page number 36 for a detailed breakdown)

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

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Grants to Political Subdivisions
St. Paul -- The New Roy Wilkins Auditorium

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	100	0	0	100		
3. Design Fees							
Schematic	0	1,980	0	0	1,980	07/2002	10/2002
Design Development	0	1,980	0	0	1,980	10/2002	01/2003
Contract Documents	0	3,960	0	0	3,960	01/2003	06/2003
Construction Administration	0	1,980	0	0	1,980	06/2003	12/2005
4. Project Management						07/2002	12/2005
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	4,805	0	0	4,805		
Commissioning	0	284	0	0	284		
Other Costs	0	0	0	0	0		
5. Construction Costs						07/2003	12/2005
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	2,163	0	0	2,163		
Construction	0	71,891	0	0	71,891		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	1,025	0	0	1,025		
Construction Contingency	0	3,778	0	0	3,778		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	700	0	0	700		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						07/2003	12/2005
Furniture, Fixtures and Equipment	0	2,541	0	0	2,541		
Telecommunications (voice & data)	0	265	0	0	265		
Security Equipment	0	368	0	0	368		
Other Costs	0	500	0	0	500		
SUBTOTAL: (items 1 – 8)	0	98,320	0	0	98,320		
9. Inflation							
Midpoint of Construction		10/2004					
Inflation Multiplier		13.90%	0.00%	0.00%			
Inflation Cost		13,666	0	0	13,666		
GRAND TOTAL	\$0	\$111,986	\$0	\$0	\$111,986		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	70,000	0	0	70,000
State Funds Subtotal	0	70,000	0	0	70,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	20,500	0	0	20,500
Private Funds	0	20,500	0	0	20,500
Other	0	0	0	0	0
TOTAL	0	111,000	0	0	111,000

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	70,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

- Final predesign was received on 11/1/2001. Review has occurred; scope and costs are well defined. Request is for \$70 million in state funding.
- Project includes museum exhibit space.
- Shared stage facilities with the Ordway.
- Shared parking with existing structure; parking is a cost relief.
- Design fees of 13.3% above high limit of 11% for new construction. Explain variance.
- Project Management of 6.8% above high limit of 6%. Explain variance.
- Project construction information has not been provided to examine \$/SF of functional areas.

Department of Finance Analysis:

- Please describe how many people per year will attend events in this facility, or be served by its programs. What is the anticipated distribution of these visitors (Minnesota vs. out-of-state, metro vs. greater Minnesota)?
- What is the status of the RiverCentre and Ordway matching funds? How firm are the commitments?
- Total project costs do not equal total funding sources. As suggested by M.S. 16A.86, the city may wish to consider at least a 50% local funding match.
- One item that should be noted is a report on local arts and cultural fundraising efforts that was prepared by the Minnesota Council on Foundations in July 2001. This report, "Capital and Endowment Campaigns in Minnesota 2001," identifies 112 current and anticipated arts, cultural, and humanities capital or endowment campaigns in Minnesota with a combined goal of \$471 million -- by far the largest number of such campaigns since MCF began tracking these figures in 1989, even when adjusted for initiatives. Given the substantial number of non-profit campaigns competing for limited philanthropic funds, it's probably not unexpected that such requests would start seeking state funding support. However, it does prompt questions of what is an appropriate state role and how much the state should be asked to contribute.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor recommends that consideration be given using existing revenues associated with local option sales taxes (for this or other local cultural and arts requests). The Governor would support a broadening of existing authority to allow this. Additionally, the Governor is willing to consider increased flexibility for the State Arts Board to use existing agency funding for either operating grants or capital grants.

Evaluation of Local Projects

1.	Non-state matching funds contributed? \$41 million in non-state funds will match \$70 million in state funding.
2.	Project fulfills an important state mission? The state mission in funding convention centers and performance halls is unclear.
3.	Has a state role been expanded in a new policy area? State funding has been previously provided to other convention facilities around Minnesota.
4.	Project is of local, regional, or statewide significance? The project is viewed as having potential for regional or statewide significance.
5.	State operation subsidies required? No state operating funds are requested. However, the Ordway Theater received operating funds of \$651,000 from the State Arts Board in 1998 and \$580,000 in 1999.
6.	Inequities created among local jurisdictions? The issue of equity in state funding for convention facilities has been controversial in the past and is likely to remain so.
7.	Does it compete with other facilities? Project sponsors claim it will not compete with other convention centers in Minnesota.
8.	Resolutions from local governing bodies provided? A resolution of support dated 12/27/00 was received from the Saint Paul RiverCentre Authority. A resolution of support from the St. Paul City Council has not yet been received.
9.	Pre-design completed? The project pre-design has been reviewed by the Department of Administration.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Saint Paul is 202 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$77 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$8,000,000

AGENCY PROJECT PRIORITY: 2 of 6 (City of Saint Paul)

PROJECT LOCATION: St. Paul East Side (from I-35E to Johnson Parkway)

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$8 million of state funding to acquire land and to complete contamination remediation on Phalen Boulevard between I-35E and Johnson Parkway. Phalen Boulevard is the backbone of the Phalen Corridor Initiative, a community initiated, urban development project on the east side of St. Paul. This comprehensive project combines multi-modal transportation infrastructure improvements, economic development, brownfield remediation, industrial redevelopment, job creation, workforce development, housing, and wetland restoration. Building Phalen Boulevard will provide access to about 100 acres of underutilized industrial (brownfield) redevelopment sites, creating up to 2,000 livable wage jobs and helping retain over 4,000 jobs in the Corridor area. This project strikes at the heart of the state and regional "Smart Growth" strategy by putting jobs in the urban core where they are needed most. While the state and most of the region are experiencing record low unemployment, some areas around Phalen Boulevard are experiencing double digit unemployment rates. Building Phalen Boulevard will allow jobs to be added and retained in the core city where necessary support services, such as transit, sidewalks, and affordable housing already exist. If Phalen Boulevard construction is delayed, industry will continue to create jobs in the distant suburbs, and the cost of adding the necessary support systems will continue to be borne by the state and region. Over 60 businesses, community groups and governmental agencies are successfully collaborating on this model project. Phalen Boulevard also creates a direct link to I-35E, substantially increasing the marketability of new industrial sites, greatly improves regional access to both area businesses and residents and reduces congestion on surrounding streets (such as Maryland Avenue, Johnson Parkway, White Bear Avenue, etc.) by 8-20%.

Construction of Phalen Boulevard also allows the Minnesota Department of Transportation (MnDOT) to reconstruct I-35E between University and Maryland Avenues on an alignment that will reduce bridge length (reducing maintenance cost), improve safety and reduce accidents and reduce the reconstruction timeline by about two years. Phalen Boulevard also provides the new East Metro Transit Facility, scheduled to open in fall 2001, access during the reconstruction of I-35E. Therefore, the Phalen Boulevard project adds and enhances other state and regional projects rather than competing with them.

The first phase of the Phalen Boulevard project, between I-35E and Payne Avenue is funded and will be constructed starting in 2002. The requested \$8 million will be used to help fund the right of way acquisition and contamination remediation for the Payne Avenue to Johnson Parkway section of Phalen Boulevard. It is planned that

federal and local funds will fund the roadway construction. The project will be completed in phases as it is funded. Completion year is dependent on funding.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The city of St. Paul will be responsible to operate and maintain Phalen Boulevard. MnDOT will continue to be responsible to operate and maintain I-35E.

OTHER CONSIDERATIONS:

Funding appropriated to date:

\$ 300,000	MnDOT (for environmental impact statement (EIS))
1,200,000	St. Paul Local Funds (for EIS)
12,250,000	TEA-21 HPP Funds
3,850,000	State Grant
1,000,000	DTED Grant
2,300,000	DTED Grant
1,900,000	City of St. Paul STAR (Sales Tax) Funds
950,000	City of St. Paul Capital Improvement Bonds
\$ 4,000,000	City of St. Paul MSA Funds

The Phalen Corridor Initiative is one of the most comprehensive community reinvestment efforts in the country and tests a new method of planning and development that is fluid, allowing new parties to join the process as it progresses. This has kept interest high and resulted in the covering of a wide range of recognized urban, social and development needs. Phalen Boulevard was authorized to receive \$38.4 million in TEA-21 High Priority Project (HPP) Funds and has received an appropriation of \$12.25 million of HPP funds to date. Additional local funds are programmed in future years. Future requests for state funding are dependent on other funding sources.

PROJECT CONSTRUCTION SCHEDULE:

1-35E to Payne Avenue – Spring 2002 to Fall 2003
Payne Avenue to Arcade Street – 2003 (dependent on funding)
Arcade Street to Johnson Parkway – 2004 to 2005 (dependent on funding)
Cayuga Street – 2006 (coordinate with MnDOT I-35E reconstruction)

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

Paul St. Martin, Project Engineer
City of St. Paul Department of Public Works
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St. Paul, MN 55102
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Grants to Political Subdivisions
St. Paul -- Phalen Boulevard

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$6,500	\$8,500	\$2,000	\$2,000	\$19,000		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	350	0	0	0	350		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	1,750	750	1,000	500	4,000		
Construction Administration	1,750	750	1,000	500	4,000		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	1,500	0	0	0	1,500		
5. Construction Costs						04/2002	12/2006
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	14,150	6,000	9,000	4,000	33,150		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	26,000	16,000	13,000	7,000	62,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$26,000	\$16,000	\$13,000	\$7,000	\$62,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	7,450	8,000	0	0	15,450
State Funds Subtotal	7,450	8,000	0	0	15,450
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	12,250	6,000	8,000	4,000	30,250
Local Government Funds	6,300	2,000	5,000	3,000	16,300
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	26,000	16,000	13,000	7,000	62,000

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
3 DTED Grants	7,450
TOTAL	7,450

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	8,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- If the additional state funding is not provided, is the whole project stopped, or is a piece left undone?
- What is the status of the federal and city funds? Are they firm commitments?
- Rather than being submitted here as a separate request, is this project eligible for funding from the Department of Trade and Economic Development (DTED) redevelopment grant program, or the Metropolitan Council Livable Communities funds?

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor has recommended \$10 million for the Metropolitan Council Livable Communities grant program. This project could be considered to the extent it demonstrates significance to the program's funding criteria.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$8 million in non-state matching funds are proposed with this phase of the request.
2.	Project fulfills an important state mission? Transportation and economic development are important state and local missions.
3.	Has a state role been expanded in a new policy area? Previous phases of this project have received state appropriations.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local benefit.
5.	State operation subsidies required? The city of St. Paul will operate and maintain Phalen Boulevard. MnDOT will continue to operate and maintain I-35E.
6.	Inequities created among local jurisdictions? Other jurisdictions might likely covet state funding for local transportation and economic development projects such as this.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? A resolution has not been received, to date.
9.	Predesign completed? Predesign is not needed for this type of project.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Saint Paul is 202 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$77 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$2,700,000

AGENCY PROJECT PRIORITY: 3 of 6 (City of Saint Paul)

PROJECT LOCATION: Como Park Regional Park -- St. Paul

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$2.7 million in state funding to design, construct, restore, furnish and equip the final stages of the Como Park Conservatory Master Plan, including the restoration of the Fern Room and construction of a Bonsai collection space, an Orchid growing and display house, and a Children's Activity Zone as well as corridors and connections to the Education Resource Center Building. This project is the final stage of the completion of the Conservatory restoration master plan prepared in 1984. This project will take place within the existing footprint of the Conservatory facility.

The current Fern Room was built as a growing house in 1913 – 1914. A fern exhibit space was created in this space in 1932 by the WPA. The dilapidated condition of the building interferes with the ability of gardeners to control the temperature and humidity in the room and puts the collections at risk. Rain leaks through the roof. The Fern Room is not fully handicapped accessible. The reconstruction will result in a larger exhibit space to make the room wheelchair accessible. The leaking roof will be replaced and temperature and humidity controls will be installed. The new Fern Room will be a dense, green, moist exhibit with rock grottos and trickling water available for public enjoyment.

The current Bonsai collection is displayed in a cinder block room which is so small that only one-third of this nationally known collection can be displayed at any one time. A new display area will be located at a prominent location at the secondary entrance into the Conservatory from the Education Resource Center. The new exhibit space will provide additional room to display a greater number of Bonsai and will feature Japanese design elements.

The Como Conservatory orchid collection is an award winning nationally recognized asset. Currently orchids are grown in less than ideal condition and displayed when blooming in several small nooks in the Conservatory. A new orchid growing house will provide proper growing conditions for these plants and provide the public a behind the scenes glimpse of operations at Como Conservatory as they will be able to watch gardeners tend the plant. Blooming orchids will be displayed in a viewing area available to the public.

Como Conservatory currently has a back hallway that serves as an interactive learning space for children and their families. Because it is also a circulation corridor for the Conservatory, it does not function well as a learning space. The new space for this activity will be remodeled and connected to the new Education Resource Center. This will be a unique learning space because it will be designed as a family

education space where children can participate in hands-on learning independently or with the assistance of adults.

Como Park is the state's most visited park. The Metropolitan Council figures put annual attendance at Como Park at 2.5 million visitors. The Conservatory is one of the most prominent features in the park. Of Como Park's visitors, only 16% come from St. Paul. About 56% come from the seven-county Metropolitan region; the balance are state and national visitors. Como Park receives a great deal of national media attention and has become an important destination for visitors to the state.

Education and Tourism are two significant parts of state's mission. Project will enhance horticulture and botanical education for students from throughout Minnesota; Conservatory is one of Minnesota's premiere tourist attractions. Conservatory Restoration preserves one of Minnesota's greatest and irreplaceable treasures.

Project is of statewide and national significance. Conservatory has received Hortlandmark Award from the National Society for Horticulture Science. (Only two botanical gardens have received this award for the quality of their horticulture – the United States Botanical Gardens in Washington D.C. and Monticello, home of President Thomas Jefferson.) In addition, the Conservatory Orchid Collection has won numerous awards including nine titles from the American Orchid Society and its genetic material carries the Como Conservatory name. It is considered to be a nationally significant collection. The Bonsai collection is ranked in the top twelve collections in the United States.

This restoration project will take place within the existing footprint of the Conservatory facility. It will also be connected to the Education Resource Center. It is critical that the Education Resource Center construction and the Conservatory Restoration take place at the same time. If not, the Education Resource Center Building will physically isolate the Conservatory and make a later restoration much more costly.

Project will begin September 2002 with occupancy September 2004. Note that the Restoration project will be built in conjunction with the Education Resource Center Building which has been funded with a mix of public and private dollars.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. The city of St. Paul owns, operates, and maintains the Como Park Conservatory.

Project Cost: \$5,022,000
Metropolitan Council Capital Improvement
Program appropriated in 2000 Bonding Bill (part 1) 150,000
Metropolitan Council Appropriation (part 2) 1,456,000
Metropolitan Council Capital Improvement Request (part 3) 710,000
State Bonding Request \$2,700,000

Como Campus Education Resource Center
Construction Project

Phase 1	Public Funding	Private Funding	TOTAL
<ul style="list-style-type: none"> Construction of new Animal Support Building Renovation of Zoological Building into Administrative Offices for Zoo and Conservatory 	\$ 3.9 M (1998 Minnesota Legislature)	\$ 1.46 M	\$ 5.36 M
TOTAL PHASE 1	\$ 3.9 M	\$ 1.46 M	\$ 5.36 M
Phase 2			
<ul style="list-style-type: none"> Education Resource Center Construction Como Conservatory Restoration 	\$.7 (Met Council request) \$16 M (2000 Bonding Bill) \$ 2.7 M (2002 Bonding request)	\$ 4.9 M	\$ 25.9 M
TOTAL PHASE 2	\$ 21.0 M	\$ 4.9 M	\$ 25.9 M
TOTAL PROJECT	\$ 24.9 M	\$ 6.36 M	\$ 31.36 M

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

Liz Anderson, Deputy Director
St. Paul Parks and Recreation
300 City Hall Annex, 25 West 4th Street
St. Paul, MN 55102
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Grants to Political Subdivisions
St. Paul -- Como Park Conservatory Restoration

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	358	0	0	358		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	97	0	0	97		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						09/2002	09/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	3,480	0	0	3,480		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	174	0	0	174		
Other Costs	0	97	0	0	97		
6. One Percent for Art	0	38	0	0	38		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	385	0	0	385		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	4,629	0	0	4,629		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		8.50%	0.00%	0.00%			
Inflation Cost		393	0	0	393		
GRAND TOTAL	\$0	\$5,022	\$0	\$0	\$5,022		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,700	0	0	2,700
State Funds Subtotal	0	2,700	0	0	2,700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	1,606	716	0	0	2,322
TOTAL	1,606	3,416	0	0	5,022

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

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
Met Council appropriations	1,606
TOTAL	1,606

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	2,700	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 10/17/01; revised 11/9/01

- Predesign update received for this phase. Minimum information provided. Additional information requested as to expenditures of previous appropriations and clarification of the scope of work for this request.
- The costs spreadsheets contained in this request are incomplete (i.e. \$/SF).
- Prior funding (all prior years) is not indicated.
 - Laws of 1998 provided \$3.9 million
 - Laws of 2000 provided \$16 million.
- Information indicates no Predesign Fees are accounted for on this project.
- No Project Management costs assigned to project.
- Design fees of 16.3% above high limit of 11% for new construction.
- Occupancy costs of 37.7% above high limit of 12%. Explain variance. May have construction costs in wrong category.
- Construction Contingency of 17.2% is above high limit for of 5% for new construction.
- Soft costs of 42.2% above high limit of 28%. May be attributed to higher soft cost %.
- Project construction information has not been provided to examine \$/SF of functional areas.

Department of Finance Analysis:

- What is the relationship of this request to the Met Council Parks program? Why is this request not continued in or prioritized by Met Council Parks?
- What is the status of the \$1.456 million appropriation to the Met Council? Was it approved by the 2001 legislature?
- What is the status of fundraising for the private dollars? Are they available, pledged, or a funding target?
- As suggested by M.S. 16A.86, would the city consider at least 50% non-state funding as a local funding match?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$2.7 million in state funds is requested to match \$1.6 million in previous Met Council grants, and \$710,000 in new Met Council appropriations.
2.	Project fulfills an important state mission? The state mission in funding a conservatory facility is unclear.
3.	Has a state role been expanded in a new policy area? Other phases of the larger Como Park master plan and facility renovation have previously received state funding.
4.	Project is of local, regional, or statewide significance? The project is viewed as having the potential for regional or statewide significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? This project, as well as funding for other St. Paul requests, would need to be compared to funding for other projects in other jurisdictions around the state to make an assessment of equity considerations. The project should also probably be considered in comparison to other zoo or conservatory projects, such as Minnesota Zoo requests.
7.	Does it compete with other facilities? The conservatory is a unique facility.
8.	Resolutions from local governing bodies provided? A resolution of support from the St. Paul City Council is expected later in November.
9.	Predesign completed? A predesign has been approved by the Department of Administration.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Saint Paul is 202 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$77 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$8,375,000

AGENCY PROJECT PRIORITY: 4 of 6 (City of Saint Paul)

PROJECT LOCATION: Saint Paul Riverfront Downtown

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$8.375 million in state funding to aid design and construction of 5,566 linear feet of river edge improvements and redevelopment of a public park on Raspberry Island. These elements are part of a project to:

- Reconnect the capital city to the Mississippi;
- Lead and support adjacent economic development including redevelopment of the West Side Flats and Upper Landing brownfield sites into new "smart growth" communities;
- Welcome and leverage the international attention of the 2004 Grand Excursion; and
- Set the stage for the capital city's growth in the 21st century.

The Renaissance Project is a network of key linkages and greenways, streetscape improvements, parks, urban development enhancements and other strategic investments that will reconnect the Mississippi River to the downtown, State Capitol and adjacent neighborhoods. It will add value to, and lead, private investments made in the urban core by establishing strategic connections between, and enhancement of those investments.

Time is of the essence to prepare this Renaissance Project, St. Paul and the region for the 2004 Grand Excursion.

The 2004 Grand Excursion is a spectacular initiative that will showcase the transformation of Upper Mississippi River valley communities to the world. The 2004 Grand Excursion is the sesquicentennial of the 1854 Grand Excursion that helped publicize the region as an ideal place to visit, live and invest, paving the way to regional expansion and Minnesota statehood.

As a symbol of the economic, environmental and cultural accomplishments of this region, the 2004 Grand Excursion will also provide a platform for lasting improvement of the region. The yearlong initiative's capstone feature will be a magnificent steamboat flotilla with dramatic, once-in-a-lifetime celebrations at ports along the Upper Mississippi, culminating in a "Taste of Minnesota" on the July 4 weekend. The preparation for, and scale and character of, this event will attract national and international attention and set the platform for St. Paul's and Minnesota's tourism and economic growth and vitality in the 21st century.

A 1999 report by Anton & Associates concluded that implementing the Renaissance Project will help generate and guide over \$1 billion investment in housing, job development, recreational, and tourism opportunities for a diverse community. The Renaissance Project, strategically coupled with Grand Excursion tourism and publicity, will result in lasting and tangible benefits that will make the capital city and region a better place to live, work and visit – foster reinvestment and development in the 21st century.

The 2004 Renaissance Project includes the redevelopment of 5,566 linear feet of Mississippi River shoreline and the redevelopment of the three-acre Raspberry Island Park, as well as adjacent roads, bridge, pedestrian access, river's edge plaza, and band shell.

There is a clear relationship between the Renaissance Project and leveraged private development. The measurable economic impact of the Renaissance Project, as the organizing tool for the implementation of St. Paul's redevelopment vision, is contained in "The Economic Impact of the Saint Paul on the Mississippi Development Framework, August, 1999, A Report for the Saint Paul Riverfront Corporation," by Anton & Associates, Inc. The report was developed from over a dozen relevant studies, conversations with representatives of six agencies involved in St. Paul development, and the professional expertise of Anton & Associates.

The 45-page report lays out the gains in employment, population, visitors, incomes and retail sales, construction spending, property tax base and tax revenues based on implementing the Renaissance Project as an integral part of St. Paul's redevelopment. Implementation of the Renaissance Project to date, and the attendant private development, are proving out the report's projections.

The city of St. Paul has committed \$7.7 million to public infrastructure for Raspberry Island and Upper Landing river's edge enhancements. \$3.25 million in private funding has been committed to Raspberry Island and Upper Landing river edge enhancements. The Schubert Club and Minnesota Boat Club have the collective goal of contributing an additional \$600,000 to this project.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No new or additional state operating dollars will be requested for operation of the project. The city of St. Paul will own and operate the project.

OTHER CONSIDERATIONS:

With this project and adjacent private development, the annual use of the downtown river's edge trails and parks is projected at 796,000 visits. These facilities will also create nine million annual impressions upon patrons of the adjacent segment of the Great River Road (Shepard Road), Amtrak route, Science Museum of Minnesota, and downtown entertainment and central business districts.

The 2004 Grand Excursion is expected to draw over one million participants to events regionally, including 58,000 seats on the boats and trains of the Grand Excursion flotilla that will arrive in St. Paul on 7-4-04. St. Paul's grand excursion events are expected to draw over 700,000 to the riverfront. Over 150 million national and international medial impressions surrounding the 2004 Grand Excursion are anticipated.

This project helps fulfill the state's goal of economic development, enhancing the brownfield and "smart growth" redevelopment of the adjacent West Side Flats and Upper Landing. The project also helps fulfill the state's goal of increasing tourism, in 2004 and beyond. I have enclosed a copy of Governor Ventura's October 17 letter greeting Grand Excursion planners and partners noting "the Grand Excursion 2004 will draw national and international attention as we showcase the transformation of one of America's greatest treasures, the Mississippi River."

St. Paul is one of thirteen Minnesota communities (and 40 Mississippi River communities and regional organizations in four states -- so far) to embrace the 2004 Grand Excursion as a means to accelerate economic development and tourism. St. Paul supports other communities' infrastructure projects that prepare Minnesota for the blockbuster tourism event of the 2004 Grand Excursion and puts their community on track for economic development and vitality in the 21st century.

The vitality of the capital city has a significant effect on the regional economy, and this project significantly impacts the city's economic development by enhancing and adding value to the adjacent brownfield redevelopment and smart growth areas of the West Side Flats and Upper Landing. The project is also a critical part of the infrastructure improvements necessary to properly engage and accommodate the flotilla and 700,000 visitors expected to the capital city's riverfront in 2004 -- and beyond.

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

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Grants to Political Subdivisions
St. Paul -- 2004 Renaissance Project

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition						04/2002	11/2004
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	243	0	0	243		
3. Design Fees							
Schematic	0	157	0	0	157	04/2003	11/2003
Design Development	0	393	0	0	393	04/2003	11/2003
Contract Documents	0	806	0	0	806	04/2003	11/2003
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2003	11/2003
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	18,061	0	0	18,061		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	19,660	0	0	19,660		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$19,660	\$0	\$0	\$19,660		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	8,375	0	0	8,375
State Funds Subtotal	0	8,375	0	0	8,375
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	7,700	0	0	7,700
Private Funds	0	3,250	0	0	3,250
Other	0	600	0	0	600
TOTAL	0	19,925	0	0	19,925

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	8,375	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

- St. Paul should have DNR comment on predesign and planning.
- No Project Management, Occupancy or Contingency costs assigned to project.
- Soft costs of 8.3% below low limit of 20%. May be attributable because of missing costs.
- Project construction information has not been provided to examine \$/SF of functional areas.

Department of Finance Analysis:

The project touches on important state goals regarding economic development, tourism, smart growth and recreational amenities. However, the extent of the project benefits and whether they transcend St. Paul to benefit the state as a whole is unclear.

Governor's Recommendation:

The Governor does not recommend capital funding for this request. Instead, the Governor has recommended \$8 million for Metropolitan Parks. This project could be considered to the extent it demonstrates significance from the regional park system's perspective and funding criteria.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$8.375 million in state funds is proposed to match \$11.61 million in non-state funds.
2.	Project fulfills an important state mission? Economic development, tourism, and recreational amenities are important state and local missions.
3.	Has a state role been expanded in a new policy area? It is unclear whether the state has a policy for funding a project of this type. Elements of the request might be eligible for funding from existing grant programs.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local benefit.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? The request states that St. Paul is one of 13 Minnesota communities (and four states) that is participating in activities for the 2004 Grand Excursion. However, this has been the only capital request received for this effort.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? No resolution has been provided, to date.
9.	Predesign completed? A predesign is not required for this project if the state funding is used solely for park and trail infrastructure rather than building construction.
10.	Project is disaster related? Project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Saint Paul is 202 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$77 million unreserved fund balance in its general and special revenue funds.

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

AGENCY PROJECT PRIORITY: 5 of 6 (City of Saint Paul)

PROJECT LOCATION: 179 Robie St E, St. Paul

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$5 million in state funding for the construction of a new Neighborhood House/El Rio Vista facility.

It is not necessary to consult the 2000 Census figures to realize that the face of Minnesota is changing; one need only look around to see new neighbors, new businesses, and growing communities. According to a recent study by the nonpartisan Center for Immigration Studies in Washington D.C., the Twin Cities metro area ranks fourth in the nation after Nashville, Atlanta and Louisville in immigration growth over the past 10 years. Minnesota ranks second for number of counties that registered immigration growth rates of 50% or more, with the largest number of new Minnesotans coming from the former Soviet Union, Vietnam and Somalia. Moreover, significant increases in immigrant populations contributed to a 124% increase in students of color in out-state school districts in the past decade, as reported by the Minnesota Department of Children, Families and Learning.

Most of us need go back only a few generations to find links in our families to the first great waves of immigration. Like our forefathers and mothers, today's newcomers are playing a crucial role in bolstering our labor force, contributing to our economy and enriching our society with their cultures and arts. The potential is especially significant in communities in out-state Minnesota that have been seeing a decreasing population and a dwindling workforce.

Neighborhood House, located on St. Paul's West Side, has a 104-year history of welcoming new arrivals to St. Paul and beyond, providing a forum for them to add their unique contributions to the community, and helping them become active members of our democratic process. *Neighborhood House builds doorways of opportunity for vibrant, diverse communities by meeting essential human needs, facilitating active participation in community life, and providing access to additional community resources and programs.* Our vision is *to be the community-building resource for an increasingly diverse Minnesota.*

In October of 2000, the Neighborhood House Board began a thorough strategic planning process by conducting a community needs assessment. This assessment served as the basis for the creation of the new mission and vision statements. It also demonstrated that our current facility is inadequate, not only for current but also future programming needs: youth and family programs, education, employment services, technology access, recreation and arts, community gathering space, and shared space with other organizations. Programs such as Child Care and English as

a Second Language have long waiting lists. Compounding the problem of space is the inadequacy of operating systems, security and structural integrity; in fact, in early 2001 we were forced to repair an office floor that was caving into the room below.

In order to achieve its mission and vision, Neighborhood House needs an expanded facility that provides space for civic engagement, education and distance learning, program delivery, and cultural expression. The expansion of Neighborhood House was supported in the 1997 West Side Community Plan, which calls for the creation of an "outreach center" for new arrivals and a community gathering place: "a nonprofit incubator offering family, educational and artistic programming, and ready access to the range of services offered by the organizations housed there." Neighborhood House is also the anchor for community economic development as set forth in the District del Sol's Concord/State/George Node Plan of 2000.

Moreover, Neighborhood House has a crucial role to play in the larger issues facing Minnesota. Already we have seen a steady increase of program participants from outside the West Side neighborhood – from 32.5% in 2000 to 43.5% in the first quarter of 2001 – in search of culturally and linguistically appropriate resources. A new facility with sufficient meeting and office space and technological capability will also enable Neighborhood House to share its community-building expertise with communities and organizations statewide, building on more than a century of work with over 50 cultural and ethnic populations. The Neighborhood House Board is committed to this vision and to the successful completion of the new facility.

A very methodical process has been followed in planning the Neighborhood House facility expansion.

- The strategic plan is driving the facility plan, not vice versa; form follows function.
- We are forging a public-private partnership to ensure funding success. Approximately one-third of the \$16.8 million needed is being sought from the city of St. Paul, one-third from the state of Minnesota, and one-third from private donations and grants. The city of St. Paul already invested \$477,000 of its Capital Improvements Budget (CIB) funds in 1999 for planning and design; Mayor Norm Coleman has recommended an additional \$1.5 million for construction in the FY 2002-03 CIB cycle, as well as \$3.5 million in 2004. Neighborhood House has also leveraged \$100,000 from The Saint Paul Foundation and \$50,000 from the Otto Bremer Foundation for property acquisition, enabling us to gain site control by purchasing the property adjacent to our building.
- We have assembled a team of highly skilled professionals who have expertise in public-private partnerships: Ann Bitter, strategic planning consultant; Teresa Sterns and Steve Dorgan of Sterns & Associates; and Steven Patrick and his team at BWBR Architects.

The Neighborhood House facility expansion is central to our vision of being a community builder by partnering with other organizations to take a holistic approach to serving the community; helping grow indigenous leadership; working with community organizations and institutions to build their capacity; and sharing expertise statewide.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. The city of St. Paul will own the facility. The city of St. Paul Department of Parks and Recreation will operate El Rio Vista Recreation Center, which will share the facility with Neighborhood House. Neighborhood House will operate the Neighborhood House portion of the facility.

OTHER CONSIDERATIONS:

Project schedule: Neighborhood House and the city anticipate an early 2004 (April) construction start, mainly due to the projected availability of the balance of CIB funds, capital campaign funds and projected state funding. The construction may start earlier (September 2003) depending on availability of state and capital campaign funds and reassurance of CIB funding. A 12-month construction schedule is expected.

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

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Grants to Political Subdivisions
Neighborhood House/El Rio Vista Facility Expansion

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	289	0	0	289		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	1,317	0	0	1,317		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	394	0	0	394		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2004	04/2005
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	13,500	0	0	13,500		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	450	0	0	450		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	95	0	0	95		
8. Occupancy							
Furniture, Fixtures and Equipment	0	470	0	0	470		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	262	0	0	262		
SUBTOTAL: (items 1 – 8)	0	16,777	0	0	16,777		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$16,777	\$0	\$0	\$16,777		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	0	0	5,000
State Funds Subtotal	0	5,000	0	0	5,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	5,477	0	0	5,477
Private Funds	0	6,155	0	0	6,155
Other	0	150	0	0	150
TOTAL	0	16,782	0	0	16,782

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project from the Saint Paul City Council is anticipated, but has not yet been received.
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Saint Paul is 202 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$77 million unreserved fund balance in its general and special revenue funds.

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

AGENCY PROJECT PRIORITY: 6 of 6 (City of Saint Paul)

PROJECT LOCATION: Harriet Island/District del Sol Urban Village

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$3 million in state funding, through the issue of general obligation bonds, to acquire land, predesign, design, construction, furnish and equip the Healthy Design project in the city of St. Paul. The Healthy Design project, led by the American Lung Association of Minnesota, is a unique office building and learning center incorporating the best in indoor air, energy-use, resource-use, human productivity/performance, maintenance, information systems and safety technology. The project will be a statewide and national model and demonstration site to study the relationship between human health and building science. Architects, builders, facility managers and employers from around Minnesota and other states will be invited to see how this new concept works, through educational conferences, personal visits to the building and through real-time data distributed over the internet.

The U.S. Environmental Protection Agency calls indoor air quality one of the top five environmental issues facing the United States today. The World Health Organization estimates that one out of three employees are working in a building that is unhealthy enough to make them sick. In the past decade, the state of Minnesota, local governments and private industry have spent a great deal of money and effort to correcting ongoing problems with moisture, mold, and "sick building syndrome" in our schools, public buildings and private workplaces. Schools have been closed, state office buildings have been razed, and worker productivity has been diminished because of these problems. The Healthy Design project is designed to be a replicable "living laboratory" that will measure and track the effect of a healthy work environment on occupant health and productivity while finding practical and affordable ways to significantly reduce indoor air pollution levels in the type of office building environment most Minnesotans work in.

For nearly 100 years, the American Lung Association of Minnesota has been helping to detect, treat and prevent lung disease in Minnesota. Beginning with the Health House program in 1994 (now a nationwide program) and the Healthy School initiative begun in 1998, the American Lung Association of Minnesota has been in the forefront of the research, standards and educational outreach associated with improving indoor air quality and human health. The Healthy Design program builds on this base of experience, adding the experience and expertise of some of the state's leading architects, builders, engineers, planners, and medical experts. The Healthy Design project will add to Minnesota's reputation as a leader in health care, technology, and alternative energy research and innovations.

The American Lung Association of Minnesota is working closely with many division of the state of Minnesota Department of Administration (building and construction division; facilities management bureau; building codes and standards; real estate; sustainable development; critical issues team) and the University of Minnesota to share information and resources which develop from this unique project, so they can be applied directly to the "Sustainable" or "High Performance" building guidelines currently being developed for all state funded building projects. The knowledge learned in this project can also be directly applied to school construction and renovation projects throughout Minnesota.

When completed, the Healthy Design project will provide continuous monitoring of all building systems and occupant health linkages, comparing the findings to the U.S. Environmental Protection Agency Building Assessment Survey Evaluation (BASE 100) characterizing indoor air quality in large office buildings. It will also use the following guidelines:

- Minnesota Sustainable Design Guide developed by the Center for Sustainable Building Research at the University of Minnesota College of Architecture and Landscape Architecture
- U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) rating system
- U.S. Department of Energy "Higher Performance" Commercial Buildings program criteria.

The Healthy Design project is also expected to be one of three programs representing the United States of America in an international competition called the "2002 Green Building Challenge."

The Healthy Design building is expected to be one of the first developments in the Harriet Island/District del Sol Urban Village development in St. Paul, one of six "Smart Growth" opportunity sites in the Twin Cities metro area. Located in St. Paul's West Flats neighborhood, a 45-acre area on the bank of the Mississippi River, the Healthy Design project will be an important first step in revitalizing a long-neglected section of the downtown riverfront, bringing a vital mix of residential, commercial and retail businesses back to the historic neighborhood, creating new jobs and preventing the spread of urban sprawl. The development program has the enthusiastic support of the city of St. Paul, Capital City Partnership and the Riverview Economic Development Organization.

Letters and resolutions of support for the Healthy Design project are pending from many of these organizations and will be forwarded in a separate mailing. The Healthy Design program also has the support of Representative Betty McCollum, Representative Jim Ramstad, Senator Paul Wellstone, and Senator Mark Dayton.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

OTHER CONSIDERATIONS:

The building will be owned and operated by the American Lung Association of Minnesota, a nonprofit corporation organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

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

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Project Manager
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Grants to Political Subdivisions
American Lung Association Healthy Design Project

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$2,173	\$0	\$0	\$2,173		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	87	0	0	87		
3. Design Fees							
Schematic	0	178	0	0	178		
Design Development	0	145	0	0	145		
Contract Documents	0	254	0	0	254		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						05/2002	10/2002
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	8,109	0	0	8,109		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	216	0	0	216		
8. Occupancy							
Furniture, Fixtures and Equipment	0	600	0	0	600		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	11,762	0	0	11,762		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$11,762	\$0	\$0	\$11,762		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	3,000	0	0	3,000
State Funds Subtotal	0	3,000	0	0	3,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	8,762	0	0	8,762
Other	0	0	0	0	0
TOTAL	0	11,762	0	0	11,762

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	3,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

One immediate concern is the source of state funding requested for this project. The application states that the facility will be owned and operated by the American Lung Association. However, in order to be eligible for state general obligation bonds, the facility would need to be owned by a public entity. As initially requested, the project is not eligible for state general obligation bonds.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for this project has not been received from the St. Paul City Council.
9.	Pre-design completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Saint Paul is 202 of 884 cities in Minnesota (1 is high). According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$77 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$1,150,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of New Ulm)

PROJECT LOCATION: Phase 2a: City of New Ulm, Phase 2b: Flandrau State Park

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1,150,000 (\$910,000 to the city and \$240,000 to Flandrau State Park) in state funding to acquire land, predesign, design, construct, furnish and equip a new recreational trail facility for recreational and access purposes. The city of New Ulm is currently working to construct Phase 1 of a recreational trail system intended to move people within New Ulm by providing a bike route to and from areas of interest. The trail will also provide an alternative mode of transportation for persons working in the New Ulm area. The ultimate goal is to develop and construct a trail way system around the city of New Ulm and to eventually connect this trail way with the cities of Mankato and Fairfax, as well as regional state parks. This project (Phase 2) is an extension of the Phase 1 trail segment and is the first step in providing a trail access to Flandrau State Park. This access is a key component in connecting four regional state parks (Sakatah Lake, Minneopa, Flandrau and Fort Ridgely). Connecting the four state parks with a recreational trail through and around the city of New Ulm will provide park users the opportunity to move between the parks without using motor vehicle routes.

Some specific objectives for this project are as follows:

- Begin to develop a multi-use trail or greenway corridor that connects the recreational, historical, cultural and scenic resources within the region. This alternative mode of transportation will allow residents to go from home to work, or from work to lunch, or merely to use for recreation and/or relaxation.
- The trail system will also promote additional tourism and allow visitor's better access to the beauty that is in and surrounds New Ulm. This includes adding to economic growth through tourism and other means, as well as adding jobs to the local economy.
- Increase in the overall recreational use of the area.
- Preserve the Minnesota and Cottonwood River's inherent natural beauty, the environment and the rights of the residents.
- Enhance the quality of life within the area, including the attributes found in the Minnesota and Cottonwood River Valleys.

The following estimates of non-state funds available for this project are as follows:

Federal	\$621,000
City	\$285,000
DNR	\$274,000

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The city of New Ulm does not intend to request any state funds to operate this facility.

OTHER CONSIDERATIONS:

The segment of trail located within the city (Phase 2a) will be owned and operated by the city of New Ulm. The segment of trail located within Flandrau State Park will be owned and operated by the Park.

The estimated length of the trail project is 2.4 miles.

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

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TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$18	\$0	\$0	\$18		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	60	0	0	60		
3. Design Fees							
Schematic	0	30	0	0	30		
Design Development	0	45	0	0	45		
Contract Documents	0	60	0	0	60		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						04/2003	08/2004
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,117	0	0	2,117		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	2,330	0	0	2,330		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$2,330	\$0	\$0	\$2,330		

Grants to Political Subdivisions
New Ulm Recreational Trail

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

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,150	0	0	1,150
State Funds Subtotal	0	1,150	0	0	1,150
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	621	0	0	621
Local Government Funds	0	285	0	0	285
Private Funds	0	0	0	0	0
Other	0	274	0	0	274
TOTAL	0	2,330	0	0	2,330

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,150	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

08/20/01 GOC; revised 11/9/01

- Narrative indicates previous funding has been received from DNR. The originator of this request should obtain a review by DNR.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- What is the statewide significance of this trail? How might Minnesota residents from around the state benefit by this project?
- How many users are expected annually to use the trail?
- How firm are the match commitments from the Federal government and the DNR? What is the source of the DNR grant (what appropriation is it from)?
- DNR should be asked to comment on the urgency of this request and how it fits with other DNR funding requests for regional or local trails. Funding for this project is probably best submitted through existing DNR grant programs, rather than as a separate request here.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$621,000 from the Federal government and \$274,000 in a DNR grant will match this \$1.15 million state funding request.
2.	Project fulfills an important state mission? Recreational opportunities are an important state and local mission.
3.	Has a state role been expanded in a new policy area? The state has provided similar grants in the past to other local jurisdictions for local and regional trails.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local benefit.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Other local trail requests are pending at this time.
7.	Does it compete with other facilities? No, however the project will compete with similar funding requests.
8.	Resolutions from local governing bodies provided? A resolution of support dated 1/5/99 was received for this project from the New Ulm City Council.
9.	Predesign completed? Predesign is not required for a project of this kind.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of New Ulm is 262 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$17 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$2.4 million unreserved fund balance in its general and special revenue funds.

2002 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 1 of 1 (Virginia Economic Development Authority)

PROJECT LOCATION: Virginia & Eveleth

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$1,500,000 in state funding for the expansion and development of Progress Park. It will be used to expand the infrastructure, increase parking availability and create more manufacturing, technical and warehousing space for a current tenant in the building owned by the Virginia Eveleth Economic Development Authority (VEEDA) in Progress Park.

The cities of Virginia and Eveleth and the VEEDA are proud of the success of Progress Park. This high-tech industrial park is the result of a unique partnership between the cities of Virginia and Eveleth and the Iron Range Resources and Rehabilitation (IRRRB) and over two years of planning and perseverance. The 120-acre park was built with an eye toward the future. Located between the two thriving communities with a Community and Technical College campus in each town, Progress Park combines urban advantages with all the benefits rural communities provide. Progress Park's ultimate goal is to attract high-tech businesses that wish to make their home in Progress Park while retaining the natural beauty of this area. By attracting these businesses, Progress Park will also be creating jobs that pay a living wage. Progress Park, with 240 acres of land available for development, is a prime location for more businesses to locate. The permanent job creation in the park is unlimited. Also, in view of the recent lay-offs in the mining industry, diversification is more important than ever. The closure of LTV Mining Company has had a major impact on the economy of the area. The total economic impact is still being calculated due to the loss of the 1,375 LTV jobs and the loss of jobs in related industries. The economic development effort in Progress Park is absolutely necessary to minimize the LTV impact and to maintain stability in the area.

Entronix International, the first tenant of Progress Park, will be expanding in the very near future and has expressed a need for more square footage to expand into.

The project viability is best demonstrated through the increase in number of jobs available. With the closure of LTV mining and the resulting cutbacks in related occupations, this project is of the utmost importance to maintain the economy of the area. Some of the steps that have been taken already for future development in Progress Park include:

- Wetland delineation completed for the entire 240 acres
- Application for wetland mitigation is in the process of being applied for
- A water system model has been constructed

- An engineering firm together with an architectural firm is preparing a report for building and site options

The 30,000 square foot expansion will be owned by VEEDA and leased by Entronix International. VEEDA has received a letter of intent from Entronix.

Work is expected to proceed in accordance with the following schedule:

January 2002 – March 2002	Engineering, Architectural Drawings
April 2002	Bidding
May 2002 – October 2002	Bid Process
	Construction

The cost of this project is as follows:

Source	Amount
Funding from MN State Bonding Request	\$1,500,000.00
Local Contributions	\$1,000,000.00
Total	\$2,500,000.00

With the completion of this project, the property in Progress Park will increase the creation of jobs and also increasing the tax base.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project.

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

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VEEDA
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E-mail: veda@rangenet.com

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

Grants to Political Subdivisions
Virginia/Eveleth Progress Park Expansion

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

Project Detail

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

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

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

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

- Elements of this request (building expansion owned by a private party) may not be eligible for state general obligation bonds.
- As suggested by M.S. 16A.86, the community may wish to consider at least a 50% non-state funding match.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? A resolution of support for the project dated 10/11/01 was received from the Virginia/Eveleth Economic Development Authority.
9.	Pre-design completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Virginia is 451 of 884 cities in Minnesota (1 is high). Eveleth is ranked 641 of 884 cities in Minnesota.

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

AGENCY PROJECT PRIORITY: 1 of 1 (City of Virginia)

PROJECT LOCATION: Virginia

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$5 million in state funding to renovate the infrastructure of the city of Virginia's District Steam Heating System. The city of Virginia, Department of Public Utilities, owns and operates a cogeneration power plant that is dependent on a district steam heating system that serves over 2,400 residential and commercial steam customers. Much of the steam distribution system was installed in the early to mid 1920s and therefore is well beyond its 50-year life expectancy. The state funding will be used in conjunction with federal and city funding to replace, repair, and upgrade the steam distribution system, allowing the city of Virginia to continue to serve its district steam heating customers and operate the cogeneration power plant

The steam distribution system is comprised of approximately 22 miles of steam mains and 21 miles of steam services. 80% of the system is over 50 years old and is in constant need of repair. Utilizing existing manpower and department resources it is estimated that the current repair backlog would take three years to complete, and the backlog continues to grow. Many of the repairs that are made are critical in that there is potential for property damage or there are public safety concerns. When a leak occurs, steam ranging in temperature between 250° and 350° F can follow the steam tunnels into homes or through manhole cover vents creating burn hazards for pedestrians and traffic hazards due to reduced visibility. The steam system is also taking its toll on Virginia's streets and alleys. Streets and alleys in the areas of steam lines are failing prematurely due to the excessive heat loss from the steam lines. In addition to the maintenance problems, the deteriorating condition of the steam system has resulted in steam losses averaging around 50% on an annual basis, that is, 50% of the steam that is sent out to the steam distribution system is lost.

The continued viability of the city of Virginia's cogeneration power plant and steam distribution system will require a major renovation program with costs that have been estimated in excess of \$28 million. The city of Virginia and the Department of Public Utilities, not having the resources to fund such a project, had to consider alternatives which included down-sizing the steam system or eliminating the steam system entirely and converting the steam customers in the abandoned areas to natural gas or some other form of energy. These alternatives presented their own problems in that the costs of converting customers to natural gas ranged from \$8,000 to \$15,000 for residential customers to hundreds of thousands of dollars for some of the larger steam customers such as schools, government buildings, and businesses. The cost of these conversions would have a significant impact on low-income customers and on businesses that are already struggling due to a weakened local economy. Because of this, there is strong public sentiment to retain as much of the steam

system as possible. This along with new federal and state energy initiatives, which include cogeneration, conservation, renewable energy and competition, has encouraged the city of Virginia to begin new initiatives to try to save as much of the steam system as possible. Some of those initiatives are listed below.

- Steam rates have been increased to help pay for some of the necessary improvements.
- Certain areas of the steam system which have been identified as being the least efficient areas to serve with steam, and which also have been high maintenance areas have been scheduled for abandonment in an effort to downsize the system to where it will be manageable.
- Natural gas lines have been installed in those areas where steam is being abandoned. The gas infrastructure that has been installed to date has cost the city of Virginia, Department of Public Utilities in excess of \$1 million with none of the cost being passed on to the customers.
- The city has obtained bonding to provide \$1.5 million for improvements to the district heating system infrastructure.

In addition to state and local funding the city is seeking \$23 million in federal funding for this program. Representative James Oberstar introduced this project to the Appropriations Committee and State Senators Paul Wellstone and Mark Dayton are supporting his effort. All of this funding will be used to renovate the existing district steam heating system infrastructure.

The local impact of this project is quite apparent in that it will allow the city to continue to serve steam customers with a safe, reliable and efficient source of energy to heat their homes and businesses and will help to relieve a burden that has inhibited the city's efforts to attract new business and in fact could revitalize those efforts. This project is also in line with current state and federal energy initiatives.

- The city is investigating alternate renewable fuel sources for the cogeneration power plant, which include corn, alfalfa, and genetically engineered aspen. The use of biomass fuels and other renewable energy sources are a part of the state and national energy plans.
- Virginia's power plant has the capacity to serve the electrical needs of the city and more, which in conjunction with the interconnect with Minnesota Power, provides for very reliable service to electrical customers.
- The National Energy Policy presented by President Bush recognizes central heating and cogeneration as being vital to our nations energy plan. The policy states that "Cogeneration of electricity and heat and combined heat and power allow for the productive use of much of the waste heat from electricity

production, which accounts for about two-thirds of the energy used to produce electricity."

Keeping the steam distribution system viable is vital to keeping the cogeneration power plant viable and to supporting these state and federal energy initiatives.

Work is expected to proceed in accordance with the following schedule:

Year	Project Description	Projected Cost
2002	Re-insulate primary steam mains to Northside and Finntown (Funded by Utility Reserves)	\$1,355,000
2002-2003	Renovation of Business District Core Steam (Funded by MN State Bonding Request)	\$5,000,000
2004-2010	Renovation of Remaining Steam System (Federal Funding)	\$23,000,000
Total		\$29,000,000

The re-insulation of the primary steam mains to Northside and Finntown consists of utilizing an insulating technology that allows for the re-insulation of the steam lines with high temperature foam making the steam lines more thermally efficient and at the same time protecting the steam line from water intrusion and damage.

The renovation of the business core will rebuild the steam system in the areas where the highest load density exists, primarily the downtown business district including public buildings and schools. This area is the heart of the district heating system.

The final phase of the project would be to rebuild the remaining portions of the steam system that are in primarily residential areas.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The city of Virginia, Department of Public Utilities, will continue to own and operate the new facilities; no new or additional state operating dollars will be required.

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

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General Manager
City of Virginia, Department of Public Utilities
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Virginia, MN 55792
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E-mail: leonit@vpuc.com

Grants to Political Subdivisions
District Steam Heating System Infrastructure

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$0	\$0	\$0	\$0	\$0		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	0	0	0	0		
3. Design Fees							
Schematic	0	0	0	0	0		
Design Development	0	0	0	0	0		
Contract Documents	0	0	0	0	0		
Construction Administration	0	0	0	0	0		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						06/2002	12/2010
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	29,000	0	0	29,000		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	0	29,000	0	0	29,000		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$0	\$29,000	\$0	\$0	\$29,000		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,000	0	0	5,000
State Funds Subtotal	0	5,000	0	0	5,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	23,000	0	0	23,000
Local Government Funds	0	1,355	0	0	1,355
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	29,355	0	0	29,355

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	5,000	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

NA

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed?
2.	Project fulfills an important state mission?
3.	Has a state role been expanded in a new policy area?
4.	Project is of local, regional, or statewide significance?
5.	State operation subsidies required?
6.	Inequities created among local jurisdictions?
7.	Does it compete with other facilities?
8.	Resolutions from local governing bodies provided? Resolutions of support for this project have been received from the City of Virginia (dated 1/9/01), the Virginia Department of Public Utilities (dated 1/22/01), and Congressman James Oberstar (letter dated 10/5/01).
9.	Predesign completed?
10.	Project is disaster related?
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Virginia is 451 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$109 per city resident.

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2002 STATE APPROPRIATION REQUEST: \$1,800,000

AGENCY PROJECT PRIORITY: 1 of 1 (Waseca)

PROJECT LOCATION: Northeast Park in Waseca

PROJECT DESCRIPTION AND RATIONALE:

This is a request for \$1.8 million dollars in state funding to assist with the Northeast Park Community Center project in Waseca. The project consists of approximately 14,400 square feet of multi-purpose indoor facilities for various sports, community meeting and gathering and office spaces. This space will include various exercise areas and facilities. In addition, a 7,200 square foot outdoor pool and 400 square foot wading pool with a 10,000 square foot deck area will be constructed adjacent to these indoor facilities. Other outdoor activities to be constructed as a part of this project to include, but are not limited to, a softball field, soccer field, two basketball courts, a volleyball court, a horseshoe area, a tot lot and outdoor play area, as well as a main shelter plaza and picnic patio area. There will also be support facilities such as parking, sidewalks, trails and ponds. A new roadway will be constructed on the east and west sides of Northeast Park.

Waseca has a unique opportunity to leverage private foundation funding to meet this clearly defined regional need. The Blandin Foundation has been working with the community since 1997. Their basic philosophy is one of mutual investment, which also requires local/regional commitment in terms of initial financial contribution and ongoing annual support.

The Blandin process requires the commitment of diverse multi-generational citizen participation. Area wide meetings welcoming the public were held to provide a forum to identifying regional priority projects. Multiple communication techniques were utilized to insure broad based participation in these community meetings. Efforts included offering transportation to the meetings, childcare, and multi-lingual meeting invitations. From these meetings three community goals were defined and three separate sub-committees were formed to explore the feasibility of accomplishing these goals, which include creation of a community center/gathering space, welcoming diversity, and protection of our natural resources. Several hundred citizens through a detailed survey process overwhelming identified the top regional need as a multi-purpose community-gathering center. The survey was followed by and in-depth interview with area stakeholders to assess support, participation, and willingness to support the project financially.

The city of Waseca has already invested quite significantly into the initial phase of this project. The city has spent \$125,000 acquiring the land, and an additional \$147,000 in grading, storm water detention ponds, and utility improvements. This year, the city has commenced construction of 4th Avenue northeast located on the east side of the park. As stated earlier, Phase 1 plans include: a multi-purpose

community gathering center, pool facilities, asphalt trails, a parking facility, softball, soccer fields, irrigation, landscaping, and main sidewalks. Total cost for Phase 1 is \$4,596,000.

Phase 2 plans include a park concession, arbor structure, pedestrian bridge, another parking lot facility, and secondary sidewalk system. The trails and sidewalks through the park will facilitate the city's long-term goal of connecting the entire city by biking and pedestrian paths. This park will also provide a link between the recently completed trail to trail to the west and the planned Clear Lake Trail to the east. Phase 3 would include playground equipment, surfacing, picnic shelters and brick patio areas, volleyball and basketball courts. The city is not requesting funding for these phases.

The timing for this project is critical in that the Blandin Foundation has indicated their willingness to pledge up to \$500,000 in a challenge grant for this project. The balance of the funds are expected to come from this request, private fund raising efforts, multiple public entity participation, and a 2002 \$1,440,000 bond referendum. Bonds will be repaid through a combination of user fees, membership options, corporate support, and local financing.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are requested with this project. The city of Waseca will own and operate the facility.

OTHER CONSIDERATIONS:

The Waseca regional trade area encompasses an area of approximately 25,000 people, including all of Waseca County and parts of two adjacent counties. There are no similar facilities within the trade area. It is anticipated this major recreational facility will draw from areas outside our primary trade area and have a significant economic impact on the community by attracting and maintaining individuals and families to the region. In 2001, the mayor completed a business retention program with every major employer within the city, and a large majority of the business leaders report the need for such a facility as an aid to recruiting and retaining employees. This project meets several needs in the community; from a lack of accessible meeting space to regionally located recreational opportunities. Southern Minnesota has a severe shortage of affordable public transportation, which requires facilities to be strategically located.

The city of Waseca, in partnership with the Blandin Community Investment Partnership Steering Committee commissioned the Health Fitness Corporation (HFC) of Minneapolis to assist in estimating the number of potential users for the facility. HFC has been providing general health, fitness and wellness services since 1981. They are currently one of the largest consulting and management firms in the corporate and medically-based community market. They currently serve more than

140 corporate and community client sites nationwide, including the city of Crosby Community Center.

HFC projects that in year one, the Waseca Northeast Park Community Center would have 900 members and would realize 50,266 visits into the facility and an additional 12,400 visits to the pool. Year two could expect nearly 73,000 visits (200 per day) and an additional 12,400 to the pool.

The Northeast Community Center facility will be a complete multipurpose recreational/meeting facility and have a significant influence on the surrounding counties and play an important role in the growth and development of a healthy and vital Greater Minnesota community. This is an exciting project for the region as well as all of southern Minnesota.

Waseca's industrial base is heavily weighted with electronic companies (Johnson Components, EF Johnson, ADC Telecommunications, Itron, Nextnet, to name a few) which require high-skilled workers. In a recent business outreach effort conducted by Mayor Hagen, employers cited a lack of recreation facilities and opportunities such as this as a primary hindrance to recruiting quality candidates to live and work in Waseca.

Because the Waseca area has no mall or other indoor walking facilities, this facility is crucial to provide the kind of recreation needed and desired by senior citizens in adverse winter and summer climate conditions. Our vision is to be a community and region for all ages, recognizing the demographic revolution beginning with the retirement of the baby boom generation. If Minnesota is to keep this generation – which is retiring earlier, in better health and with more disposable income – it must offer the quality of life living options to which the Governor refers.

This facility will be accessible to all and will provide cardio-vascular rehabilitation options not found in this area. The pool will be designed with zero depth options to make it accessible to all and to provide outdoor recreational activities which are currently unavailable.

This proposal directly serves the goal of making Minnesota “the best place to retire.”

In addition to the benefits for families set forth above, this facility will offer opportunities for entire families to play together with neighbors and friends. Located on a growing trail system envisioned to circle and connect the entire city, it provides safe access for youth biking, roller-blading or walking to the facility.

The Northeast Park Community Center also fits two of the four Initiatives for the state of Minnesota outlined in The Big Plan.

As noted above, employers cite a lack of recreation and fitness facilities as an obstacle in recruiting and retaining quality employees. This facility will benefit

employee recruitment and economic development and competitiveness in Waseca, New Richland, Janesville, and Waterville. An enormous economic impact to these rural communities will be achieved when employees choose to live in this area instead of commute to local jobs from larger communities offering the amenities this facility will provide. We've used the economic rule-of-thumb that \$1 in local wages turns over in the community 9 times before leaving. Completion of this project will have a significant impact on the competitiveness of this rural region, helping to ensure that economic vitality is not limited to metropolitan areas of the state.

This facility will offer needed training and meeting rooms to provide community-wide training related to health, emergency response, and a variety of social/family issues. The meeting rooms will also offer needed space for off-site business training sessions. We also interpret “lifelong learning in life” to include lifetime fitness, which this facility will provide.

Finally, Governor Ventura's Big Plan ends with some guiding principles. One of them is: “Leverage private and non-profit support.” Fittingly, our proposal embraces this principle as it sits on a solid foundational partnership between The Blandin Foundation, local, private fundraising, and state and local government.

The most similar precedent for funding would be the Lake Crystal Community Recreation Center. There are significant differences however. The proposed Waseca facility has demonstrated a broader, multi-partner leveraging of public and private funds. It also has involved widespread community involvement in the planning process; better addresses the area's needs; and, is carefully, prudently and conservatively researching and exploring the future costs and budget implications of having this facility in the community.

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

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Grants to Political Subdivisions
Northeast Park Community Center -- Waseca

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition							
Land, Land Easements, Options	\$125	\$0	\$0	\$0	\$125		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	29	0	0	29		
3. Design Fees							
Schematic	0	50	0	0	50		
Design Development	0	102	0	0	102		
Contract Documents	0	117	0	0	117		
Construction Administration	0	14	0	0	14		
4. Project Management							
State Staff Project Management	0	0	0	0	0		
Non-State Project Management	0	0	0	0	0		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs							
Site & Building Preparation	147	0	0	0	147		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	4,109	0	0	4,109		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	0	0	0	0		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy							
Furniture, Fixtures and Equipment	0	175	0	0	175		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Other Costs	0	0	0	0	0		
SUBTOTAL: (items 1 – 8)	272	4,596	0	0	4,868		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
GRAND TOTAL	\$272	\$4,596	\$0	\$0	\$4,868		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,800	0	0	1,800
State Funds Subtotal	0	1,800	0	0	1,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	272	1,440	0	0	1,712
Private Funds	0	1,356	0	0	1,356
Other	0	0	0	0	0
TOTAL	272	4,596	0	0	4,868

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

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	1,800	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

10/17/01 GOC

- No predesign has been received.
- No Project Management or Construction Contingency costs assigned to project.
- Soft costs of 10.0% below low limit of 20%. May be attributable because of missing costs.
- Project construction information indicates a new Community Center Building for \$285.35/SF. This is high for this type of function. Normal range would be \$110 to \$145/SF. Missing cost data for outdoor pool & deck. Please justify.

Department of Finance Analysis:

The applicant is encouraged to respond to any questions or concerns as follows:

- What is the state's mission in funding this type of facility? Is there a precedent for this type of funding?

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects	
1.	Non-state matching funds contributed? \$1.44 million from a local bond referendum and \$1.356 million in private funds are expected to match \$1.8 million in state funding.
2.	Project fulfills an important state mission? The state mission in funding local community centers is unclear.
3.	Has a state role been expanded in a new policy area? State funding of local community centers is viewed as expanding the state's funding role.
4.	Project is of local, regional, or statewide significance? The project is viewed as having primarily local benefit, with potential for regional (multi-county) significance.
5.	State operation subsidies required? No state operating subsidies are requested.
6.	Inequities created among local jurisdictions? Requests for funding of local community centers typically prompts discussions about inequitable treatment from non-funded communities.
7.	Does it compete with other facilities? No.
8.	Resolutions from local governing bodies provided? Resolutions of support for this project were received from the Waseca City Council (8-7-01) and Woodville Township Board (10-2-01).
9.	Predesign completed? A predesign has not been received to date.
10.	Project is disaster related? The project is not located in a disaster area.
11.	Per-capita tax capacity of the local jurisdiction? The 2001 per capita tax capacity rank of the city of Waseca is 308 of 884 cities in Minnesota (1 is high). If the state share of project costs were 100% locally funded, its annual costs over the next five years would be \$42 per city resident. According to 1999 financial reporting data on file at the State Auditor's Office (the latest reporting period), the city was carrying a \$2.9 million unreserved fund balance in its general and special revenue funds.

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2002 STATE APPROPRIATION REQUEST: \$27,714,000

AGENCY PROJECT PRIORITY: 1 of 1 (West Metro Joint Powers Board)

PROJECT LOCATION: St. Louis Park

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$27,714,000 in state funding to acquire land, predesign, design, construct, furnish and equip the third West Metro Education Program (WMEP) voluntary integration Southwest Magnet School for the purpose of addressing the issues of integration, student success and acceptance of diversity in the western metropolitan communities.

The WMEP Joint Powers Board is submitting this request. The West Metro Education Program (WMEP) is a consortium of 10 urban and suburban school districts that formed in 1989 to cooperatively address integration issues in the west metropolitan area. Member districts share a mutual commitment to promoting a racially integrated metropolitan area, equal educational opportunities for all children, and enhancement of opportunities through interdistrict educational options in integrated settings. The School District membership in WMEP includes:

Brooklyn Center
Columbia Heights
Edina
Hopkins
Minneapolis
Richfield
Robbinsdale
St. Anthony-New Brighton
St. Louis Park
Wayzata

WMEP is a voluntary interdistrict integration initiative committed to advancing both student achievement and professional development.

This WMEP Southwest Integration Magnet School is to be located within the boundaries of and in the community of St. Louis Park. There is one school district owned site that is under consideration. There are also two privately own sites that are being considered. Final site selection will be contingent upon negotiating a final price for the land. Selection criteria generated by the "WMEP Southwest Metro K-8 School St. Louis Park Draft Site Investigation Study" and community meetings will be used in the site selection process.

This capital project is a voluntary integration magnet school building project for kindergarten through eighth grade students. This school will have a student

population of 500 and a building with approximately 90,000 ft. sq. The theme of the school would be:

**WORLD Community Learning Center:
The Center for World Cultures, Languages and Communication Arts**

The need for interdistrict magnet schools has been established through research, study and discussion. Through a series of meetings that started with the Planning Committee in March of 1998 and continued with combined Planning and Feedback Committees, the Cuningham Group directed the Design-Down process to create the framework of educational specifications that have guided the development of the educational program and facilities for the Southwest WMEP School. Community meetings and focus groups with residents in St. Louis Park began in June 2001 have further supported this need for this Southwest Voluntary Integration Magnet School Project.

Simply stated, the goals for the project are to improve the educational opportunities and academic achievement of learners, promote an integrated education for students and increase mutual understanding. WMEP commitment to voluntary metropolitan school integration is most visibly demonstrated in its successful implementation of two interdistrict magnet schools, the Interdistrict Downtown School (IDDS) in Minneapolis, the Northwest Fine Arts Resource School (FAIR) in Robbinsdale and finally this proposal to secure funding for the third Southwest Magnet School in St. Louis Park. Plans for these magnet schools have been developed by design teams composed of parents, teachers and administrators from member districts.

Communities across the country are addressing these issues of integrating public schools. In many cases, lawsuits have been filed, judges have dictated what actions should be taken or state legislatures have issued mandates. Many communities have struggled with the issues of integration, yet it has been difficult to make any real progress. Locally, the Minneapolis school district and nine neighboring suburban school districts have established a voluntary effort to address the issues of integration. The WMEP was formed in 1989 to cooperatively address the integration issues in the west metropolitan area. WMEP completed its comprehensive four-year desegregation plan in December 2000. The plan was submitted to and approved by the Minnesota Department of Children Families and Learning (CFL). The goals include the creation of integrated learning settings where all students can attain high academic achievement, enhance community involvement and prepare communities for increased interracial interaction and to design magnet schools to be regional resources.

This project is intended to partner with the "Children First" Initiative in St. Louis Park and the Search Institute of Minneapolis to design a school around the 40 developmental assets. Search Institute, a nationally recognized research group, developed the 40 developmental assets model which is the research base for the

"Children First" initiative. St. Louis Park was the first community in the nation to transform the assets into community action. More than 600 communities across the United States have started similar initiatives.

IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

The facility will be owned by the WMEP, which consists of the Joint Powers Board of WMEP. The facility will be operated by the Joint Powers Board of the West Metro Education Program. The fiscal agent of the WMEP is the Robbinsdale District #281 School District. There will be a need for \$500,000 additional dollars for operation of the project. These funds allocated at \$250,000 for the FY 2005 and \$250,000 for FY 2006.

OTHER CONSIDERATIONS:

West Metro Education Program was established in 1989 to cooperatively address integration in the west metro area. Our focus is to provide voluntary integrated learning options for families living in Minneapolis and its neighboring suburbs. WMEP currently operates two interdistrict magnet schools—one in downtown Minneapolis and one in the Robbinsdale school district. The third magnet school proposed for development in St. Louis Park would provide increased access to a voluntary interdistrict integrated school for families in the southwest metro area. This school would further our mission to promote student success and community acceptance of differences by providing opportunities for students, families and staff from diverse backgrounds to learn from and with each other.

As a member district of WMEP, St. Louis Park School District #283 has a history of supporting voluntary integration efforts as demonstrated by the successful implementation of two interdistrict magnet schools, IDDS in Minneapolis and the FAIR in Robbinsdale. As a member of WMEP, the St. Louis Park District #283 and the St. Louis Park School Board have shared a mutual commitment with the WMEP school districts in promoting racially integrated metropolitan school attendance areas, equal education for all children and the enhancement of opportunities through interdistrict educational options in integrated settings.

The implementation of the Southwest WMEP School will bring to fruition the legislative and governor support of voluntary, metropolitan-area desegregation/integration initiatives (Magnet School and Planning Grants) formulated and approved in 1998. The School Board of the St. Louis Park District #283 is confident that successful funding of the Southwest WMEP School will meet the goal established by the CFL in 1998 to establish voluntary desegregation/integration efforts across district boundaries.

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

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Grants to Political Subdivisions
WMEP Southwest Integration Magnet School

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

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 2002-03	Project Costs FY 2004-05	Project Costs FY 2006-07	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
1. Property Acquisition						05/2002	09/2002
Land, Land Easements, Options	\$0	\$4,000	\$0	\$0	\$4,000		
Land and Buildings	0	0	0	0	0		
2. Predesign Fees	0	45	0	0	45	05/2001	05/2002
3. Design Fees							
Schematic	0	128	0	0	128	06/2002	08/2002
Design Development	0	172	0	0	172	09/2002	11/2002
Contract Documents	0	343	0	0	343	12/2002	04/2003
Construction Administration	0	215	0	0	215	05/2003	08/2004
4. Project Management						05/2002	08/2004
State Staff Project Management	0	50	0	0	50		
Non-State Project Management	0	231	0	0	231		
Commissioning	0	0	0	0	0		
Other Costs	0	0	0	0	0		
5. Construction Costs						09/2002	08/2004
Site & Building Preparation	0	150	0	0	150		
Demolition/Decommissioning	0	250	0	0	250		
Construction	0	12,150	0	0	12,150		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	650	0	0	650		
Other Costs	0	0	0	0	0		
6. One Percent for Art	0	132	0	0	132		
7. Relocation Expenses	0	0	0	0	0		
8. Occupancy						01/2004	10/2004
Furniture, Fixtures and Equipment	0	2,112	0	0	2,112		
Telecommunications (voice & data)	0	540	0	0	540		
Security Equipment	0	25	0	0	25		
Other Costs	0	93	0	0	93		
SUBTOTAL: (items 1 – 8)	0	21,286	0	0	21,286		
9. Inflation							
Midpoint of Construction							
Inflation Multiplier		30.20%	0.00%	0.00%			
Inflation Cost		6,428	0	0	6,428		
GRAND TOTAL	\$0	\$27,714	\$0	\$0	\$27,714		

CAPITAL FUNDING SOURCES	Prior Years	FY 2002-03	FY 2004-05	FY 2006-07	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	27,714	0	0	27,714
State Funds Subtotal	0	27,714	0	0	27,714
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	27,714	0	0	27,714

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2002-03	FY 2004-05	FY 2006-07	FY 2008-09
Compensation -- Program and Building Operation	0	250	500	500
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	250	500	500
Revenue Offsets	0	0	0	0
TOTAL CHANGES	0	250	500	500
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects only)	Amount	Percent of Total
General Fund	27,714	100.0%
User Financing	0	0.0%

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

Department of Administration Analysis:

10/17/01 GOC; revised 11/9/01

- This request should be coordinated with CFL. Originator of request should obtain CFLs review and comments.
- No predesign has been received.

Department of Finance Analysis:

This request was received after the preliminary statutory submittal date. As such, insufficient time was available to conduct a comprehensive technical review of the project. However, as a courtesy, the request will be forwarded to the 2002 legislature for their consideration.

Governor's Recommendation:

The Governor does not recommend capital funding for this request.

Evaluation of Local Projects

1. Non-state matching funds contributed? As suggested by M.S. 16A.86, the local school districts may wish to consider at least a 50% local matching contribution.
2. Project fulfills an important state mission?
3. Has a state role been expanded in a new policy area?
4. Project is of local, regional, or statewide significance?
5. State operation subsidies required?
6. Inequities created among local jurisdictions?
7. Does it compete with other facilities?
8. Resolutions from local governing bodies provided? Letters of support for this request have been received from the Executive Director of West Metro Education Program (WMEP) joint powers board and the chair of the St. Louis Park school board.
9. Predesign completed?
10. Project is disaster related?
11. Per-capita tax capacity of the local jurisdiction? N.A. - The project is sponsored by the West Metro Joint Powers Board.

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2002 STATE APPROPRIATION REQUEST: \$6,300,000

AGENCY PROJECT PRIORITY: 1 of 1 (City of Winona)

PROJECT LOCATION: Winona

PROJECT DESCRIPTION AND RATIONALE:

This request is for \$6.3 million in state funding to design and construct transportation improvements to serve the Port of Winona and the area's regional transportation network. The planned improvements are intermodal in nature, involving water, rail, highway and street improvements. The improvements will improve access between Trunk Highways 14 and 61 and the Port of Winona and city of Winona, as well as the railroad and waterway transportation networks in the city.

The Port of Winona is located along the Mississippi River in Winona, Minnesota. The commercial harbor is a key transfer point for Minnesota's agricultural products and other commodities shipped down the Mississippi River to the Gulf of Mexico. The Port of Winona serves the entire southern portion of Minnesota and has both regional and statewide significance. Each year, over 2.8 million tons of freight pass through the Port of Winona. The economic impact of the port is significant: the economic value to the state of Minnesota for the Winona Port was estimated in 1999 in a study completed for the National Waterways Association to be over \$123 million while all water transportation was worth \$1.2 billion to the state. About 1,000 people are employed in waterway related jobs in Winona County.

Several different transportation modes converge within the city of Winona near the Port of Winona. The area is served by Trunk Highways 61 and 14; the Dakota, Minnesota and Eastern Railroad; the Canadian Pacific Railroad; the Union Pacific Railroad; the commercial harbor; and the municipal street network of the city of Winona. This convergence of transportation systems causes congestion on the street network. The commercial harbor ships products out of Winona in over 1,450 barges each year. This product comes into the harbor on both truck and rail. Over 100,000 trucks each year use the Highway 61/14 intersection and travel on Pelzer Street to access the commercial harbor. Over 100 trucks can be waiting at a time to unload products at the elevators in the harbor. Over 12,000 railcars per year pass on the rail-line that crosses Pelzer Street, destined for the commercial harbor. The rail crossing currently operates with about 28 trains each day with a potential increase of 34 more trains from the Dakota, Minnesota and Eastern Railroad Corporation (DM&E) expansion project alone, for a total of 62 trains daily.

Pelzer Street is the entrance to the Municipal Airport and its surrounding industrial areas. Over 3,000 employees of the manufacturing industries use the street to travel to and from work. It is not uncommon for the intersection at Fifth and Pelzer to have traffic backed up over two to three blocks in two or more directions at various times during the day. Trains block the crossings, trucks travel to the commercial harbor,

and the inadequate two lane street with four way stop signs at Fifth and Pelzer Streets combine to create the congestion. Emergency vehicles try to avoid this area if at all possible when responding to emergency calls.

Without state funding, the regional transportation system will be inadequate and Minnesota's rural economy that depends upon the Winona harbor will be harmed.

The intermodal transportation improvements include the following:

Commercial Harbor Dredging

Areas of the commercial harbor will be hydraulically dredged to improve barge access. The Port Authority of Winona has developed a plan to dredge two areas of the harbor to create an additional staging area for the building and breaking up of tows and to increase the west fleeting area. The dredge material will be used to create the land and base of the railroad overpass construction on Pelzer Street. The Port Authority must apply for and receive permits for the dredging of the commercial harbor and a permit for the disposal site, which will require some wetland mitigation.

Trunk Highway 14/Trunk Highway 61 Intersection Reconstruction

This improvement will redesign and reconstruct the intersection of Trunk Highways 61 and 14, which the Minnesota Department of Transportation has identified for significant improvements. This reconstruction will include widening the intersection, increasing the turning lanes from all directions, and installing new traffic signals to improve traffic flow on all the street connections. It will also include completion of a partially constructed new service drive on the southeast section of Highway 14 and the closure of the old service drive that is located too close to the intersection to safely handle traffic. This service drive connection will require the acquisition of property and the relocation of tenants and a business. The temporary traffic signals at the service drive will be replaced with permanent signals.

Canadian Pacific Railroad Overpass

An overpass will be constructed on Pelzer Street over the Canadian Pacific rail-line. The present at-grade crossing causes significant delays and impedes the principal western access to the commercial harbor, the west end industrial parks of the cities of Winona and Goodview, the Winona Municipal Airport, and downtown Winona. The Canadian Pacific Railroad blocks the crossing for switching operations, which backs up road traffic for several blocks. Currently, the lack of railroad overpasses creates significant concerns for emergency vehicle access, in addition to the traffic flow problems.

The construction of the Pelzer Street overpass will require acquisition of privately owned wetlands, submission and receipt of permits to fill the property, and the physical construction of the overpass. The overpass will allow for the closing of one rail crossing and will allow the railroad to use the area for switching operations without affecting other transportation modes.

