

1998-2003

*Minnesota Strategic Capital Budget Plan*

980038

# Grants to Political Subdivisions



Presented by Governor Arne H. Carlson to the 80th Legislature



LEGISLATIVE REFERENCE LIBRARY



3 0307 00005 1071

HJ  
11  
.M6425c  
1998/  
2003  
Grants

# MINNESOTA STRATEGIC CAPITAL BUDGET PLAN 1998-2003

## -INDEX-

### POLITICAL SUBDIVISIONS

Grants to Political Subdivisions

Page Number  
I-1

RECEIVED  
JAN 16 1998  
LEGISLATIVE REFERENCE LIBRARY  
STATE OFFICE BUILDING  
ST. PAUL, MN 56155

The Governor's 1998-2003 Strategic Capital Budget Plan  
***Executive Summary*** and ***Requests for Each Agency*** can be  
viewed at the Department of Finance's web site at:  
<http://www.finance.state.mn.us/bis>

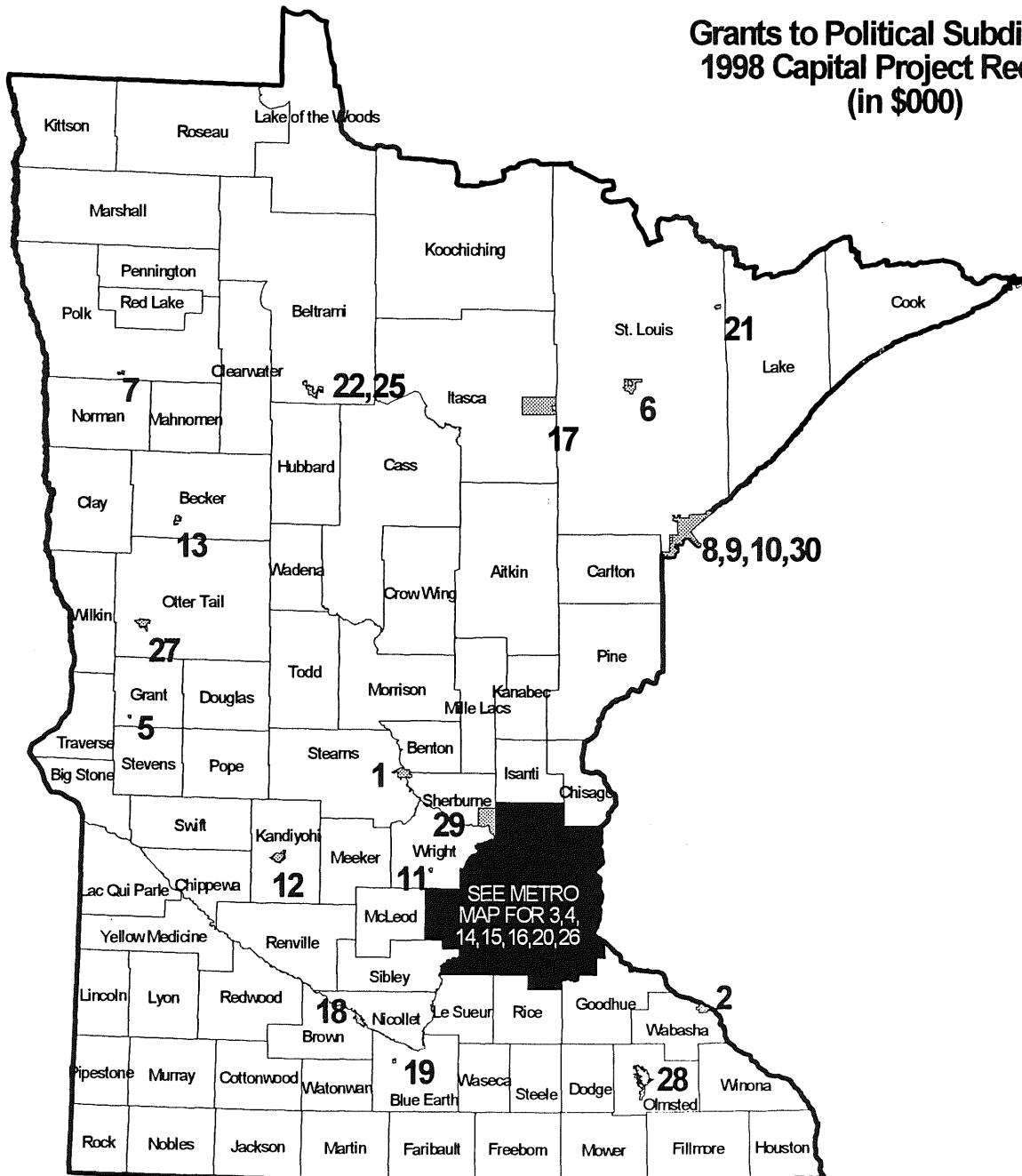
**This page intentionally left blank.**



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

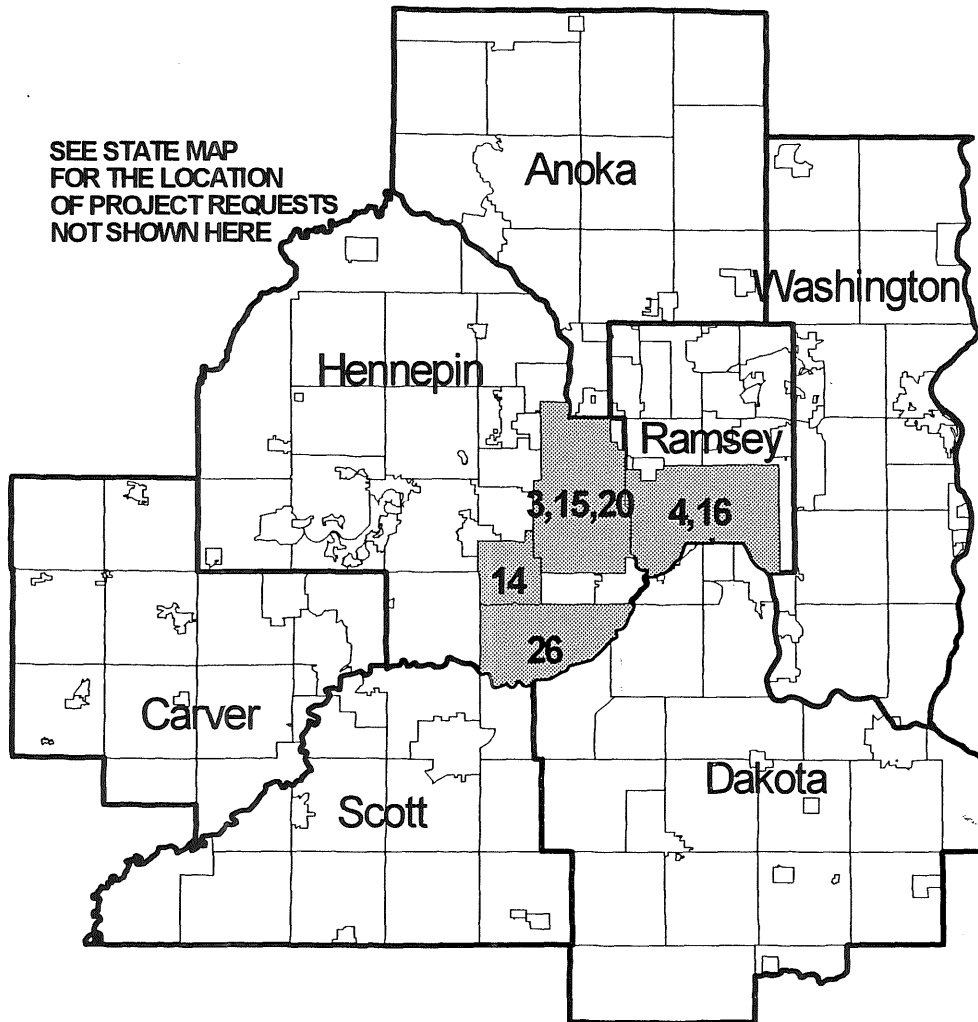
Project Title	1998 Agency Priority Ranking	Agency Project Requests for State Funds (\$ by Session)				Statewide Strategic Score	Governor's Recommendation 1998	Governor's Planning Estimate	
		1998	2000	2002	Total			2000	2002
St. Paul RiverCentre Arena	STP-1	\$65,000	\$0	\$0	\$65,000	325	\$65,000	\$0	\$0
Minneapolis Convention Center	MPL-1	87,145	0	0	87,145	367	87,145	0	0
Duluth Convention Center Expansion	DUL-1	13,999	0	0	13,999	250	13,999	0	0
Hartley Nature Center (Duluth)	DUL-2	2,800	0	0	2,800	232	0	0	0
Lake Superior Zoological Garden (Duluth)	DUL-3	1,300	950	900	3,150	321	0	0	0
St. Louis County Heritage and Arts Center (Duluth)	DUL-4	750	4,400	0	5,150	296	0	0	0
Fergus Falls Convention Center	FRF-1	1,500	0	0	1,500	250	1,500	0	0
Mayo Civic Center (Rochester)	ROC-1	6,756	0	0	6,756	250	6,756	0	0
Stearns County Quarry Park and Nature Preserve	STC-1	7,720	0	0	7,720	256	0	0	0
Humboldt Greenway (Hennepin County)	HEN-1	24,000	0	0	24,000	154	0	0	0
Hubert H. Humphrey Museum (Waverly)	WV-1	2,930	0	0	2,930	160	0	0	0
Hermann Restoration Project (New Ulm)	ULM-1	398	0	0	398	175	0	0	0
South Metro Public Safety Training Academy	RCF-1	2,600	0	0	2,600	240	0	0	0
St. Paul Bus Garage (Met Council)	MTC-1	12,000	0	0	12,000	291	0	0	0
Transit Control Center (Met Council)	MTC-2	4,500	0	0	4,500	272	0	0	0
800 MHz Radio System (Metro Radio Board)	MRB-1	18,700	0	0	18,700	195	0	0	0
Itasca School-to-Work Technology Center (Nashwauk)	ITA-1	2,036	0	0	2,036	170	0	0	0
Ely Technology Center	ELY-1	5,287	0	0	5,287	85	0	0	0
Detroit Lakes Community Center	DET-1	6,000	0	0	6,000	96	0	0	0
Lake Crystal Area Recreation Center	CRY-1	1,500	0	0	1,500	142	0	0	0
Proctor Community Activity Center	PRO-1	1,975	0	0	1,975	170	0	0	0
Amateur Sports Hall of Fame (Elk River)	ELK-1	2,000	0	0	2,000	152	0	0	0
Southwest Performing Arts Center (Bloomington)	BLM-1	25,000	0	0	25,000	181	0	0	0
Great Northern Depot Restoration (Bemidji)	BEM-1	690	0	0	690	200	0	0	0
Headwaters Science Center (Bemidji)	BEM-2	9,205	0	0	9,205	223	0	0	0
Bald Eagle Center (Wabasha)	WB-1	2,451	0	0	2,451	254	0	0	0
Agassiz ELC (Fertile)	ELC-1	2,400	0	0	2,400	250	0	0	0
Prairie Woods ELC (Kandiyohi County)	ELC-1	5,405	0	0	5,405	250	0	0	0
Laurentian ELC (Britt)	ELC-1	1,406	0	0	1,406	306	0	0	0
Lawndale ELC (Herman)	ELC-1	4,035	0	0	4,035	275	0	0	0
<b>Total Project Requests</b>		<b>\$321,488</b>	<b>\$5,350</b>	<b>\$900</b>	<b>\$327,738</b>		<b>\$174,400</b>	<b>\$0</b>	<b>\$0</b>

# Grants to Political Subdivisions 1998 Capital Project Requests (in \$000)



- 1 Stearns County Quarry Park and Nature Preserve \$7,720
- 2 Bald Eagle Center (Wabasha) \$2,451
- 3 Minneapolis Convention Center \$87,145
- 4 St. Paul RiverCentre Arena \$65,000
- 5 Lawndale ELC (Herman) \$4,035
- 6 Laurentian ELC (Britt) \$1,406
- 7 Agassiz ELC (Fertile) \$2,400
- 8 Duluth Convention Center Expansion \$13,999
- 9 St. Louis County Heritage and Arts Center (Duluth) \$750
- 10 Hartley Nature Center (Duluth) \$2,800
- 11 Hubert H. Humphrey Museum (Waverly) \$2,930
- 12 Prairie Woods ELC (Kandiyohi County) \$5,405
- 13 Detroit Lakes Community Center \$6,000
- 14 South Metro Public Safety Training Academy \$2,600
- 15 Transit Control Center (Met Council) \$4,500
- 16 St. Paul Bus Garage (Met Council) \$12,000
- 17 Itasca School-to-Work Technology Center (Nashwauk) \$2,036
- 18 Hermann Restoration Project (New Ulm) \$398
- 19 Lake Crystal Area Recreation Center \$1,500
- 20 Humboldt Greenway (Hennepin County) \$24,000
- 21 Ely Technology Center \$5,287
- 22 Great Northern Depot Restoration (Bemidji) \$690
- 23 800 MHz Radio System (Metro Radio Board) \$18,700
- 24 Proctor Community Activity Center \$1,975
- 25 Headwaters Science Center (Bemidji) \$9,205
- 26 Southwest Performing Arts Center (Bloomington) \$25,000
- 27 Fergus Falls Convention Center \$1,500
- 28 Mayo Civic Center (Rochester) \$6,756
- 29 Amateur Sports Hall of Fame (Elk River) \$2,000
- 30 Lake Superior Zoological Garden (Duluth) \$1,300

# **Grants to Political Subdivisions 1998 Capital Project Requests (in \$000)**



- 1 Stearns County Quarry Park and Nature Preserve \$7,720
- 2 Bald Eagle Center (Wabasha) \$2,451
- 3 Minneapolis Convention Center \$87,145
- 4 St. Paul RiverCentre Arena \$65,000
- 5 Lawndale ELC (Herman) \$4,035
- 6 Laurentian ELC (Britt) \$1,406
- 7 Agassiz ELC (Fertile) \$2,400
- 8 Duluth Convention Center Expansion \$13,999
- 9 St. Louis County Heritage and Arts Center (Duluth) \$750
- 10 Hartley Nature Center (Duluth) \$2,800
- 11 Hubert H. Humphrey Museum (Waverly) \$2,930
- 12 Prairie Woods ELC (Kandiyohi County) \$5,405
- 13 Detroit Lakes Community Center \$6,000
- 14 South Metro Public Safety Training Academy \$2,600
- 15 Transit Control Center (Met Council) \$4,500
- 16 St. Paul Bus Garage (Met Council) \$12,000
- 17 Itasca School-to-Work Technology Center (Nashwauk) \$2,036
- 18 Hermann Restoration Project (New Ulm) \$398
- 19 Lake Crystal Area Recreation Center \$1,500
- 20 Humboldt Greenway (Hennepin County) \$24,000
- 21 Ely Technology Center \$5,287
- 22 Great Northern Depot Restoration (Bernidji) \$690
- 23 800 MHz Radio System (Metro Radio Board) \$18,700
- 24 Proctor Community Activity Center \$1,975
- 25 Headwaters Science Center (Bernidji) \$9,205
- 26 Southwest Performing Arts Center (Bloomington) \$25,000
- 27 Fergus Falls Convention Center \$1,500
- 28 Mayo Civic Center (Rochester) \$6,756
- 29 Amateur Sports Hall of Fame (Elk River) \$2,000
- 30 Lake Superior Zoological Garden (Duluth) \$1,300



**AGENCY MISSION STATEMENT:**

The Department of Finance has received local project requests from a variety of political subdivisions and associated local organizations 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." These are local requests which cannot be processed through existing state wide grant programs as currently offered or proposed by state agencies.

**DEPARTMENT OF FINANCE ANALYSIS:**

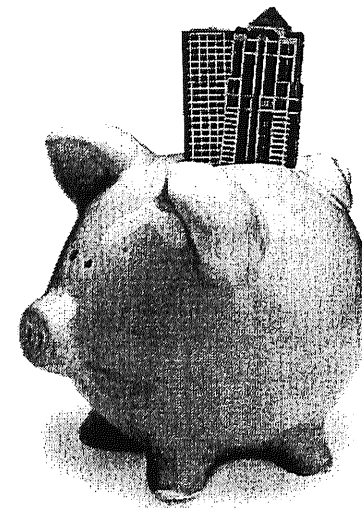
In the following request forms, Department of Finance comments are provided for a number of local projects that address the issue of local match funding. Recognizing the interest of state decision-makers to occasionally form funding partnerships and provide state financing for various local projects, many of which 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 activities which 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 as much as a three-to-one ratio.

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 Department of Finance offers the following recommendations for state funding of local capital projects:

- Whenever possible, local units of government should be asked to 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. These local match requirements are expected to provide at least 50% non-state funding for project design and construction costs. Most local projects as contained in the following pages abide by this recommendation.
  - 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 fully prepared to provide subsequent construction funds. Design funding 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.
- Political subdivisions should fund local projects to the fullest extent possible before requesting state assistance for capital costs.



The following local requests were received by the Department of Finance and are contained in the Grants to Political Subdivisions section:

- St. Paul RiverCentre Arena
- Minneapolis Convention Center
- Duluth Convention Center Expansion
- Hartley Nature Center (Duluth)
- Lake Superior Zoological Garden (Duluth)
- St. Louis County Heritage and Arts Center (Duluth)
- Fergus Falls Convention Center
- Mayo Civic Center (Rochester)
- Stearns County Quarry Park and Nature Preserve
- Humboldt Greenway (Hennepin County)
- Hubert H. Humphrey Museum (Waverly)
- Hermann Restoration Project (New Ulm)
- South Metro Public Safety Training Academy
- St. Paul Bus Garage (Met Council)
- Transit Contro Center (Met Council)
- 800 MHz Radio System (Metro Radio Board)
- Itasca School-to-Work Technology Center (Nashwauk)
- Ely Technology Center
- Detroit Lakes Community Center
- Lake Crystal Area Recreation Center
- Proctor Community Activity Center
- Amateur Sports Hall of Fame (Elk River)
- Southwest Performing Arts Center (Bloomington)
- Great Northern Depot Restoration (Bemidji)
- Headwaters Science Center (Bemidji)
- Bald Eagle Center (Wabasha)
- Agassiz ELC (Fertile)
- Prairie Woods ELC (Kandiyohi County)
- Laurentain ELC (Britt)
- Lawndale ELC (Herman)

The following local requests were initially received by the Department of Finance in the Grants to Political Subdivisions section, but were subsequently moved to other agency sections:

- University Center Rochester (to MnSCU)
- Mankato Technology Center (to MnSCU)
- Rochester Regional Recreation Center (to MnSCU)
- Grand Rapids Library (to Children, Families & Learning)
- St. Paul Community Schools Partnership (to Children, Families & Learning)

The Department of Finance also became aware of other local projects after the 10-31-1997 application deadline or had insufficient information available to process the following requests:

- Voyageur Interpretive Center (International Falls)
- Treaty Site History Center (Nicollet County)

**This page intentionally left blank.**



**PROJECT LOCATION:** St. Paul

**AGENCY PROJECT PRIORITY:** 1 of 1 (Saint Paul)

**1998 STATE APPROPRIATION REQUEST:** \$65,000

**PROJECT DESCRIPTION:**

The City of Saint Paul is requesting \$65 million in bond proceeds in the 1998 State bonding bill to replace the existing 24 year-old Saint Paul RiverCentre (formerly "Civic Center") Arena which needs approximately \$25 million to \$36 million in improvements to remain structurally viable and functionally competitive.

The city is requesting the funds for the arena replacement in order to meet the terms of its agreement with the NHL Board of Governors, which agreement resulted in the award of an NHL expansion franchise to a Minnesota investor group. The facility is and will continue to be owned by the City of Saint Paul.

The state's contribution of \$65 million is part of the \$130 million arena replacement project budget. The state's participation will be matched on a dollar-for-dollar basis with a combined contribution of \$30 million from the City of Saint Paul and \$35 million from the team's owners group. The city is additionally responsible for the contribution of the land and any off-site infrastructure.

The franchise has been awarded with play to begin in the 2000-2001 NHL season, with the arena to be substantially completed by September, 2000.

The new arena will be constructed on the site of the old facility and will consequentially adjoin the new locally-financed convention center. This \$65 million convention center expansion will be completed in early 1998, and is in addition to the investments previously made by the city with local funds in the Wilkins Auditorium, Exhibition Hall, existing arena and parking ramps totaling \$46 million.

The new facility will continue to be used as a multi-purpose facility, and will continue to serve as home to most of the high school tournaments, including hockey. This multi-use facility is an important component of the larger RiverCentre complex, and its continued viability is essential in order to fully realize the public benefit of the investment in the convention center and new underground ramp.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The arena will continue to be an important element of the RiverCentre complex, and will continue to be used as a multipurpose facility under city ownership.

A new arena will benefit the city and its citizens by providing the downtown with an arena which would become competitive with other state of the art arenas, would provide current tenants of the RiverCentre with an updated facility in which to bring their events, concerts, trade shows, conventions and programs, would generate needed revenue to support an NHL team and would attract additional non-hockey events to downtown Saint Paul throughout the year.

The new arena will also provide benefits (similar to the current arena) to the entire state and the city. A new arena would provide the highest quality facilities for the Minnesota State High League School Tournaments which have a long tradition of playing in the Saint Paul RiverCentre Arena, and would improve the experience of the hundreds of thousands of Minnesotans who attend the tournaments each year. The arena, as part of the RiverCentre complex, would also provide an appropriate venue for other events - like the America's Smithsonian - that visitors from all over the state will experience.

The City of Saint Paul has examined alternatives to new construction but the alternatives did not provide reasonable assurance to the city and the NHL Board of Governors that a team would be financially viable over a long-term period, would meet NHL standards, and would sufficiently accommodate anticipated crowds. Simply stated, the old arena has become functionally obsolete. It is not competitive.

The city has entered into an agreement with the team owners group which provides for a lease term equivalent to that of the city's debt issue. The team does not have any opportunity to terminate the lease and move from the facility for the first 10 years of the lease, and can only do so after the first 10 years if they pay any outstanding city and state debt or obligations.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project.

**OTHER CONSIDERATIONS:**

The guidelines presented below provide a general framework for the site development and building design of the new St. Paul Arena. The guidelines describe the overall character, and image of the project while allowing design latitude for material selections, colors, and precise shape.

The design goal is to create a multi-use facility that allows for a quality hockey experience. It will attract visitors from exterior pathways into the arena public spaces and seating levels and it will enhance spectator experiences and viewing of National Hockey League competition, the Minnesota State High School Tournaments and other events.

The following major design concepts shall reinforce the arena's emphasis on the spectator's experience as the primary focus of the facility requirements.

**Design Approach:** Generally, the design will address the principles and goals of the City's *Saint Paul On The Mississippi Development Framework*. The arena will be spectator friendly and easily understandable by all users while remaining sensitive to pedestrian experiences and the surrounding urban framework of St. Paul. The arena will connect to and interface with the convention center and skywalk connection to the parking ramp south of Kellogg Boulevard and will be constructed to create a sense of seamless movement between the component structures of the RiverCentre complex.

**Spectator Amenities:** The arena will provide varied amenities, not only for hockey events, but for other arena uses as well. These amenities include gathering spaces; seating alternatives; convenient toilets; numerous concessions; retail and novelty areas; alternative food and beverage service outlets; and other spaces to reinforce the design approach.

The arena is to seat approximately 19,000 fans in the hockey configuration and will provide superior sight lines for viewing the game. The seating bowl is to be divided into a number of separate and distinct areas, each with fan amenities.

Adequate restroom facilities will be provided at all seating levels to accommodate the needs of all user groups. Different types of retail spaces, novelty areas, concessions, lounge areas, beverage outlets and ticket offices are to be developed. Ticket windows and a team retail store facility will be accessible to the public during non-event times. Spectator access to the facility is to be accomplished by means of street level pedestrian pathways, skywalk connections to the parking ramp, by way of a common lobby between the convention center and arena, and other systems as may be appropriate.

The new arena is to be built on the site of the existing arena creating a new terminus for the west end of the block containing the new convention center, Wilkins Auditorium, the Ordway Theatre, and the Minnesota Club. Consideration will be given to future pedestrian improvements connecting the site with Celebration Park and the Mississippi River.

The architecture and landscaping of the new arena will respond to the context and contribute successfully to the public realm in that section of the city. The landscape elements along Fifth Street, West Seventh Street, and Kellogg Boulevard are to be consistent with existing and planned public improvements along these streets. Entrance plazas to the arena are to enhance the pedestrian experiences and provide relief to the overall building massing as it relates to the surrounding streetscapes. Urban landscaping and streetscape elements are to be used to enhance the arena's image and pedestrian enjoyment of the site.

The following key elements provide a foundation for the conceptual design approach to the arena:

- Convenient Access to Parking
- Enhanced Spectator Experiences
- Generous Interior Concourses
- Accommodations for Spectators with Disabilities
- Attractions for Family Members of All Ages
- Variety of Spectator Amenities
- Provisions for Both Sport and Concert Lighting and Sound Systems
- Center Stage and End Stage Performances Layouts
- Teams, Players, Coaches, Officials, and Star Accommodations
- Media Facilities
- Exterior Architectural Form Compatible with Surrounding Context
- Exterior Architectural Form Addresses and Helps Frame the Surrounding Streets
- An Architectural Solution Enhancing the Image of St. Paul, Minnesota
- Appropriate Interface with the Convention Center
- Common Service Entrance with the New Convention Center
- Potential Interface with Wilkins Auditorium
- Possible Views into Downtown Areas
- Possible Views of the Mississippi River
- Practical Reuse of Certain Existing Utility Installations

The new arena is to be compatible with the context and character of St. Paul and the immediate area, respecting scale, massing, materials, street alignment, and the exterior appearance of the new convention center and other nearby buildings of significance.

The new arena is to contain approximately 650,000 square feet, the roof of which will rise approximately 100 feet above the arena floor. Alternative designs may consider lowering the arena floor below street level, establishing the main concourse at approximately street level to address scale as it relates to the height of the building, enhancing pedestrian access, and to potentially limit the use of stairs, ramps or escalators to move spectators to the main level.

The site for the arena is reasonably flat with only approximately 5 feet of elevation changes in the surrounding streets. The major interior circulation elements can potentially relate directly to streets, entrance plazas, and the skywalk connection to parking. The arena site is bordered on 3 sides by streets and connected to the new convention center on the 4th side. The building exterior will be viewed from all 4

elevations from several nearby vantage points. Multiple entrances are to be considered at each point of major pedestrian access.

Durable finishes similar to other Saint Paul projects are to be considered. In general, masonry, architectural pre-cast concrete, glazed walls, metal panel systems and similar finishes are to be investigated for the building's enclosure. Details of building elements at street level are to relate to an appropriate scale for pedestrians.

Street, pedestrian and building lighting is to be sensitive to an urban civic building and its surrounding environment.

The new arena will be an entertainment destination compatible with the character of the adjacent area. The area's main focus will be on "The Spectator Experience" from the time spectators approach the arena until the conclusion of post event activities. The vibrancy of Downtown Saint Paul should be enhanced by the presence of the new arena and its events.

The tenant will cause the arena to be designed and built in accordance with the Conceptual Design Documents. The tenant will cause the Architect to prepare in phases appropriate for the Design and Construction Schedule, Project Documents based on the approved Conceptual Design Documents. The Project Documents will consist of drawings, specifications and other documents that define the size, scale, systems, materials, equipment and other elements of the arena.

A Design Review Committee including a City Representative, Tenant Representative and a Civic Center Authority Representative will review the Project Documents at the end of a Schematic Design Phase, a Design Development Phase, and a Construction Documents Phase. Construction of the arena will be based on documents produced at the end of the Construction Document Phase which have been reviewed by the City Representative, Tenant Representative and the Authority Representative. ***The construction document phase is expected to be completed by 3-30-98.***

The Civic Center Authority has scheduled events that require demolition of the existing arena to be scheduled on or after 4-10-98.

Due to the need to complete construction and deliver the building for play in September, 2000, the predesign and design phases of the project will be completed prior to legislative adoption of the 1998 bonding bill. Exemptions from these requirements will be included in the statutory amendments proposed by the city of Saint Paul.

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

Pam Wheelock, Director

Planning and Economic Development  
City of Saint Paul  
1300 City Hall Annex  
25 West Fourth Street  
St. Paul, MN 55102  
(612) 266-6633  
Fax (612) 228-3261  
pamela.wheelock@stpaul.gov



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>	0	400	0	0	400	09/1997	01/1998
<b>3. Design Fees</b>							
Schematic	0	1,500	0	0	1,500	11/1997	01/1998
Design Development	0	1,600	0	0	1,600	01/1998	03/1998
Contract Documents	0	3,800	0	0	3,800	03/1998	09/1998
Construction Administration	0	2,200	0	0	2,200	03/1998	08/2000
<b>SUBTOTAL</b>	0	9,100	0	0	9,100		
<b>4. Project Management</b>						12/1998	09/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	3,000	0	0	3,000		
<b>SUBTOTAL</b>	0	3,000	0	0	3,000		
<b>5. Construction Costs</b>						02/1998	09/2000
Site & Building Preparation	0	5,500	0	0	5,500		
Demolition/Decommissioning	0	2,500	0	0	2,500		
Construction	0	87,500	0	0	87,500		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	1,000	0	0	1,000		
Construction Contingency	0	3,000	0	0	3,000		
<b>SUBTOTAL</b>	0	99,500	0	0	99,500		
<b>6. Art</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	15,000	0	0	15,000	06/1998	09/2000
Telecommunications (voice & data)	0	2,000	0	0	2,000	06/1999	09/1999
Security Equipment	0	500	0	0	500	06/1999	09/1999
Commissioning	0	500	0	0	500	06/2000	10/2000
<b>SUBTOTAL</b>	0	18,000	0	0	18,000		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0	01/1998	01/2001
<b>9. Other</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$130,000	\$0	\$0	\$130,000		

Grants to Political Subdivisions  
St. Paul RiverCentre Arena

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	65,000	0	0	65,000
<b>State Funds Subtotal</b>	0	65,000	0	0	65,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	30,000	0	0	30,000
Private Funds	0	35,000	0	0	35,000
Other	0	0	0	0	0
<b>TOTAL</b>	0	130,000	0	0	130,000

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	65,000	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document is in the process of being developed; and a recommendation will be issued upon completion. However, the narrative suggests that the city will seek an exemption to the statutory requirements for predesign and legislative recommendations.

**Department of Finance Analysis:**

This project is viewed as having a strategic linkage to state tourism and economic development goals. By providing a premier facility for Minnesota sports and related events that would serve a broad constituency, this project is viewed as having statewide significance.

The project has satisfied the Department of Finance's recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the city should prepare a program plan identifying how on-going operating expenses in this facility will be funded.

**Governor's Recommendation:**

The Governor recommends general obligation bonding of \$65 million for this project, contingent upon local government funds of \$30 million and private funds of \$35 million.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>325</b>



**PROJECT LOCATION:** City of Minneapolis

**AGENCY PROJECT PRIORITY:** 1 of 1 (Minneapolis)

**1998 STATE APPROPRIATION REQUEST:** \$87,145

**PROJECT DESCRIPTION:**

This request is to complete the Minneapolis Convention Center. This project would add 2 exhibition halls to the existing 3 halls and add commensurate meeting rooms, auditorium space, and support space.

This project will maintain and strengthen Minneapolis's niche in the national and international conventions and trade shows market, thereby meeting the 7 state economic development goals as articulated in the Department of Trade and Economic Development's "Economic Blueprint."

The existing 800,000 gsf Convention Center will be completed by adding a fourth dome with 2 levels of exhibit space. One proposed exhibit hall will be contiguous with the existing exhibit halls and one would be below grade. Four levels of meeting rooms, truck docks, kitchen space and other support space would be added. A 4,200 seat fixed seating auditorium would also be added for large educational sessions and the opening of conferences. Square footage requirements are:

Space (sq. ft)	Existing	Expansion	Combined
Exhibition space	280,000	220,000	500,000
Meeting/Assembly	83,000	132,000	215,000
Circulation/Lobby	160,000	65,000	225,000
Service/Support	277,000	108,000	385,000
Total	800,000	525,000	1,325,000

This request is for design (completion of schematic design, design development and contract documents) and construction of the expansion. The city, using staff, consultants, facility users, and citizens, has completed pre-design and a portion of schematic design. The estimated costs include: site acquisition and preparation; design fees; administrative costs; site and building construction; and furniture, fixtures and equipment. The total costs for these items are \$175 million. Occupancy is scheduled for the year 2001.

The Minnesota Department of Finance has suggested a revised funding proposal. Under this proposal, the state and the city would continue to share the cost of the project. The city is currently paying debt service for the existing facility from local option sales taxes and has issued \$25 million in revenue bonds in 1997. The state

would issue bonds totaling approximately \$87 million. The city would issue bonds for the completion of the project totaling \$150 million staged to conform with the construction schedule and amortized over 20 years. The city and state would enter into a grant agreement directing the use of the state bond proceeds as follows:

- The state would make annual payments to the city equal to the debt service on the new debt issued by the city for the completion project from 1999 to 2002.
- The state would make a lump sum payment to the city in 2002 totaling \$78.42 million.
- The city would use the \$78.42 million to call old Convention Center bonds at the first date allowed under the contract with the bond holders.
- The city would redirect existing revenues from debt service payments on the old debt to pay the debt service on the new bonds issued to complete the Convention Center.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

**The Convention Center is a marketplace for Minnesota goods and is used by businesses in the state to sell their products.**

State businesses need every opportunity to succeed in the very competitive world economy. Conventions attract a targeted group of customers for businesses to market their goods, make sales, and meet new customers. Convention facilities are one way the state can directly help business be competitive.

It is not possible to measure directly the business growth due to the Convention Center. Indirectly, however, there is substantial evidence of the Convention Center's impacts. For example, in 1994, approximately 5,000 Minnesota businesses sold goods or services at the Convention Center. These 5,000 businesses were located throughout the state.

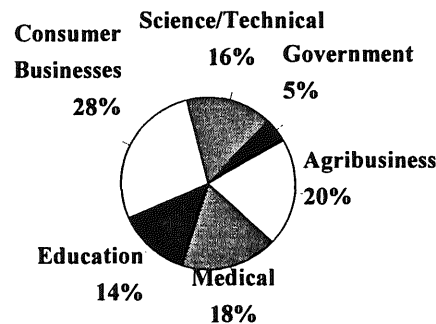
A survey of 180 Minnesota-based businesses exhibiting at the Convention Center found that 85% of businesses said that their direct sales were much higher because of exhibiting at the Convention Center. 88% said they were able to send more marketing staff because the Convention Center was in Minnesota.

**The Convention Center creates synergy for a strong state economy.**

The Convention Center, along with a research university, corporate headquarters,

and strong transportation links, give Minnesota a strategic advantage in business growth. Minnesota has a research university which creates a stream of innovations. The state also has a strong educational system, creating a highly skilled workforce. Minnesota is a center for corporate headquarters, which turn innovations into business products. The metropolitan area is an airport and shipping hub, providing a method of easily moving goods once they are produced. The Convention Center supports this synergy by bringing purchasers to the state and providing a forum to market and sell Minnesota goods.

## National Business Conventions



### The Convention Center supports critical state industries.

The Convention Center supports the "horizon" industries, those sectors of the state's economy that show promise for substantial growth in the future or are currently strong contributors to the economy. These business sectors hold conventions to bring customers to the state and to sell Minnesota products. Some conventions hosted in 1996 include:

#### Agribusiness:

- Midwest Poultry Federation
- Associated Milk Producers
- International Dairy, Deli and Bakery Association

#### Medical:

- American Association of Neurological Surgeons
- American Physical Therapy Association
- Medical Group Management Association

#### Science/Technology:

- International Society for Hybrid Microelectronics
- Electron Microscopy Society of America

- National Educational Computing Conference

#### Consumer Businesses/Services:

- American Pet Products Manufacturers
- Financial Planning Association
- American Association of Architects

### The Convention Center industry is a public-private partnership.

The city of Minneapolis and Minnesota businesses are in a partnership to create and grow a national convention industry in our state. Government provides a facility and the private sector benefits from having such a place to conduct commerce. Minneapolis made this industry possible by constructing the Convention Center but business pays for the facility and for the convention industry itself. There are a number of ways that business finances this industry:

- **Hospitality sales taxes:** The hospitality industry provides for the immediate needs of convention visitors while they are in the state. These businesses include hotels, restaurants, airlines, retail stores, theaters, and entertainment venues. The hospitality businesses located in Minneapolis pay higher hotel, restaurant, liquor, and entertainment sales taxes than any other municipality in the state to support the Convention Center.
- **General sales tax:** Minneapolis businesses overall agreed to be taxed at a higher rate to bring this industry to the state. They did this even though 80% of the Minnesota businesses using the facility are from outside Minneapolis. The result is that Minneapolis businesses pay an additional .5% general sales tax to support the Convention Center.
- **Sponsorship of conventions:** Businesses sponsor conventions. They can sponsor speakers, receptions or even whole conventions depending on the industry and the needs of a particular convention.
- **In-kind support of conventions:** Businesses also provide many in-kind contributions such as hospitality rooms, staffing, printing, and other support activities to conventions.
- **Fees for facility use:** Minnesota businesses use the Convention Center to market and sell their products. For this access, they pay substantial fees to support the facility.
- **Promotion of the industry and facility:** The Greater Minneapolis Convention and Visitor's Association is a non-profit organization funded by both the public and private sector to promote this industry. The board of directors is made up of

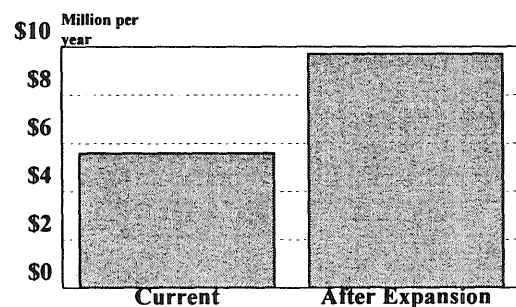
representatives from business community at large, from the hospitality industry and from government. Businesses belong to the association support it by paying dues and government supports it with the sales taxes it collects from businesses.

**The Convention Center generates substantial economic benefits for the state.**

The Convention Center generates approximately \$130 million per year in direct delegate spending. This would grow to \$229 million per year (1994 dollars) after completion and would increase with inflation. These figures exclude any multipliers.

This spending currently generates \$5.6 million per year in state sales taxes. This figure would increase to \$9.7 million per year after the expansion.

**State Sales Taxes  
from Convention Visitor Spending**



1994 dollars

**The completion would generate 4,000 additional jobs.**

Spending from convention visitors currently support 4,500 jobs. Completing the Convention Center would generate an additional 4,000 new living wage jobs. In addition, 1,200 people would be employed in construction and 225 additional jobs would be added at the Convention Center itself.

**The Convention Center is full and successful.**

The Convention Center was built to attract a national and international convention market. Attendance for these conventions has averaged 3,500 to 4,000 per convention and exhibition space has averaged 135,000 square feet. In 1996, the Convention Center hosted 34 of these conventions. This substantially exceeds the

original estimate of 24 per year. A study by Coopers and Lybrand shows that national convention centers are operating at capacity if they can book 70% of available dates. This figure is derived by subtracting holidays, unusable days between conventions, and maintenance time from the total available dates. Because of demand and a good design, Minneapolis sold 85% of its dates in 1994.

**National conventions are getting larger and are outgrowing the facility.**

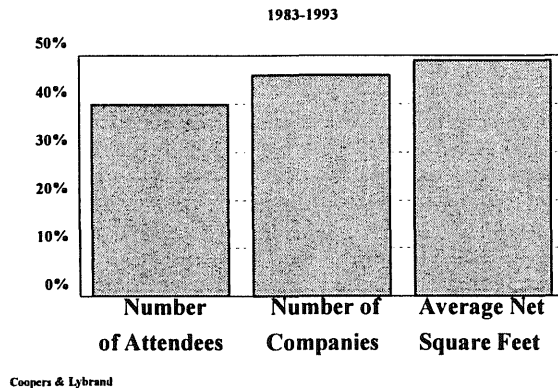
National conventions are growing due to demand from businesses to exhibit their products. Between 1983 (when planning for the Convention Center began) and 1993, the average net square feet of exhibition space for the 200 largest national conventions increased 50%. The number of exhibiting companies increased 46% and attendance increased 40%. Because of this growth, our competitors like Detroit, Kansas City and St. Louis have expanded their facilities. Ours is now the 43rd largest in the country and slipping 3 to 5 positions each year.

Because of the growth in the size of conventions, fewer national conventions fit in the Convention Center. In 1984, a facility the size of Minneapolis could hold 89 of the 200 largest conventions. In 1992, the facility could hold only 47, 50% less. These trends are projected by Coopers and Lybrand to continue.

**As national conventions become too large to fit in this facility, Minneapolis will be forced to compete with other state facilities for regional and state conventions.**

The Convention Center competes for a national and international convention market, unlike other facilities in the state which compete for state and regional conventions. But because the size of national conventions is growing 3% to 5% per year, Minneapolis is less and less able to attract national conventions. The result is that over time, Minneapolis will begin competing with other facilities in the state, something that the facility was not designed for. Because of this, Convention and Visitors Bureaus in Duluth, Willmar, Fargo-Moorhead, Greater Grand Forks, Virginia (Iron Trail), and Grand Rapids have written letters of support for this project.

## Growth in National Conventions



As Minneapolis loses the national convention market, it also loses customers for Minnesota products, visitor spending, jobs and taxes.

Over the last 2 years, 50 conventions were turned away due to a lack of dates or because the space was too small. These conventions would have brought 310,000 visitors to the state to buy Minnesota products. These visitors would have spend \$250 million, generated over \$10 million in new state taxes.

### SUMMARY OF PLANNING PROCESSES AND ALTERNATIVES:

The Convention Center opened in 1991. By 1993, the city found that the facility was full. To verify this perception, the city commissioned Coopers and Lybrand to do a utilization study of the Convention Center. This study found that the facility was above capacity according to industry norms. Based on this research, the city commissioned a study of the market potential and economics of an expanded facility. This study was completed by Coopers and Lybrand in 1994 and found that a strong market existed for an expanded convention center.

Based on these 2 studies, the city investigated the economic impact of the Convention Center on the state economy. The Minnesota Implan Group did an analysis of these impact and found a multiplier of approximately 2 times for delegate expenditures. The study did not analyze the larger benefits of the facility on business sales or economic climate as these benefits are not directly quantifiable.

Upon review of these market studies that concluded the need to complete the Convention Center, the city council and mayor assembled a team of key staff to work on this project. The focus of this group to date has been: planning, market research,

architectural programming, concept design, schematic design, and cost estimating for the expansion. All pre-design elements were included in this process.

- **Architectural programming:** This phase was based on market, financial and economic impact analysis developed by Coopers & Lybrand. Their analysis was thoroughly reviewed by user groups. Additional, specific analysis was done by Coopers & Lybrand to provide a sound basis for the basic building requirements.
- **Design of expansion alternatives:** Over 30 diagrammatic options were generated by the Leonard Parker Associates and Setter, Leach & Lindstrom. Conceptual design was developed for 8 designs based upon function, cost, urban design, and planning criteria. Partial schematic design was completed on 2 final schemes with a cost estimate developed for the best of these 2. The cost estimate was completed by M.A. Mortenson, the construction manager for the existing facility.
- **Customer review of alternatives:** Throughout the process, the city met with exhibitors, convention groups and local show operators to gain their insight on the functionality of the alternatives as well as with local neighborhood groups, local businesses and adjacent property owners.
- **Citizen review of alternatives:** The city sent out invitations to over 300 groups and individuals to attend a series of public forums on the Convention Center. Some of the groups represented included: Whittier, Stevens Square and Loring neighborhoods, the Minneapolis Art Institute, local businesses and adjacent property owners.
- **Cost estimating:** M.A. Mortenson, the construction manager for the existing facility, provided cost estimates between the 2 final schemes and a cost estimate of the selected design. These cost estimates were based on the same product delivery system and general quality level as the existing facility.
- **Selection of final recommendation:** Based on input from customers and affected persons, cost estimates, staff analysis and research, a final option was selected. Subsequently, the city council adopted the recommended alternative.

### IMPACT ON AGENCY OPERATING BUDGET (FACILITIES NOTE):

No state operating funds are being requested with this project. Minneapolis currently pays for all operating costs of the Convention Center through user fees and local option sales taxes. When the Convention Center is expanded, the city will have to pay for increased operating costs. These costs will be funded from the increased user fees and increased local option sales taxes.

#### PREVIOUS PROJECT FUNDING:

The 1984 session of the state legislature passed legislation enabling the creation of the Minnesota Convention Facility Commission. The commission was appointed by Governor Perpich and became known as the Brutger Commission after its chair, Dan Brutger. After a lengthy competition, the Brutger Commission recommended a convention center of 500,000 square feet of exhibit space be located in Minneapolis.

After unsuccessful attempts to gain state funding in the 1985 session of the legislature, a bill was passed by the 1986 session that enabled the city to levy a set of Minneapolis sales taxes that funded construction of the Convention Center and related facilities. These taxes, levied by the city, are a city-wide 1/2% general sales tax, a 3% downtown restaurant and liquor tax, and a 2% lodging tax. With these revenues, the city is currently paying debt service on the \$200 million of bonds spent for the facility as well as a portion of debt for \$150 million in supporting facilities.

#### OTHER CONSIDERATIONS (OPTIONAL):

Under this proposal, the state and the city would share the costs of the completion.

The city and state can jointly reduce the cost of the project by \$18 million by working in partnership. The city would eliminate its administrative fee (\$6 million) and the state would exempt project costs from state sales tax (\$3 million). The city has issued \$25 million in revenue bonds in 1997 in order to move the project forward and avoid \$9 million in project costs attributable to inflation that will occur if the project waits to start in the spring of 1998 after the 1998 State Legislature adjourns. The city will use the \$25 million to begin site acquisition, site preparation and design.

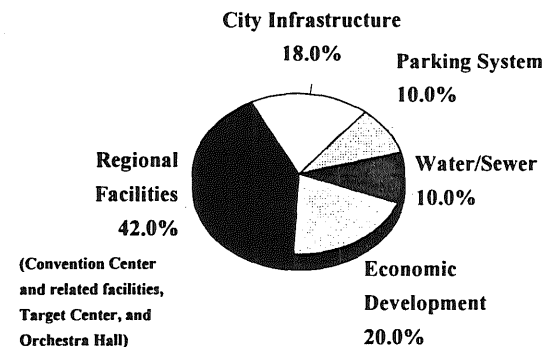
Under the proposal suggested by the Minnesota Department of Finance, the state and the city would continue to share the cost of the project. The state would issue bonds totaling approximately \$87 million to be used to retire old debt on the convention center. The city would issue bonds for the completion of the project totaling \$175 million staged to conform with the construction schedule and amortized over 20 years.

The state could also appoint a representative to both the Convention Center Implementation Committee and Greater Minneapolis Convention and Visitors Association Board of Directors.

The city of Minneapolis funded the original facility but cannot fund an expansion.

The existing local option sales taxes are not large enough to fund this expansion. Any increase in local sales taxes would create an unfair and less competitive tax gradient between Minneapolis and surrounding communities. Minneapolis also cannot take on additional debt. The city already has a large debt load because of regional facilities like the Convention Center and Target Center. Rating agencies have stated that additional debt could jeopardize the city's AAA credit rating.

#### Minneapolis Debt



The state of Minnesota derives the largest tax benefit from the Convention Center yet has contributed no funding for the facility.

Coopers and Lybrand estimated that the state collects \$5.6 million now and \$9.7 million after expansion (in 1994 dollars) in sales taxes from visitor spending alone every year. These figures do not include multipliers, indirect impacts, sales by businesses at or as a result of the Convention Center, or impacts on taxes other than sales taxes.

Our competitor's facilities are financed by a combination of funding sources.

Our competitors, including Kansas City, Portland, Seattle, Detroit, Denver and Milwaukee have used regional or state sources to expand their facilities.

Conventions are currently being booked for the years 2002 and 2003. A commitment is needed now to maintain the viability of the Convention Center.

National conventions typically book space 4 to 6 years ahead. A commitment is needed now to attract national conventions.

**PROJECT CONTACT PERSON, TITLE, AND PHONE:**

Richard Johnson, Project Manager  
City of Minneapolis Project Management Office  
204 City of Lakes Building  
309 Second Avenue South  
Minneapolis MN 55401-2268  
Phone: 673-2742 / Fax: 673-2002



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	87,145	0	0	87,145
<b>State Funds Subtotal</b>	0	87,145	0	0	87,145
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	200,233	175,000	0	0	375,233
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>200,233</b>	<b>262,145</b>	<b>0</b>	<b>0</b>	<b>462,378</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	87,145	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign will not be required if funds being requested are for debt reduction.

**Department of Finance Analysis:**

This project is viewed as having a strategic linkage to state tourism and economic development goals. By providing a showcase for Minnesota businesses and products, the project is viewed as having state-wide significance.

This project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. The city has prepared a program plan identifying how on-going operating expenses in this facility will be funded.

When reviewing this and other convention center requests, decision-makers are encouraged to read the report, *"Convention & Civic Centers: Their Benefits to Minnesota,"* as prepared in December 1995 by the Minnesota Office of Tourism.

Equity issues regarding funding for other (regional-sized) convention centers in the state should be considered if this project is funded.

**Governor's Recommendation:**

The Governor recommends general obligation bonding of \$87.145 million to pay principal on a portion of the outstanding City of Minneapolis convention center bonds, with the understanding the the city of Minneapolis will assume all capital and operating costs associated with expansion of the current convention center facility.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	120
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	105
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	67
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>367</b>

**PROJECT LOCATION:** Duluth, City of

**AGENCY PROJECT PRIORITY:** 1 of 4 (Duluth)

**1998 STATE APPROPRIATION REQUEST:** \$13,999

**PROJECT DESCRIPTION:**

To construct additional convention facilities and support space at the Duluth State Convention Center.

The project will be coordinated by the city of Duluth and the Duluth State Convention Center Board of Directors.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

We are committed to providing a multidimensional entertainment and convention facility with high quality integrated support services that will maximize the economic and social benefit to our business community, our investors, our clients and our customers.

The city of Duluth began a comprehensive effort to increase its visitor industry as a way out of the economic slump in the 1980s.

The most important component was the Duluth Convention Center which was funded with a state grant in 1985, and opened in 1990. In 1990, 13 convention groups met at the Duluth State Convention Center. By 1996, that number grew to 45. With this increase in conventions, Duluth and Northeastern Minnesota have experienced increased tourism and hotel construction at peak levels in 1996-97.

The Center has been a tremendous success operating at capacity. With additional space Northeastern Minnesota's convention business can be doubled within 5 years.

The Duluth State Convention Center Administrative Board was created by the 1985 State Legislature. The Board consists of 4 members appointed by the governor and 7 appointed by the city of Duluth mayor.

**The DECC Operates . . .**

Arena                      Opened in 1966. Venue for UMD Men's Division 1 Hockey home games, varsity and junior varsity practice. Used also for area boys and girls high school hockey games and practices with locker facilities for each "home" team. Other

events include country and rock concerts, trade shows, high school and college graduations, circuses, national touring events.

Auditorium              Opened in 1966. Venue for Duluth-Superior Symphony Orchestra, Minnesota Ballet, Broadway productions, televised concerts and international touring events.

OMNIMAX(R) Theatre   Opened in 1996. Domed Imax theatre presents award winning and premiere movie productions with regional and educational significance. Construction funded through recreational revenue bonds issued by the city of Duluth.

William A. Irvin           Opened in 1986. A renovated Great Lakes ore carrier, retired from service. Open spring through fall for guided tours providing insightful history of Duluth's industrial growth with an annual Haunted Ship, which generates donations for area food shelves. An annual destination for many tour groups and school groups.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project.

The Duluth State Convention Center has been economically viable. Income has more than offset expenses and since completion the city subsidy has dropped from over 20% of the operational budget to approximately 8%. Studies show that the Duluth State Convention Center receives the smallest government subsidy of convention centers in our region.

**OTHER CONSIDERATIONS:**

The success of the Duluth State Convention Center has resulted in a tremendous economic impact for all of Northeastern Minnesota. Conventions have drawn national and international attention to Duluth and the state of Minnesota.

In addition, it has attracted out-of-state convention delegate dollars to Minnesota and generated millions in state and local sales tax receipts. The direct economic impact of conventions to the Duluth area is estimated at \$40.5 million annually.

The expansion will result in additional employment for the region and continued construction activity.

The current facilities are in excellent condition and operating revenues cover all operating expenses. However, the space is not adequate to host larger conventions or more than one large meeting at a time. Our successful marketing and service

orientation have led to repeat business, with many conventions returning on an annual basis or regular rotation of facilities. In fact, this success had lead to the unfortunate problem of turning some large groups away. The Duluth State Convention Center ballroom is able to handle up to 2,000 for a general session or 1,800 for a lunch, but it cannot accommodate both. In addition, adequate breakout space was not included in the existing facility. While the Duluth State Convention Center has to turn groups away, the hotel infrastructure in the area is significantly below capacity.

We believe the additional demand of a convention center expansion will require increased parking facilities. Five hundred spaces would satisfy expected needs, and because of restricted space and inclement weather, construction of an enclosed parking ramp is strongly recommended.

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

Daniel J. Russell, Executive Director  
Duluth Entertainment Convention Center  
350 Harbor Drive  
Duluth, MN 55802-2698  
(218) 722-5573  
FAX (218) 722-4247

Todd Torvinen  
City of Duluth Finance Director  
107 City Hall  
Duluth, MN 55802-1102  
(218) 723-3356  
FAX (218) 723-3701  
email: [ttorvinen@ci.duluth.mn.us](mailto:ttorvinen@ci.duluth.mn.us)

Grants to Political Subdivisions  
Duluth Convention Center Expansion

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						07/1998	10/1998
Land, Land and Easements, Options	\$0	\$100	\$0	\$0	\$100		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	100	0	0	100		
<b>2. Predesign</b>						07/1997	09/1997
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	267	0	0	267	07/1998	10/1998
Design Development	0	357	0	0	357	07/1998	11/1998
Contract Documents	0	624	0	0	624	11/1998	01/1999
Construction Administration	0	535	0	0	535	10/1998	09/2000
<b>SUBTOTAL</b>	0	1,783	0	0	1,783		
<b>4. Project Management</b>						07/1998	09/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	400	0	0	400		
<b>SUBTOTAL</b>	0	400	0	0	400		
<b>5. Construction Costs</b>						12/1998	09/2000
Site & Building Preparation	0	1,250	0	0	1,250		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	16,160	0	0	16,160		
Infrastructure/Roads/Utilities	0	2,000	0	0	2,000		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	1,000	0	0	1,000		
<b>SUBTOTAL</b>	0	20,410	0	0	20,410		
<b>6. Art</b>						01/1999	09/2000
<b>SUBTOTAL</b>	0	198	0	0	198		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	2,000	0	0	2,000	06/2000	09/2000
Telecommunications (voice & data)	0	225	0	0	225	06/2000	09/2000
Security Equipment	0	100	0	0	100	07/2000	09/2000
Commissioning	0	100	0	0	100	07/1998	09/2000
<b>SUBTOTAL</b>	0	2,425	0	0	2,425		
<b>8. Inflation</b>							
Midpoint of Construction		08/1999					
Inflation Multiplier		10.60%	0.00%	0.00%			
<b>SUBTOTAL</b>		2,683	0	0	2,683		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$27,999	\$0	\$0	\$27,999		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	13,999	0	0	13,999
<b>State Funds Subtotal</b>	0	13,999	0	0	13,999
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	14,000	0	0	14,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	0	27,999	0	0	27,999

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	13,999	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)



**Department of Administration Analysis:**

Predesign has been received but requires additional information based on earlier comments. No recommendation has been issued at this time. It is assumed that the redesign document will reflect this capital request.

**Department of Finance Analysis:**

The greater Duluth area has a number of pending capital budget requests. The city has submitted requests for the Duluth convention center expansion (\$13.99 million), Hartley Nature Center (\$2.8 million), Phase III of the Lake Superior Zoo (\$1.3 million), and a reauthorization of funding for the St. Louis County Heritage and Arts Center (\$750 thousand). In addition, state decision-makers should note additional Duluth area projects as contained in request packages of other agencies: Duluth recreational trail (DNR), McQuade public access (DNR), and UMD library (UofM).

This project is viewed as having regional significance due to its linkage to regional tourism and economic development goals. The project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the city has prepared a program plan identifying how on-going operating expenses in this facility will be funded.

When reviewing this and other convention center requests, decision-makers are encouraged to read the report, *"Convention & Civic Centers: Their Benefits to Minnesota,"* as prepared in December 1995 by the Minnesota Office of Tourism.

Equity issues and the potential for other local convention centers to request similar state assistance should be considered if this center is funded.

**Governor's Recommendation:**

The Governor recommends general obligation bonding of \$13.999 million for this project, contingent upon non-state matching funds of \$14 million.

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

**This page intentionally left blank.**

**PROJECT LOCATION:** Duluth, City of

**AGENCY PROJECT PRIORITY:** 2 of 4 (Duluth)

**1998 STATE APPROPRIATION REQUEST:** \$2,800

**PROJECT DESCRIPTION:**

This request is for funding of design and construction of a day-use environmental learning center in the city of Duluth. Hartley Nature Center will serve pre K-12 school students and other citizens of northeast Minnesota and northwest Wisconsin.

Hartley Park, located within the city limits of Duluth, is a natural area of 640 acres and owned by the city of Duluth. The rich extent of biodiversity makes this park especially suited for environmental learning. The city of Duluth in 1986 entered into a long term lease agreement with Hartley Nature Center Inc., a nonprofit 501(c)(3) organization, for the development and ultimate construction of a day-use nature center facility. The purpose for building a nature center in Duluth is that a nature center facility as proposed does not now exist within the Duluth area nor anywhere within a 75+ mile radius. The nearest residential learning center (Wolf Ridge) is located near Finland, MN.

Opportunities for day-use environmental learning with skilled and knowledgeable naturalist staff would be nearly nonexistent without Hartley Nature Center. The construction of a nature center building and related site amenities such as parking and trails creates an invitation to all ages to learn in this unique environmental setting. Current Hartley Nature Center programs focus on school day learning for elementary aged children, with additional family learning opportunities on weekends. Preliminary concept design for the building and site has been completed by the city of Duluth. The entry road and parking area have already been constructed with funding from the city of Duluth and St. Louis County. Final building design will proceed once funding is secured. Tentative timeliness call for building construction to commence sometime in 1999.

The main building, as proposed, is to consist primarily of 4 classroom/laboratories, auditorium, administrative offices, kitchen, restrooms, and library with a total of 11,200 square feet. Related structures and amenities to consist of a maintenance building, canoe storage building, outdoor amphitheater, and additional overflow parking for staff and buses.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The city of Duluth supports environmental protection and enhancement as part of its overall strategic plan. The Hartley Nature Center proposal to construct and operate

a nature center facility at Hartley Park fits perfectly with this goal. Once completed this project will meet the environmental education needs for all elementary aged students in the Duluth area and outlying areas up to 75 miles from Duluth. This potentially includes usage by schools located in northwestern Wisconsin. With an environmental learning facility in Duluth, school children and school administrators will not be forced to transport students up to 75 miles to gain environmental learning experiences. By having a facility at Hartley Park, students will now have multiple opportunities each school year to participate in hands-on environmental learning. The result will be students well educated in their natural surroundings.

Without a nature center facility at Hartley Park, environmental learning is limited to field learning only without the benefit of supplemental laboratory learning opportunities. There are no known alternative facilities in or near Hartley Park capable of serving as environmental learning facilities. Financing has been heretofore provided by the city of Duluth and St. Louis county for the initial building concept design and construction of a new entry road and parking area.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. The ongoing operation and maintenance expenditures of the proposed Hartley Nature Center facility consists primarily of basic utilities expenses, staff wages. Revenues come from user fees, and limited funding from memberships, donations, and grants. The city of Duluth operating budget is not expected to be adversely impacted by the Hartley Nature Center facility beyond the services already provided by the city of Duluth (i.e. snow plowing, trail maintenance, trail grooming).

**OTHER CONSIDERATIONS:**

Duluth and the surrounding area is at a severe disadvantage when compared to the Metro area for environmental learning centers. An environmental learning center exists for approximately every 35,000 population in the Metro area. Duluth with its population of 85,000 has no environmental learning center. If constructed, the Hartley Nature Center would serve all elementary school students on a regular basis in the entire Duluth area (i.e. 25 mile radius) and potentially many schools within a 75 mile radius on a less frequent basis. If the expected need for environmental learning is realized, Hartley Nature Center would rapidly become a regional facility serving an area much greater than the immediate Duluth area.

Without a facility at Hartley Park, elementary students within and outside the Duluth area will continue to remain at a severe disadvantage for ongoing environmental learning when compared to students in the Metro area. The unique biodiversity of Hartley Park presents an unequalled opportunity for environmental learning in Duluth and the entire Arrowhead Region of the state.

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

Bill Maier, Director, Hartley Nature Center  
PO Box 3503  
Duluth, MN 55807  
218/724-6735

Todd Torvinen  
City of Duluth Finance Director  
107 City Hall  
Duluth, MN 55802-1102  
(218) 723-3356  
FAX (218) 723-3701  
email: ttorvinen@ci.duluth.mn.us

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$1,196	\$0	\$0	\$0	\$1,196		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>1,196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,196</b>		
<b>2. Predesign</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>01/1997</b>	<b>06/1997</b>
<b>3. Design Fees</b>							
Schematic	0	49	0	0	49	07/1998	08/1998
Design Development	0	81	0	0	81	08/1998	10/1998
Contract Documents	0	112	0	0	112	10/1998	03/1999
Construction Administration	0	60	0	0	60	03/1999	04/2001
<b>SUBTOTAL</b>	<b>0</b>	<b>302</b>	<b>0</b>	<b>0</b>	<b>302</b>		
<b>4. Project Management</b>						<b>03/1999</b>	<b>04/2001</b>
State Staff Project Management	0	0	0	0	0		
Construction Management	0	5	0	0	5		
<b>SUBTOTAL</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>5</b>		
<b>5. Construction Costs</b>						<b>03/1999</b>	<b>04/2001</b>
Site & Building Preparation	0	38	0	0	38		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,240	0	0	2,240		
Infrastructure/Roads/Utilities	546	426	0	0	972		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	270	0	0	270		
<b>SUBTOTAL</b>	<b>546</b>	<b>2,974</b>	<b>0</b>	<b>0</b>	<b>3,520</b>		
<b>6. Art</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>11/1997</b>	<b>04/2001</b>
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	408	0	0	408	11/1997	04/2001
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	5	0	0	5	11/1997	04/2001
<b>SUBTOTAL</b>	<b>0</b>	<b>413</b>	<b>0</b>	<b>0</b>	<b>413</b>		
<b>8. Inflation</b>							
Midpoint of Construction		07/1999					
Inflation Multiplier		10.20%	0.00%	0.00%			
<b>SUBTOTAL</b>		<b>380</b>	<b>0</b>	<b>0</b>	<b>380</b>		
<b>9. Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>GRAND TOTAL</b>	<b>\$1,763</b>	<b>\$4,104</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,867</b>		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,800	0	0	2,800
<b>State Funds Subtotal</b>	0	2,800	0	0	2,800
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	290	0	0	0	290
Local Government Funds	1,392	580	0	0	1,972
Private Funds	81	724	0	0	805
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,763</b>	<b>4,104</b>	<b>0</b>	<b>0</b>	<b>5,867</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	2,800	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)



**Department of Administration Analysis:**

The predesign submittal meets requirements and received a positive recommendation.

**Department of Finance Analysis:**

The greater Duluth area has a number of pending capital budget requests. The city has submitted requests for the Duluth convention center expansion (\$13.99 million), Hartley Nature Center (\$2.8 million), Phase III of the Lake Superior Zoo (\$1.3 million), and a reauthorization of funding for the St. Louis County Heritage and Arts Center (\$750 thousand). In addition, state decision-makers should note additional Duluth area projects as contained in request packages of other agencies: Duluth recreational trail (DNR), McQuade public access (DNR), and UMD library (UofM).

Policies regarding how aggressively the state wishes to pursue environmental education initiatives and corresponding funding levels are presently unclear. Further discussion by state policy-makers is needed to identify and prioritize how environmental education should best be provided and funded, whether through out-of-classroom experiences, day use centers or residential (overnight) centers.

In 1996, a subcommittee of the Environmental Education Advisory Board (EEAB) was formed to conduct an evaluation of residential and day-use environmental learning centers that were seeking bonding funds in the 1998 legislative session. Their review considered whether the proposals had established an effective environmental education plan, had developed a workable business operating plan, and whether the construction requests were consistent with those plans.

The EEAB report (issued November 1997) indicates that all requests have promise, but only 2 projects are deemed ready for funding with the greatest potential for success -- the Laurentian Environmental Center (residential facility) and Hartley Nature Center (day-use facility).

In addition, state decision-makers are encouraged to review the 1997 Wilder Research Center report, "*Residential Environmental Learning Centers in Minnesota*." This report examines the financial feasibility of expanded RELC's, as well as proposed new RELC's in relation to market demand for such facilities. The findings of the report highlight the substantial expansion of existing RELC's in Minnesota, identify many other RELC proposals in various stages of development, and remind decision-makers that market demand for environmental education is largely finite.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. This recommendation has a precedent in environmental education -- many RELC's that previously received state bonding funds as far back as 1994 had substantial non-state match

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	32
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>232</b>

requirements (i.e., 1/3 local, 1/3 Blandin Foundation, 1/3 state). Project sponsors are currently proposing a 32% non-state funding match. With the current and proposed future use of this site for K-12 education, local school districts in particular should be asked to participate in project financing.

Based on attendance projections provided by the Center, the project is viewed as having regional significance. Project sponsors have prepared a detailed program plan identifying how on-going operating expenses of this project will be funded.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

**This page intentionally left blank.**

**PROJECT LOCATION:** Lake Superior Zoological Garden, Duluth, MN

**AGENCY PROJECT PRIORITY:** 3 of 4 (Duluth)

**1998 STATE APPROPRIATION REQUEST:** \$1,300

**PROJECT DESCRIPTION:**

Lake Superior Zoological (LSZ) Garden; Phase III Improvements; Animal Care Center, Primate Conservation Center/Children's Conservation Discovery Center.

The Animal Care Center will provide a facility that will allow for the first-class animal care necessary in a zoo of our size and collection. This will include a veterinary clinic and laboratory, operating room, recover rooms and rooms for the quarantine of sick, injured or new animals, as well as a central commissary and food preparation area.

Primate Conservation Center will the LSZ the opportunity to display one of the most requested groups of animals that are noticeably absent primates. The center will include indoor and outdoor displays of 5 endangered species of primates which will be part of an international conservation program. The primate center will be directly adjacent to the current Children's Conservation Discovery Center.

Due to its proximity to the Primate Center, the Children's Center will need to have certain modifications made to it and with construction it is planned to have minor improvements updated at that time also. The Children's Center is a live hands-on experience of creatures many of which are endangered which helps to provide a better understanding of the plight of vanishing animals.

This phase will be matched by local contributions of \$456 thousand by the city and other donations.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The LSZ is the only accredited zoo north of the greater metro area. As such, it caters to a significant portion of northern Minnesota residents. Nearly 150,000 people visit the LSZ annually. While they come from every state, the majority are residents of northern Minnesota with large attendance blocks come from the Twin Cities area who weekend or vacation in our area.

This proposal will take one more step toward completion of the LSZ master plan that was begun in 1988. The LSZ intends to approach the state for matching funds in the years 2000 and 2002 to help complete this plan. The purpose of this plan was to bring the old Duluth zoo up to current zoo standards and in many cases to exceed

these standards. Over the years this plan has been modified to meet the higher standards of Accredited Institution Status of the American Zoo and Aquarium Association (AZA). The LSZ is one of only 180 zoos and aquariums (out of more than 1,800) in the United States to hold the ranking of an AZA Accredited Institution.

The outcome of this project will be to continue the timely development of the zoo and to continue the status of an Accredited AZA Institution. The impact on the public will be significant. A series of new exhibits will feature many of the animals that lived in Minnesota during historic times (musk ox, caribou, bison, and wolverines) and those that may be found here today such as wolves, martins, bald eagle and sandhill cranes. These exhibits will interpret how these animals related to the human and natural history of Minnesota. The renovations to the Children's Zoo will offer the many thousands of visitors, young and old, an up close and personal experience with animals.

The previous funding for zoo development is as follows:

1987 state of Minnesota capital bond proceeds	\$4.0 million
1990 state of Minnesota capital bond proceeds	0.5 million
1990 local matching contribution	0.5 million
1991 city of Duluth bond proceeds	3.2 million
1992 state of Minnesota capital bond proceeds	0.3 million
Total	\$8.5 million

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. It is anticipated that the final improvements will enhance the LSZ attendance and help to offset the \$500 thousand annual subsidy from the city of Duluth.

**OTHER CONSIDERATIONS:**

Other than the obvious problems of increased costs due to inflation there are other consequences of deferring this project. The primary problem of putting off the Animal Care Center is that it would create a very serious threat to AZA accreditation. During our last accreditation inspection if 1996, the committee stated that our biggest problems involved some perimeter fencing and inadequate vet and quarantine facilities. The city of Duluth provided \$50 thousand to replace fencing. Because of the costs involved in a new animal care facility we were given until the next accreditation inspection to improve these areas. The zoo is scheduled for its next AZA Accreditation review in 2000 and we should have this facility in use by that time.

The consequences of not having this project complete could very well result in the loss of AZA accreditation. This would be very similar to a college or hospital losing their accredited status. Furthermore, without accreditation the zoo would likely lose

our federal permits to hold marine mammals such as our polar bears and seals as well as our endangered species permits for siberian tigers, snow leopards, black-footed ferrets, bald eagles and peregrine falcons. The loss of AZA accreditation would be devastating to the zoo.

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

Carl Nollenberger  
City of Duluth  
206 City Hall  
Duluth, MN 55802  
(218)723-3330

Mike Janis  
72nd Ave. West & Grand Ave.  
Duluth, MN 55807  
(218)723-3748

Grants to Political Subdivisions  
Lake Superior Zoological Garden (Duluth)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	12	0	0	12	05/1998	06/1998
Design Development	0	20	0	0	20	06/1998	08/1998
Contract Documents	0	49	0	0	49	08/1998	10/1998
Construction Administration	0	23	0	0	23	10/1998	08/1999
<b>SUBTOTAL</b>	0	104	0	0	104		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						10/1998	10/1999
Site & Building Preparation	0	130	0	0	130		
Demolition/Decommissioning	0	50	0	0	50		
Construction	0	992	1,300	1,200	3,492		
Infrastructure/Roads/Utilities	0	100	0	0	100		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	130	0	0	130		
<b>SUBTOTAL</b>	0	1,402	1,300	1,200	3,902		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	105	0	0	105	05/1999	08/1999
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	105	0	0	105		
<b>8. Inflation</b>							
Midpoint of Construction		04/1999					
Inflation Multiplier		9.00%	0.00%	0.00%			
<b>SUBTOTAL</b>		145	0	0	145		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$1,756	\$1,300	\$1,200	\$4,256		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,300	950	900	3,150
<b>State Funds Subtotal</b>	0	1,300	950	900	3,150
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	400	350	300	1,050
Private Funds	0	56	0	0	56
Other	0	0	0	0	0
<b>TOTAL</b>	0	1,756	1,300	1,200	4,256

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	1,300	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign has not been received. No recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

The greater Duluth area has a number of pending capital budget requests. The city has submitted requests for the Duluth convention center expansion (\$13.99 million), Hartley Nature Center (\$2.8 million), Phase III of the Lake Superior Zoo (\$1.3 million), and a reauthorization of funding for the St. Louis County Heritage and Arts Center (\$750 thousand). In addition, state decision-makers should note additional Duluth area projects as contained in request packages of other agencies: Duluth recreational trail (DNR), McQuade public access (DNR), and UMD library (UofM).

The animal health and quarantine facility is probably the most urgent component of the request, which is needed to retain zoo accreditation.

This project is viewed as having regional significance due to its linkage to regional tourism, recreation and economic development goals. However, the department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. Project sponsors are currently proposing a 26% non-state funding match. In addition, the zoo should prepare a detailed program plan identifying how on-going operating expenses of this project will be funded.

Project request forms should be amended to clarify outyear project phases. Project costs should be described more fully in the project narrative form.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	26
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>321</b>



**This page intentionally left blank.**

**PROJECT LOCATION:** Duluth, City of

**AGENCY PROJECT PRIORITY:** 4 of 4 (Duluth)

**1998 STATE APPROPRIATION REQUEST:** \$750

**PROJECT DESCRIPTION:**

This request is to amend the language of the Center's 1994 bonding bill grant of \$750 thousand, to extend it through the year 2000, and to allow funding for asset preservation expenses. The original 1994 appropriation was written to exclusively fund a new addition to the existing facility.

In May, 1997, the Depot submitted a request to the state for project funding of \$3 million. During the interim period, the Depot management has changed its construction and fund raising strategy to have a higher probability of success by performing it in two phases which are described below.

**1998-99 (Phase I)**

The Depot has revised its scheduled construction projects to be accomplished in two phases over the next several years. Phase I will address correcting the major capital maintenance items such as a new roof, HVAC, lighting and energy efficiency improvements. Phase I would utilize an existing 1994 state grant of \$750 thousand that has been matched with local and private funds. The Depot is requesting a language modification to the 1994 grant that would allow this phased approach and extend the grant until the year 2000. Sufficient matched funding appears to be in place for this project to commence in 1998.

**2000-01 (Phase II)**

Phase II will replicate the Union Depot train shed which was originally built on the Depot site in 1892 and stood until 1925. The original building is on the National Historic Register and currently houses 4 regional museums and 5 performing arts groups. Train sheds in transportation hub are often significant historical structures and the Duluth Depot is no exception. In 2000-01, it is expected that the Depot will request state funding in the amount of \$4.4 million to be matched with an equal amount of local/private funds.

More information on phase II of this project will be presented during the City of Duluth's bonding request package for the 2000-2001 biennium.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project.

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

Carl Nollenberger  
City of Duluth  
206 City Hall  
Duluth, MN 55802  
(218)723-3330

Todd Torvinen  
City of Duluth Finance Director  
107 City Hall  
Duluth, MN 55802-1102  
(218) 723-3356  
FAX (218) 723-3701  
email: ttorvinen@ci.duluth.mn.us

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	42	50	0	92	07/1998	10/1998
Design Development	0	42	50	0	92	10/1998	01/1999
Contract Documents	0	140	250	0	390	01/1999	07/1999
Construction Administration	0	56	150	0	206	07/1999	08/2000
<b>SUBTOTAL</b>	0	280	500	0	780		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						07/1999	08/2000
Site & Building Preparation	0	0	140	0	140		
Demolition/Decommissioning	0	65	0	0	65		
Construction	750	2,383	5,685	0	8,818		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	30	450	0	480		
<b>SUBTOTAL</b>	750	2,478	6,275	0	9,503		
<b>6. Art</b>	0	0	63	0	63	01/2000	01/2000
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	0	314	0	314	01/2000	08/2000
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	314	0	314		
<b>8. Inflation</b>							
Midpoint of Construction		10/1999	12/2001				
Inflation Multiplier		11.50%	22.30%	0.00%			
<b>SUBTOTAL</b>		317	1,595	0	1,912		
<b>9. Other</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$750	\$3,075	\$8,747	\$0	\$12,572		

Grants to Political Subdivisions  
St. Louis County Heritage and Arts Center (Duluth)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	750	750	4,400	0	5,900
<b>State Funds Subtotal</b>	750	750	4,400	0	5,900
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,000	1,000	0	2,000
Private Funds	0	1,325	3,347	0	4,672
Other	0	0	0	0	0
<b>TOTAL</b>	750	3,075	8,747	0	12,572

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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	
1994, Chapter 643, Section 2, Subd. 13	750

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	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.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign should be submitted in order to evaluate the project purpose, scope, costs, and schedule. We understand that predesign was funded from an appropriation received in 1994 and that any reauthorization is not anticipated to alter the need to perform predesign.

**Department of Finance Analysis:**

The greater Duluth area has a number of pending capital budget requests. The city has submitted requests for the Duluth convention center expansion (\$13.99 million), Hartley Nature Center (\$2.8 million), Phase III of the Lake Superior Zoo (\$1.3 million), and a reauthorization of funding for the St. Louis County Heritage and Arts Center (\$750 thousand). In addition, state decision-makers should note additional Duluth area projects as contained in request packages of other agencies: Duluth recreational trail (DNR), McQuade public access (DNR), and UMD library (UofM).

This project is viewed as having a modest linkage to state tourism goals. In addition, the request has potential for regional significance due to its service as a broad-based regional performing arts center.

The project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. Project sponsors should also prepare a program plan identifying how on-going operating expenses in this facility will be funded and submit a predesign to the Department of Administration for review.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	76
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>296</b>

**PROJECT LOCATION:** Fergus Falls, Minnesota

**AGENCY PROJECT PRIORITY:** 1 of 1 (Fergus Falls)

**1998 STATE APPROPRIATION REQUEST:** \$1,500

**PROJECT DESCRIPTION:**

This request is to construct a convention/civic center projected to be 18,000 square feet in the city of Fergus Falls. The estimated cost of the project is \$3 million. The city of Fergus Falls is committing \$1.5 million to the project and is requesting \$1.5 million in state funding.

A development team, consisting of the city engineer, city administrator, community development director, and the convention and visitors bureau director, will coordinate the project.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Fergus Falls began working to construct a convention center several years ago. In the mid 70s the first study was done which included a parking ramp downtown. In the 80s the Main Street Office encouraged and facilitated a plan which included a hotel and convention center at the River Inn, downtown. In 1990 the "Downtown Plan" concluded that there was a need for a convention center and that it was essential for the community. In 1991 a group of 33 business people studied the possibility of a center. Sites in the community were visited and considered, and several committee members visited successful convention centers in other communities such as Aberdeen, Pierre, and Willmar.

In the fall of 1993, the Convention and Visitors Bureau selected a task force to study how to bring about a convention center. The group brought in experts who had accomplished successful center in their communities. This task force recommended that a formal feasibility study be conducted to indicate whether or not Fergus Falls could support a convention center, what size it should be, and give financial options. This study was completed in 1994-5 by Marquette Advisors. The first part of the study indicates the size of the convention space that is recommended, and configuration of the spaces. It also analyzes which groups, organizations would use the space and it states occupancy percentages. The second half of the report is the financial analysis.

Last year (1996) an architect's conceptual drawings included a convention center complex in downtown Fergus Falls.

During all of these years, the city of Fergus Falls has worked to get a private

developer to build a convention/civic center attached to a full service hotel. This has been to no avail.

In the spring of 1997, a large, 4 pronged task force began working to improve the economic prosperity and the quality of life in Fergus Falls. One of the task forces is assigned to the convention/civic center project. The "Project Reach Out" task force has been working to bring the convention/civic center to a reality.

As a result of that process as described in the report, the city of Fergus Falls will develop a convention/civic center of approximately 18,000 square feet. The facility components include an 8,000 square foot room, divisible into 2 larger rooms, each divisible into 3 or 4 smaller rooms for flexibility of the clientele. Other areas include pre function space of 1,000 - 1,500 square feet, banquet storage of approximately 1,500 to 2,000 square feet, and circulation space of approximately 2,500 square feet which includes restrooms and other general space. A kitchen and restaurant of 4,000 square feet will also be part of the project.

There is a recognized need for space for large meetings in Fergus Falls. Although Fergus Falls area currently faces obstacles in attracting convention business because of convention size, Fergus Falls enjoys a positive reputation within the regional meetings market; it is particularly attractive for functions geared towards northwestern Minnesota and to associations with strong membership in this region.

Due to the size of the groups that can be accommodated, the community faces competition from the many other communities that have sufficient meeting space and supporting hotel rooms.

Extensive research was conducted among potential users. The primary market for convention business in the Fergus Falls area is the smaller state associations, regional government and business meetings. These will often range from 150 to at least 500 people. At the present time, there is no space large enough to accommodate groups of 200 people or larger.

The city of Fergus falls will provide 50% local match funding for capital costs. It is anticipated that the local share will come from 1/2% sales tax (being sought in the 1998 legislative session) which is supported by a resolution from the Fergus Falls City Council.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. The ongoing operating cost of the project will be financed locally without state assistance. The city anticipates the facility will be attached to a full service hotel and leased and operated by private management, most likely the full service hotel. From information in the Marquette Advisors study, "a full service hotel could be expected to generate a positive cash flow from the proposed facility." The city is prepared to assist in the

start-up expenses to make the project a success.

**OTHER CONSIDERATIONS:**

The construction of a convention/civic center will allow Fergus Falls to compete more effectively within its market to both increase the number and frequency of groups attracted and help ensure the retention of those already being accommodated. The new center will allow the area to capitalize upon its excellent highway access and its favorable perception among state associations and other groups attracting them with frequency and in greater numbers.

The most significant factor in assessing the potential is the breadth of local support demonstrated within the community. Research identified a broad base of local support for the proposed center, indicating that several types of functions from a number of sources will be potentially available.

The construction of a convention/civic center will allow many meetings and functions to be expanded and, perhaps more importantly, will prevent the loss of existing business in Fergus Falls from functions which have outgrown the current facilities or are seeking newer ones. In any case, many of the functions which the proposed center will accommodate would be unavailable to the market without such a facility.

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

James Nitchals, City Administrator  
City of Fergus Falls  
112 West Washington Ave  
PO Box 868  
Fergus Falls, MN 56538-0868  
Phone: (218) 739-0103  
Fax: (218) 739-0149  
Email: [www@fergusfalls.com](mailto:www@fergusfalls.com)

Grants to Political Subdivisions  
Fergus Falls Convention Center

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						05/1998	07/1998
Land, Land and Easements, Options	\$0	\$150	\$0	\$0	\$150		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	150	0	0	150		
<b>2. Predesign</b>						05/1998	09/1998
<b>SUBTOTAL</b>	0	20	0	0	20		
<b>3. Design Fees</b>							
Schematic	0	0	0	0	0	09/1998	10/1998
Design Development	0	300	0	0	300	10/1998	12/1998
Contract Documents	0	0	0	0	0	12/1998	03/1999
Construction Administration	0	0	0	0	0		
<b>SUBTOTAL</b>	0	300	0	0	300		
<b>4. Project Management</b>						10/1998	09/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	150	0	0	150		
<b>SUBTOTAL</b>	0	150	0	0	150		
<b>5. Construction Costs</b>						05/1999	09/2000
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,800	0	0	1,800		
Infrastructure/Roads/Utilities	0	250	0	0	250		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
<b>SUBTOTAL</b>	0	2,050	0	0	2,050		
<b>6. Art</b>						05/1999	09/2000
<b>SUBTOTAL</b>	0	18	0	0	18		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	312	0	0	312	05/1999	09/2000
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	312	0	0	312		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>		0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$3,000	\$0	\$0	\$3,000		



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,500	0	0	1,500
<b>State Funds Subtotal</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>1,500</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,500	0	0	1,500
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>3,000</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document has not been received for this request. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

This project is viewed as having regional significance due to its linkage to regional tourism and economic development goals.

Equity issues and the potential for other local convention centers to request similar state assistance should be considered if this center is funded.

This request complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the city has prepared a program plan identifying how on-going operating expenses in this facility will be funded. Project sponsors should also prepare and finance a predesign report prior to consideration of this request in the 1998 legislative session.

When reviewing this and other convention center requests, decision-makers are encouraged to read the report, *"Convention & Civic Centers: Their Benefits to Minnesota,"* as prepared in December 1995 by the Minnesota Office of Tourism.

**Governor's Recommendation:**

The Governor recommends general obligation bonding of \$1.5 million for this project, contingent on non-state matching funds of \$1.5 million.

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

**This page intentionally left blank.**

**PROJECT LOCATION:** Mayo Civic Center, Rochester

**AGENCY PROJECT PRIORITY:** 1 of 1 (Rochester)

**1998 STATE APPROPRIATION REQUEST:** \$6,756

**PROJECT DESCRIPTION:**

This request is to expand and renovate the Mayo Civic Center in Rochester.

In 1997, the Mayo civic center completed a \$4 million meeting room expansion project. This project was a symbol of growth as the Mayo civic center becomes a major regional, national and international player in the convention and meeting industry. Not only is Rochester attracting international medical meetings from the Mayo Clinic, but it is also a "must stop" for many regional meetings and conventions. Entertainment and sporting events have also showed renewed interest in this market.

The 1997 project provided the space the civic center needed to maintain its growth. Now it is time to look to the future for continued expansion and renovation so that the center can not only grow as its current roster of clients grow, but also expand as the market expands around us.

Items included in the expansion/remodel are:

- Construct an addition to the grand lobby to the west and south. Adjust the drive and floor elevations to accommodate ADA requirements.
- Remodel the auditorium. Remove all existing construction on the first level including the concrete slab, the stage and ancillary areas beneath vehicle access into the auditorium. Construct a new flat floor slab with recesses, concealed electrical and service grid to support multiple functions and space requirements. Provide new accessible entry from the south. Develop a movable, acoustical ceiling system to control sound and reduce spatial volume for non athletic events. Upgrade materials and finishes. Replace main lighting system and controls to improve visual quality and provide energy conservation. Install technologically advanced audio-visual systems to support educational seminars. Restore mezzanine seating, develop portable riser system, expand concession areas and kitchen, provide ADA access, update rest rooms and provide new "fly-house" on north end of room.
- Replace York chiller with unit using non-CFC refrigerant. Retrofit Trane chiller to the same. Retrofit HVAC in auditorium and theater to current standards.

- Upgrade existing ballroom and meeting rooms finishes. Upgrade facility telecommunications/connectivity abilities. Reroof theater and grand lobby roof (Arena and auditorium roofs by 2008).
- Expand and remodel existing civic theater complex, adding new rehearsal and production space as well as a new black box theater. Construct a new main lobby with entrance to the west and connection to the skyway system.
- Construct new 31,000 square foot exhibit hall to the north of the existing auditorium. Provide walk through access to existing auditorium to produce a contiguous 46,000 square feet. Provide new ancillary spaces such as show offices, warehouses, dressing/locker rooms, loading docks, trash storage and compactors, and truck marshaling. Provide ability to construct new meeting room complex on top of new exhibit hall. Connect existing auditorium and exhibit hall to skyway via 2nd level connection and rotunda/elevator lobby and box office.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The many venues of the civic center have been host to international conventions, national entertainment acts, and high school sporting events. Even with its recent expansion, the civic center has filled many of its dates and opportunities well into 1999. In order to relieve this booking pressure, continue to grow with current business, and bring new events to the region, the completion of the 1994 master expansion plans should happen now.

This master plan, constructed by local community members, business leaders and city officials, outlines the general direction of the Mayo civic center and its expansion efforts. Combined with neighborhood needs, it is the basis for the Mayo civic center Phase 2 expansion plan. The needs of the facility have even grown since this document was put together. The tremendous success of medical and other conventions in Rochester, have dominated the use of the 2 main venues. The arena and auditorium, while both excellent homes for conventions and trade shows, are also the 2 main entertainment locations. With the development of an exhibition hall, not only will the region be able to grow with some of the bigger conventions, it will also be able to free up space intended for audience members to enjoy entertainment and sporting events. It is a double win for the community. The estimated Phase 2 project cost is \$12.5 million.

The facility is not only looking to expand, but also renovate. Due to our high tech community it is crucial to stay on top of the technological advances in the industry. It is important to become a trend setter in this area, instead of a reactionary. Much of the auditorium renovation was deleted from the 1986 expansion, and reconfiguring the space to maximize its potential is crucial to the expansion project. Renovation also means, keeping the building and its neighbor buildings, modern, clean and efficient. While the Mayo civic center hosts thousands of visitors each year, these visitors also visit our surrounding neighbors, such as the Rochester civic theatre. It is in the community's best interest to keep the entire cultural corridor growing together.

Ultimately, the Mayo civic center, is an excellent economic catalyst for the city of Rochester and the surrounding communities. As the regional continues to thrive, its business' continue to expand, the Mayo civic center needs to maintain its stature as a complex for growth.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project.

With the recent addition of meeting rooms, the Mayo civic center experienced a slight increase in utility and manpower costs. We would expect about the same increase of expenditures on the civic center operating budget, while at the same time doubling our ability to offset this increase through increased revenues.

Currently, the limits of the staffing and the facility present complex challenges. The ability for the Mayo civic center to increase its revenues is tied to its ability to manage its growing clientele and prepare for new prospects. The completion of the master plan eases some of that complexity, by allowing the building to have the growing room it needs for the future and allowing it to operate more efficiently.

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

Stevan Kvenvold, City Administrator  
City of Rochester  
201 4th St. SE, Room 266  
Rochester, MN 55904  
Phone: (507) 285-8082  
Fax: (507) 285-8256  
skvenvold@ci.rochester.mn.us

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						06/1998	08/1998
Land, Land and Easements, Options	\$0	\$25	\$0	\$0	\$25		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	25	0	0	25		
<b>2. Predesign</b>						06/1998	08/1998
<b>SUBTOTAL</b>	0	25	0	0	25		
<b>3. Design Fees</b>							
Schematic	0	139	0	0	139	08/1998	10/1998
Design Development	0	185	0	0	185	10/1998	01/1999
Contract Documents	0	370	0	0	370	01/1999	06/1999
Construction Administration	0	180	0	0	180	07/1999	06/2000
<b>SUBTOTAL</b>	0	874	0	0	874		
<b>4. Project Management</b>						09/1999	08/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	225	0	0	225		
<b>SUBTOTAL</b>	0	225	0	0	225		
<b>5. Construction Costs</b>						06/1999	08/2000
Site & Building Preparation	0	175	0	0	175		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	9,426	0	0	9,426		
Infrastructure/Roads/Utilities	0	150	0	0	150		
Hazardous Material Abatement	0	100	0	0	100		
Construction Contingency	0	500	0	0	500		
<b>SUBTOTAL</b>	0	10,351	0	0	10,351		
<b>6. Art</b>						10/1999	08/2000
<b>SUBTOTAL</b>	0	100	0	0	100		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	250	0	0	250	01/2000	05/2000
Telecommunications (voice & data)	0	500	0	0	500	01/1999	01/2000
Security Equipment	0	75	0	0	75	01/1999	01/2000
Commissioning	0	75	0	0	75	08/1999	08/2000
<b>SUBTOTAL</b>	0	900	0	0	900		
<b>8. Inflation</b>							
Midpoint of Construction		02/1999					
Inflation Multiplier		8.10%	0.00%	0.00%			
Inflation Cost		1,013	0	0	1,013		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$13,513	\$0	\$0	\$13,513		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,756	0	0	6,756
<b>State Funds Subtotal</b>	<b>0</b>	<b>6,756</b>	<b>0</b>	<b>0</b>	<b>6,756</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	6,757	0	0	6,757
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>13,513</b>	<b>0</b>	<b>0</b>	<b>13,513</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	6,756	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Without predesign being performed in advance of the request it is impossible to ascertain the nature of the program and its subsequent cost.

**Department of Finance Analysis:**

The Rochester area has three pending capital budget requests and priorities: (1) the University Center Rochester, (2) Mayo Civic Center Expansion, and (3) the Rochester Regional Recreation and Sports Complex. The University Center project and the Rochester Regional Recreation Center are contained in the MnSCU section of the capital budget. The Mayo Civic Center is contained in the grants to political subdivision section of the capital budget.

This project is viewed as having regional significance due to its linkage to regional tourism and economic development goals.

Equity issues and the potential for other local convention centers to request similar state assistance should be considered if this center is funded.

This project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the city should prepare a program plan identifying how on-going operating expenses in this facility will be funded. Project sponsors should also prepare and finance a predesign report prior to consideration of any funding for the request in the 1998 legislative session.

When reviewing this and other convention center requests, decision-makers are encouraged to read the report, *"Convention & Civic Centers: Their Benefits to Minnesota,"* as prepared in December 1995 by the Minnesota Office of Tourism.

**Governor's Recommendation:**

The Governor recommends general obligation bonding of \$6.756 million for this project, contingent on non-state matching funds of \$6.757 million.

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



**This page intentionally left blank.**

**PROJECT LOCATION:** St. Cloud, Stearns County

**AGENCY PROJECT PRIORITY:** 1 of 1 (Stearns County)

**1998 STATE APPROPRIATION REQUEST:** \$7,720

**PROJECT DESCRIPTION:**

The project will expand Quarry Park & Nature Preserve by 310 acres before subdivision makes the property unavailable. The project will also complete development of all remaining program components of Quarry Park & Nature Preserve, as identified in the park's Master Plan. This would include multi-use trails, access to wetlands, interpretive center, outdoor classroom, sanitary facilities, operation and maintenance center, trout fishing piers, observation points, rock pile stabilization, additional swimming areas, granite industry history exhibits (operational), group camp, ADA accessibility to all primary program components, rock climbing areas and scuba diving areas.

The interpretive center will provide static and interactive exhibits on the history of the granite industry, park biological communities and park geological features. It will also act as a trailhead for use of the nearly 6 miles of year round trails to be provided in the park.

The operation and maintenance center will create a base from which the county park system will be maintained. The headquarters for the Stearns County Park Department will be placed in Quarry Park & Nature Preserve. This facility will allow the county to save money in staffing during the lower use times of the year.

The outdoor classroom will contain sanitary facilities, an enclosed area for foul weather use and a canopy for outdoor use by school groups. It will double as the sanitary facility for the groups' camp in the southwestern portion of the park.

Facilities will be built in a rustic character but be designed to maximize flexibility of building space to accommodate the tourist, the recreationalist and the student.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Stearns County is part of the second largest and fastest growing metropolitan area in Minnesota. This growth is increasing the demand for open space.

Quarry Park & Nature Preserve provides a singularly unique classroom for environmental education. Partnerships with St. Cloud State University, University of

Minnesota, College of St. Benedict, St. John's University, and local school districts have already opened the park for curriculum planning, biological research, geological research and K-12 field experiences. The park is a resource that aids Minnesota in accomplishing its Green Print goals for environmental education.

Day trips have replaced the traditional 2 week vacation for Americans. The location of Quarry Park & Nature Preserve easily serves the 2 million people living in the Twin City metropolitan area. This 222 acre park contains attractive landforms with 20 abandoned granite quarries filled with deep water, 30 rock piles 30-40 feet high, dramatic ledges, unique undisturbed granite outcrops and a natural setting packed with interpretive potential.

The Minnesota County Biological Survey has identified Quarry Park & Nature Preserve and adjacent properties to the south as one of the survey's highest priority sites for immediate research.

Present outdoor recreation facilities are lacking in Stearns County. The acreage goal, as indicated in the Stearns County Recreation Plan for 1995, is 2,500 acres. Stearns County currently has 930 acres. Since the city of Waite Park annexed Quarry Park and surrounding lands and is programming the surrounding lands for residential use, land acquisition has become critical.

Land acquisition in a rapidly urbanizing area is a top priority for Quarry Park & Nature Preserve. This site provides the only county opportunity to establish a truly regional park in the most urban area of the county. This project reflects the acreage needs identified in the 1989 Recreation Plan.

Completing the development of Quarry Park & Nature Preserve before inflation costs drive the project beyond accomplishment is a priority for Stearns County. Phase one development is going to get the park open in the fall of 1997, but safe, coordinated and efficient use of the site will only be accomplished when the complete development plan has been implemented. The development proposal contained herein was accepted as part of the park's Master Plan.

The long-range strategic goals for Stearns County parks are to provide regional-type county parks which are natural resource based and key in on facilities for outdoor recreation, such as fishing, swimming and trail uses.

The Stearns County Overall Economic Development Program, as updated 2-28-95, identifies the Quarry Park & Nature Preserve as one of its objectives. The Quarry Park & Nature Preserve is also specifically referred to in the 1989 Recreation Plan. Expansion of Quarry Park & Nature Preserve by 400 acres is identified in the park's Master Plan.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating costs are being requested with this project.

Stearns County has adopted a special parking fee for Quarry Park & Nature Preserve of \$2 per day, or \$10 per season. This revenue is expected to offset the costs of managing the site on a day-to-day basis. Construction of the operation and maintenance center in the park will create efficiencies for the county by stretching current full-time staff into daily maintenance provision within Quarry Park & Nature Preserve.

Stearns County is prepared to maintain this facility. In the 1998 budget \$31 thousand has been included for site maintenance. Offsetting 1998's cost is an estimated \$31 thousand revenue from parking permits. When the total master plan has been implemented, with the interpretive center a site manager would be added to staffing. This would add about \$25 thousand to the site's maintenance/management cost. When the interpretive center is opened there would be an entrance fee for that facility to offset costs.

**OTHER CONSIDERATIONS:**

Capital requests were generated through the 1989 Recreation Plan for Stearns County and the Master Plan for Quarry Park & Nature Preserve.

With acquisition of the original 220 acres taking place in December 1992, and master planning concluded in June 1995, the park entered the fund-raising phase and was thus submitted for phase one bonding assistance for construction, and now phase 2 construction and acquisition. The project costs, to date, of \$696,000 include purchase of the original 220 acres, fencing, expansion of 2.14 acres, master planning, research, phase one design and construction.

The Recreation Plan was adopted after public hearings, as required by state law. Two public meetings were held to gather input prior to adopting the Master Plan for Quarry Park & Nature Preserve. After 3 design options were developed, another public review and hearing was conducted by Brauer & Associates, the planning consultant for the project. Numerous large articles, which included proposed development maps, were published in the St. Cloud Daily Times (circulation 40,000) before adoption of the final Master Plan.

As part of the Minnesota Natural & Scenic Grant Application process for a current proposal to expand Quarry Park & Nature Preserve by 30 acres with state grant assistance, a public hearing on the expansion was required. The predominant input of citizens attending the meeting was that expansion of Quarry Park & Nature Preserve needs to happen soon to avoid the surrounding properties becoming developed into housing. Recent annexation of the park and its surroundings into the city of Waite Park make non-park development imminent.

Brauer & Associates of Minneapolis was the consulting firm which developed the Master Plan for Quarry Park & Nature Preserve. This firm continues to be involved in design of the park through phase one development, which is scheduled for implementation in 1997.

Cost estimates for construction were developed in the master plan by Brauer and Associates, Ltd. Land acquisition costs were estimated by Stearns County, which closed on a 30 acre parcel next to Quarry Park and Nature Preserve 8-29-97. The site was appraised at \$7,000/acre. The final cost was \$7,333/acre. Stearns County would fund the \$450 thousand match which would be earmarked for the construction of the operation and maintenance center within the park.

In regards to the 50% local funding requirements as proposed by the Governor and Department of Finance, Stearns County has placed many resources into this park that are not part of any funded programs from the state. For the entire summer of 1997 volunteer community groups have been working with hand tools grubbing and carving out extra trailways that will increase available trail mileage. Park maintenance staff have been busy in the park 2/3rds of the time trying to push to get the site open.

Stearns County is willing to cost share the project with a 50% match, if that is what the state Legislature decides.

Some predesign work was conducted on building portions of this project as part of the adopted master plan.

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

Chuck Wocken, Park Director  
Stearns County Parks  
455 28th Avenue South  
Waite Park, MN 56387  
Telephone: 320/255-6172  
Facsimile: 320/255-6186

Grants to Political Subdivisions  
Stearns County Quarry Park and Nature Preserve

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						07/1998	06/2001
Land, Land and Easements, Options	\$328	\$2,170	\$0	\$0	\$2,498		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	328	2,170	0	0	2,498		
<b>2. Predesign</b>	44	60	0	0	104	07/1998	06/1999
<b>SUBTOTAL</b>							
<b>3. Design Fees</b>							
Schematic	1	37	0	0	38	07/1998	02/1999
Design Development	14	56	0	0	70	07/1998	02/1999
Contract Documents	6	168	0	0	174	07/1998	04/1999
Construction Administration	0	113	0	0	113	04/1999	06/2002
<b>SUBTOTAL</b>	21	374	0	0	395		
<b>4. Project Management</b>						04/1999	06/2002
State Staff Project Management	0	299	0	0	299		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	299	0	0	299		
<b>5. Construction Costs</b>						04/1999	06/2002
Site & Building Preparation	0	1,966	0	0	1,966		
Demolition/Decommissioning	0	0	0	0	0		
Construction	299	2,375	0	0	2,674		
Infrastructure/Roads/Utilities	0	243	0	0	243		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	683	0	0	683		
<b>SUBTOTAL</b>	299	5,267	0	0	5,566		
<b>6. Art</b>	0	0	0	0	0		
<b>SUBTOTAL</b>							
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	0	0	0	0	06/2001	12/2001
Telecommunications (voice & data)	0	0	0	0	0	06/2001	12/2001
Security Equipment	0	0	0	0	0	06/2001	12/2001
Commissioning	0	0	0	0	0	06/2001	06/2001
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>							
<b>9. Other</b>	0	0	0	0	0		
<b>SUBTOTAL</b>							
<b>GRAND TOTAL</b>	\$692	\$8,170	\$0	\$0	\$8,862		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	500	7,720	0	0	8,220
<b>State Funds Subtotal</b>	500	7,720	0	0	8,220
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	122	450	0	0	572
Private Funds	70	0	0	0	70
Other	0	0	0	0	0
<b>TOTAL</b>	<b>692</b>	<b>8,170</b>	<b>0</b>	<b>0</b>	<b>8,862</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		0	0	0	0
Change in F.T.E. Personnel		0.0	0.0	0.0	0.0

PREVIOUS STATE CAPITAL APPROPRIATIONS FOR THIS PROJECT (Legal Citations)	Amount
Laws of Minnesota (year), Chapter, Section, Subdivision	
1996, Chap. 463, sec. 24, sub. 14	250
1991, Chap. 254, art. 1, sec. 17(d)	250

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	7,720	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document for the applicable portions of the project has not been received. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

The strategic linkage of this project to state services and policy objectives is unclear. However, the recreational benefits of this site when fully developed might be considered similar to that of a state park. Due to this project's multi-county service district in the greater St. Cloud area, the request is viewed as having regional significance.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. In the Project Narrative form, the County has indicated a willingness to share project costs with 50% local funding; however, only a 6% commitment of local funds is shown in the Project Detail form.

The county has prepared a program plan identifying how on-going operating expenses of this project will be funded. A park master plan has been completed, but this information should be expanded in a predesign document.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	6
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>TOTAL</b>	<b>700 Maximum</b>	<b>256</b>

**This page intentionally left blank.**

**PROJECT LOCATION:** Humboldt Avenue, Minneapolis

**AGENCY PROJECT PRIORITY:** 1 of 1 (Hennepin County)

**1998 STATE APPROPRIATION REQUEST:** \$24,000

**PROJECT DESCRIPTION:**

The project proposed for the Humboldt Avenue Reinvestment Area is known as the Humboldt Greenway, which will reconstruct Humboldt as a parkway-type avenue with new community open space, strengthen connections to neighborhood schools and local and regional parks, and enhance the ecological function and aesthetics of Shingle Creek as the area's primary natural feature.

The final project plan is the product of a 2-year planning process involving neighborhood residents and a team of consultants led by staff at Hennepin Community Works and its partners. The plan establishes a strong presence for the greenway centered on Humboldt Avenue, with a central green providing a new community common area uniting the Shingle Creek and Lind-Bohanon neighborhoods. The project plan is for implementation in 3 phases:

Phase One Acquisition of 150 properties (residential, commercial and industrial), relocation of owners and tenants, removal of structures; timeline 1 to 3 years, 1998-2000. \$24 million.

Phase Two Greenway construction; timeline 2 to 3 years 2000-2002. \$8 million.

Phase Three Enhancements to Shingle Creek; timeline 1 year, 2002. \$2 million.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Hennepin Community Works (HCW) is a multi-jurisdictional partnership between Hennepin County, the City of Minneapolis, Minneapolis Park and Recreation Board, Minneapolis School Board, and Suburban Hennepin Parks District based on the final report of the Parks and Public Works Commission *"Hennepin Community Works: An Employment, Public Works and Tax Base Development Program."*

The Commission's most important finding was that carefully designed and integrated parks and public works projects sustain and enhance the long-term tax base and financial viability of neighborhoods while enhancing their quality of life. This funding request is for the Humboldt Avenue Reinvestment Area in the far north Minneapolis neighborhoods of Shingle Creek and Lind-Bohanon, along and adjacent to

Humboldt Avenue North between 46th Avenue North and 53rd Avenue North. This area was identified for reinvestment based on a pattern of declining property values, due mainly to small and deteriorating housing stock, yet retaining significant community assets such as neighborhood schools and open space along Shingle Creek.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. These improvements will be owned by Hennepin County and maintained by the County in cooperation with the City of Minneapolis and the Minneapolis Park and Recreation Board.

**OTHER CONSIDERATIONS:**

The 2-year planning process that produced the Humboldt Greenway plan considered a range of reinvestment strategies from doing nothing, to a much larger capital project to create a new lake in this part of north Minneapolis. The final project plan represents a strategic public investment in 2 Minneapolis neighborhoods, which will continue to decline and experience greater public costs in public safety and social services if no investment is made at this time. The project as presented will serve as the basis to reestablish the area as an attractive and competitive and "livable community" with in-place services, infrastructure, schools, and parks. The project will stabilize the area and secure public investments for the long-term future.

The project enjoys a significant level of public support from Hennepin County, the City of Minneapolis, Minneapolis Park and recreation Board, Minneapolis School Board, Suburban Hennepin Regional Park District and most importantly the residents of the Shingle Creek and Lind-Bohanon neighborhoods.

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

Mike Opat, Hennepin County Commissioner  
A2400 hennepin County Government Center  
300 South 6th Street, Minneapolis Minnesota 55487-0012  
Telephone: 612/348-7881, Fax: 612/348-8701  
E-Mail: Mike.Opat@co.hennepin.mn.us

William Brumfield, Director  
Hennepin County Training and Employment Assistance  
300 South 6th Street, Minneapolis Minnesota 55487-0012  
Telephone: 612/348-8953 Fax: 612/348-3932



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						01/1998	12/1999
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	24,000	0	0	24,000		
<b>SUBTOTAL</b>	0	24,000	0	0	24,000		
<b>2. Predesign</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
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		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>4. Project Management</b>						07/1996	07/2002
State Staff Project Management	0	0	0	0	0		
Construction Management	0	700	700	0	1,400		
<b>SUBTOTAL</b>	0	700	700	0	1,400		
<b>5. Construction Costs</b>						07/1999	11/2001
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	2,000	1,000	0	3,000		
Construction	0	0	0	0	0		
Infrastructure/Roads/Utilities	0	3,000	2,000	0	5,000		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	300	300	0	600		
<b>SUBTOTAL</b>	0	5,300	3,300	0	8,600		
<b>6. Art</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
<b>SUBTOTAL</b>		0	0	0	0		
<b>9. Other</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$30,000	\$4,000	\$0	\$34,000		

Grants to Political Subdivisions  
Humboldt Greenway (Hennepin County)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	24,000	0	0	24,000
<b>State Funds Subtotal</b>	0	24,000	0	0	24,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	6,000	4,000	0	10,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	0	30,000	4,000	0	34,000

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	24,000	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign is not required as this request is for the purchase of land only. However, the project cost form indicates a \$700 thousand construction management cost, anticipated by the county, which is over the 3-5% guidelines the state would expect. It might be advisable for the county to explain these higher than expected cost.

**Department of Finance Analysis:**

The strategic linkage of this project to state services and policy objectives is unclear. In addition, the Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match.

The time lines of the 3 major phases of this project suggest that funding for this request could be staged over multiple biennia (i.e., expenditures for Phase 2 and 3 would not occur until the year 2000 and beyond and may not necessarily require a complete authorization in the 1998 legislative session).

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	29
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>154</b>

**PROJECT LOCATION:** Waverly

**AGENCY PROJECT PRIORITY:** 1 of 1 (Waverly)

**1998 STATE APPROPRIATION REQUEST:** \$2,930

**PROJECT DESCRIPTION:**

The project request is to renovate and restore the existing Village Hall (a 1940s WPA building) and build a 2,400 square foot addition in Waverly, to serve as the Hubert H. Humphrey Museum and Learning Center to interpret the Humphrey legacy and all that he influenced during his political life.

Hubert Humphrey, Minnesota's most well-known public servant, called Waverly home during the time he served as senator and Vice-President (1949-1978). He was a neighbor and friend who was very visible in Waverly, the place he called "the peace of my world." He valued and never lost touch with that sense of place in the wide realm of political life.

January 13, 1998 will be the 20th anniversary of the death of Hubert H. Humphrey. Media from the nation gathered in Waverly to await the news of the death of a person who had unlimited energy, strength, and compassion for those who needed help. The year also marks the 50th anniversary of a young mayor from Minneapolis (1948) who boldly addressed the Democratic National Convention: "There are those who say, 'This issue of civil rights is an infringement on the states' rights'. The time has arrived for the Democratic Party to get out of the shadow of states' rights and walk forthrightly into the bright sunshine of human rights...."

The purpose of the museum, a 501(c)(3) incorporated in January of 1996, is to provide an educational facility to a local, state, and national audience that centers on Hubert Humphrey's life and the issues of the Vice-President and senator's career from 1948 to 1978.

Our vision statement recognizes the museum as "a place for everyone from everywhere," within a serene setting and historic building in Waverly (where he announced his vice-presidential campaign and spoke from the steps of the Village Hall during his presidential campaign). The life and legacy of Humphrey will be the initial core focus; a broadened focus will emphasize the impact on his influence on 21st Century issues and decisions.

Three additional themes will be: 1) Civil Rights - 50 Years of Human Rights, 2) The Food for Peace Program - Humanitarian Needs and Development of New Markets, and 3) The Vietnam War - A Nation Divided. The exhibits and programs will be designed to inform, educate, and evoke a thoughtful response from the viewer to carry on the Humphrey legacy of helping others.

The projected site is the Waverly Village Hall, a WPA project, constructed in 1940 at a cost of \$70 thousand. A simplified version of the art deco style, it is a rectangle in plan, measuring 78 by 90 feet, and occupies a prominent corner in the city of Waverly. The structural system of the Village Hall is reinforced poured concrete. The main floor consists primarily of a large auditorium (55 by 75 feet) and a stage. The basement includes a kitchen, dining room, and utility space.

The building was designed specifically for community events and activities. The *Waverly Star* cited the building on 8-29-40, "as one of the most beautiful small town municipal buildings in Minnesota." The building served the community for many years until recent years when it was only used for a few large events. The city maintenance for the building far exceeds the rental income.

The building is historically significant to the life of Hubert Humphrey. The WPA building embodies the Humphrey philosophy of helping people help themselves. It is fitting that a prominent public building, in a small rural community which Hubert Humphrey called home, be renovated and restored to become the Hubert H. Humphrey Museum and Learning Center. The building will again become a vibrant center where people of all ages can gather to learn from our past and contemplate the present and future of the Humphrey legacy and all that he influenced. The program and exhibit themes will engage the visitor throughout the process.

The renovation/restoration will be a catalyst for development of which Waverly is at the cutting edge. The metro phone, a housing development, and a proposed industrial park are all components for economic development in this community. The demographics are changing, attracting a population who expects the amenities of urban life in a rural setting. A museum and learning center would be an asset to development while providing an attractive gateway to the city.

The renovation/restoration will meet museum standards, be visitor friendly, and be functional by using existing space as gallery and storage. It will be multipurpose, allowing for educational and community use. The new addition will be added next to the property and used for offices and storage. A family dwelling is now on that lot. The request includes acquisition of that property and new construction.

Facility design will begin in July of 1998, with renovation to begin in June 1999, an addition in 2000, and opening in May 2001.

The building will be owned by the city of Waverly and leased to the board of the Humphrey Museum. The building is valued at \$370 thousand. The museum and learning center will be administered by the Humphrey Board of Trustees with a professional staff of 4 and a projected budget of \$220 thousand.

A \$50 thousand planning grant from the Legislature in 1997 is being used to study and identify the educational programming for the museum and learning center, plan

a capital drive, and pre-design the facility. A vision campaign statement called "A Home for His Legacy in Waverly" is being designed.

The exhibits will guide visitors through the life of Hubert H. Humphrey, the humanitarian and public servant, interpreting several important legislative initiatives, making understandable such complex issues as: 1) Civil Rights - 50 Years of Human Rights, 2) The Food for Peace Program, and 3) The Vietnam War.

The educational program and exhibits themes are being developed simultaneously with the overall planning and fund-raising. In addition to the exhibits on Humphrey's life and times, the museum will have a 4-part approach to interpreting the important legislation which Humphrey was associated with: 1) an awareness and investigation of the problem, 2) legislative initiative, 3) negotiation, and 4) the solution. We feel these are the themes which were central to the man who was a humanitarian and politician. The themes will be interactive and evoke a thoughtful response from the visitor. "This man had a zest for life, an unceasing optimism, and unwavering faith in this country and its people, and a complete commitment to making this a better world." George Meany, *Undefeated*.

#### PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

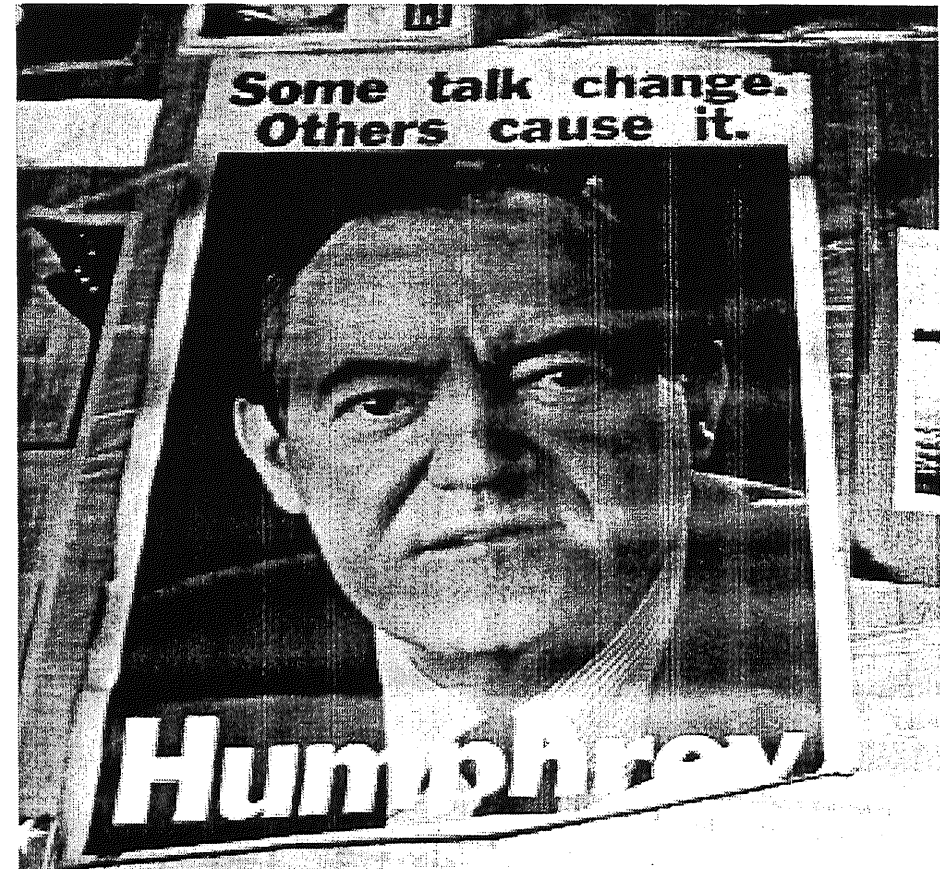
The project addresses the 3 goals of the HHH Museum Strategic Plan:

1. Raise money to renovate the Village Hall, add an additional facility and endowment for continued operations.
2. Build a collection of artifacts and papers relating to Hubert Humphrey.
3. Open the museum and learning center by 2001.

The final result will be a museum and learning center that will ultimately be recognized as a place for "everyone from everywhere" which centers on the life and legacy of Hubert H. Humphrey as the initial core focus. A broadened focus will emphasize the impact of his influence to 21st Century issues and decisions.

A facility will allow us to offer all the services of a professional museum. Interpretation, educational programs, and preservation will meet all standards of a professionally administered museum.

The Humphrey Museum will be a regional center in west central Minnesota, including Waverly, the adjoining and near counties of Wright, Hennepin, McLeod, and Meeker. We would include the school district as a resource of student and teacher volunteers and institute a rural political studies program.



The Humphrey Museum would serve a statewide geographic area targeting tourists. Located 35 miles west of Minneapolis on Highway 12, Waverly is within an hour's drive of the metro area, which would attract day trips. The museum would also be the premiere site going west on Highway 12, which includes many unique museums and historic sites in rural Minnesota, opening a country corridor in Greater Minnesota.

The museum would serve a national audience attracting visitors who remember the former Vice-President and senator and those who are interested in learning more about political figures who have influenced the 20th Century and whose policies continue to be relevant in today's society.

#### OTHER CONSIDERATIONS:

Unfortunately, a fire on 8-18-97 destroyed the temporary museum. Through the efforts of the local fire department, most of the collection was rescued. Every item had smoke and water damage. The cause of the fire had not been determined. Staff, the board, and the community immediately began a recovery effort. The collection was dried and packed in storage. The disaster was covered by all metro media and was carried nationwide by the Associated Press. The publicity and a recovery press release have brought an outpouring of memorabilia and stories from all over the United States. The concern from the many people about the disaster is encouragement to us that this project is vital.

At an emergency meeting of the board the morning of the fire, the decision was made to continue our vision and be "undefeated." A letter received within a few days reads: "You must be heartbroken. But we know you will not lose hope. Just as Hubert overcame many obstacles in his life and career, so to will the museum rise (literally) from ashes to see a better day."

Private endowment funding, foundation grants, and local support will be targeted to support general operating and this project. The city of Waverly would donate the use of the Village Hall valued at \$370 thousand.

Part of the restoration would be to apply for nomination to the National Register of Historic Places. The \$50 thousand bonding grant from the Minnesota Historical Society would not be enough for the renovation/restoration project.

The idea of the museum honoring Waverly's most well-known resident and a Minnesota icon came from the 1994 Minnesota Design Team visit to Waverly. In 1994 a museum exhibit on Hubert H. Humphrey was displayed in the Village Hall as part of the celebration of Waverly's 125th anniversary. Since that time local residents and the board of the Humphrey Museum have spent many hours establishing a museum. This project is needed because it was never the intent of the board to use the former facility for a permanent museum. It was too small and did not meet environmental standards.

The 12-member board is a private, nonprofit organization incorporated in January of 1996. Walter F. Mondale, Bob Bergland and Paul Simon are honorary advisory members. The president of the board is also president of the local bank. In addition to her leadership and time, the bank has given a \$5 thousand challenge membership match each year for 1996 and 1997.

The director was formerly director of the Cokato Museum (for 14 years), where the Akerlund Photo Studio (1905) was successfully restored. The studio on the National Register of Historic Places won a national award from the American Association for State and Local History for restoration, preservation, and programming. After the 1992 tornado, another restoration had to be done under her leadership.

#### IMPACT ON AGENCY OPERATING BUDGETS:

No state operating funds are being requested with this project. Our goal is to build endowments funds of \$3.5 million within 4 years to support an annual operating budget of \$220 thousand with a staff of 4. The campaign will be announced in January of 1998. Other revenue would be generated by membership, admission, and program grants.

A grant from the Central Minnesota Initiative Fund, the Lions Club, the city of Waverly, and charter memberships have provided start-up funds. Aggressive grant seeking has begun for continuing operating expenses.

Ideally, operating costs would be supported by endowment revenue and private support. In general, museums with a budget of under \$500 thousand are unable to be self-supporting on admission fees. Since we will target school groups, revenue would not be generated by that segment.

Projected attendance for the opening year is 40,000. The director is aware of the importance of attracting a new and repeat audience. An educational director and marketing person will be responsible to meet those goals.

We recognize the large Humphrey collections at the Minnesota History Center and the Humphrey Forum at the University of Minnesota. It would be our goal to complement their collections and outreach with a museum and learning center of a different focus in Waverly.

The timing is crucial to this project. 1-13-98 will mark 20 years since the death of Hubert Humphrey. The memories of Minnesota's most well-known public figure needs to be preserved in a place he called home. He is probably best remembered for his personal commitment to his constituents. He carried that passion as he helped shape the tradition of strong active government as a protector of individuals rights. It is fitting and important that the tangible legacy be exhibited and interpreted at the Hubert H. Humphrey Museum in Waverly as a record of the past and an inspiration for the future.

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

Irene Bender, Executive Director  
Hubert H. Humphrey Museum  
P.O. Box 508  
Waverly, MN 55390  
Phone: (612) 658-4505  
Fax: (612) 658-6189

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>						10/1998	10/1998
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	50	0	0	50		
<b>SUBTOTAL</b>	0	50	0	0	50		
<b>2. Predesign</b>	50	0	0	0	50		
<b>3. Design Fees</b>							
Schematic	0	21	0	0	21	10/1998	01/1999
Design Development	0	28	0	0	28	01/1999	03/1999
Contract Documents	0	71	0	0	71	03/1999	06/1999
Construction Administration	0	21	0	0	21	09/1999	09/2000
<b>SUBTOTAL</b>	0	141	0	0	141		
<b>4. Project Management</b>						10/1998	06/1999
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
Other Costs	0	8	0	0	8		
<b>SUBTOTAL</b>	0	8	0	0	8		
<b>5. Construction Costs</b>						09/1999	09/2000
Site & Building Preparation	0	50	0	0	50		
Demolition/Decommissioning	0	10	0	0	10		
Construction	0	1,463	0	0	1,463		
Infrastructure/Roads/Utilities	0	32	0	0	32		
Hazardous Material Abatement	0	15	0	0	15		
Construction Contingency	0	76	0	0	76		
Other Costs	0	480	0	0	480		
<b>SUBTOTAL</b>	0	2,126	0	0	2,126		
<b>6. Art</b>	0	16	0	0	16	08/2000	09/2000
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	235	0	0	235	08/2000	09/2000
Telecommunications (voice & data)	0	15	0	0	15	08/2000	09/2000
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	250	0	0	250		
<b>8. Inflation</b>							
Midpoint of Construction		02/2000					
Inflation Multiplier		13.10%	0.00%	0.00%			
<b>SUBTOTAL</b>		339	0	0	339		
<b>9. Other</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$50	\$2,930	\$0	\$0	\$2,980		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,930	0	0	2,930
General Fund Projects	50	0	0	0	50
<b>State Funds Subtotal</b>	<b>50</b>	<b>2,930</b>	<b>0</b>	<b>0</b>	<b>2,980</b>
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
<b>TOTAL</b>	<b>50</b>	<b>2,930</b>	<b>0</b>	<b>0</b>	<b>2,980</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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 1997, Chapter 200, Article 1, Sec. 18, Subd. 5	50

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	2,930	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)



**Department of Administration Analysis:**

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

**Department of Finance Analysis:**

Based on attendance projections provided by the applicant, this project is viewed as having a modest linkage to state tourism and economic development goals.

However, the Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. It is assumed that the popularity of Hubert Humphrey should be able to generate great interest and provide substantial non-state resources for this project.

The city has prepared a program plan identifying how on-going operating expenses in this facility will be funded and also submitted a predesign study.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>160</b>

**PROJECT LOCATION:** City of New Ulm

**AGENCY PROJECT PRIORITY:** 1 of 1 (New Ulm)

**1998 STATE APPROPRIATION REQUEST:** \$398

**PROJECT DESCRIPTION:**

This request is to restore and renovate the Hermann Monument in New Ulm.

It has been over 20 years since any significant restoration work has been done on the Hermann Monument. New Ulm's Hermann Monument is not only one of the most impressive monuments ever constructed in the state of Minnesota, it symbolizes the strong and positive influence German immigrants have had in the settlement and development of our state and nation. Originally constructed with donations generated through a national fund drive, the 100 year old municipally-owned monument has been maintained through the years by the City of New Ulm. The city, without state or federal assistance, during this long time span, has provided regular maintenance, funded significant renovation projects, and assigned staff to be on-site throughout each summer to accommodate the many tourists who annually visit the monument, as well as to protect the site from damage and graffiti.

Though the city funded a comprehensive renovation of the monument 25 years ago, the city today lacks the resources to once again completely restore the 100 year old monument. Since the entire structure is exposed to the weather, expansion and contraction due to temperature changes have resulted in cracks at various locations on the monument. The resulting cracks have allowed moisture to enter the structure and subsequent freeze/thaw cycles have enlarged the cracks. Overall, the monument is in a deteriorated condition. While the structural engineering firm retained by the city of New Ulm to inspect the monument did not observe major structural problems, the city has been advised that the structure is in need of significant maintenance work in a timely manner to circumvent the development of major structural problems.

The restoration plan for the monument is described as follows: 1) sandblast/chemical cleaning of the dome, spiral stairs, support columns and base structure; 2) tuck point deteriorated mortar joints and replace deteriorated masonry; 3) remove loose stucco from the base structure and replace with new material; 4) replace windows in the dome observation area and in the monument grotto located in the base structure; 5) caulk all joints; 6) coat all surfaces with appropriate material including abatement of the lead-based coating material currently on the monument; 7) removal and repair of the Hermann statue; 8) installation of 4 life-size, copper-sheeted lions on the 4

monument pedestals to complete the original architect's design (the lions are being donated to the City of New Ulm by "The Order of the Sons of Hermann" lodges throughout the United States); 9) replacement of the chain link security fencing surrounding the monument; 10) park restroom renovation and handicapped accessibility improvements; 11) upgrade monument security lighting; and 12) renovation of the monument grotto interior to serve as an interpretive center for visitors and tourists.

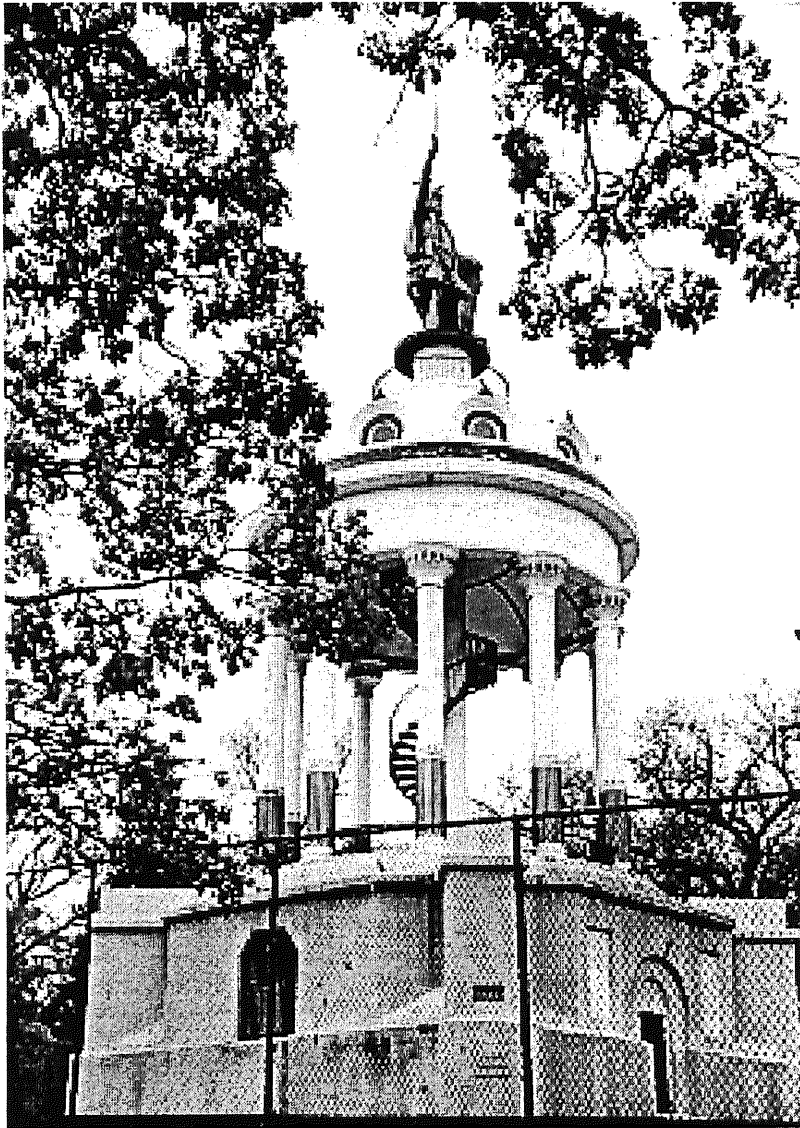
**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The City of New Ulm recently celebrated the Hermann Monument Centennial (1897-1997), and it is evident that 100 years of Minnesota weather have taken a toll. It was originally proposed in 1885 by New Ulm architect and designer Julius Berndt as a national monument to German heritage and symbolic of liberty and unity. Because funds for the project were hard to obtain from Sons of Hermann Lodges across the country, it was not until 1888 that the cornerstone was laid. The monument was subsequently completed and dedicated in 1897. The Sons of Hermann gave the monument to the City of New Ulm in 1929.

The Hermann Monument became a registered Minnesota Historic Site in 1972, and a year later it was placed on the National Register of Historic Places. Recently, Representative David Minge introduced a bill in the House of Representatives to designate Hermann as a National Monument.

The monument is a priceless work of art that currently requires timely maintenance, and whereas the citizens of New Ulm have supported the upkeep of this historic asset throughout the years, the nature and scope of this restoration project will require significant financial assistance.

Each year, thousands of local, regional, national and international visitors come to see this unique symbol of German heritage. Preservation and restoration of the Hermann Monument will directly benefit the thousands of visitors that travel to New Ulm to experience it. Every year, many thousands of visitors to New Ulm travel to Hermann Heights Park for a close-up view of this famous landmark, and approximately 8,000 climb the monument for a spectacular view of the Minnesota River Valley annually. Approximately 10,000 people participated in the Hermann Monument Centennial celebration on August 8-10, 1997. Participants included representatives of the Sons of Hermann Lodges and Sister Lodges from across the country, dignitaries from the cities of Detmold, Neu Ulm and Ulm, Germany and thousands of Minnesotans.



The Hermann Monument in New Ulm

Restoration will allow the city to keep the monument open to the public during the 100 plus day summer season. Preservation of the monument will also enhance the visual quality of the site visitation by restoring the architectural and aesthetical component to a visually complete and intact experience. By undertaking this project, the monument will be preserved as an object of historic significance and wonder that symbolizes the Germanic roots of a sizable proportion of the population of New Ulm, Brown County, the state of Minnesota and the United States for future generations. The most recent U.S. Census Data (1990) indicates that 83% of the New Ulm community, 50% of Minnesotans and 25% of the entire United States population are of Germanic descent. The significance of the Hermann Monument as a symbol of German heritage locally, state-wide and nationally is reflected by this data.

Today, in Minnesota the bronze statue of Hermann sits imposingly on a hill overlooking the Minnesota River Valley as German-owned subsidiaries and U.S.-German multinational corporations produce or exchange goods throughout the state. German influence extends through the state in subtle but real ways.

The City of New Ulm's long-range strategic and capital plans envision this type of project as demonstrated by the following public policy objectives: 1) preserve important physical assets of the community's past; 2) support a sense of civic pride through historic preservation, and enhance the city's landmarks and history to benefit residents, tourists and visitors; 3) use city, federal and other funds for the preservation of historic or architecturally important structures; 4) assure the integrity of structures that are public attractions to provide safe, accessible experiences; and 5) promote the use and preservation of historic landmarks and districts for the cultural, educational, economic and general well-being of the community and citizens of the state of Minnesota.

#### IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested with this project. Accomplishment of this monument restoration project will not impact the city's operating budgets. The city's park and recreation staff will work with the Minnesota Historical Society to develop a master maintenance plan for ongoing preservation of the restored monument. A sound periodic inspection and maintenance plan will be funded through regular park maintenance appropriations. The City of New Ulm has sufficient ad valorem property tax revenues to ensure that appropriate and rigorous inspections and maintenance schedules are implemented to ensure the monument's structural and aesthetic integrity, and to protect the sizable investment in the restoration project.

**OTHER CONSIDERATIONS:**

The city of New Ulm expended \$11 thousand during 1996-97 for an engineering study of the Hermann Monument. A phased approach to restoring the monument was initially contemplated, and earlier this year when the city went out for bids to begin restoration activities, one bid was received and it was 27% over the engineer's estimate. The city did not accept the bid.

This capital budget request contemplates completion of the project at one time, during 1999, due to the state of the monument's deterioration, and because of projected savings that would result since bidding, mobilization and cleanup would be done once rather than several times.

The city of New Ulm submitted a grant application to the Minnesota Historical Society (MHS) state bond-funded grants-in-aid for county and local preservation projects program during September, 1997. The city was notified on 12-2-97 that a grant in the amount of \$40 thousand was approved by the MHS governing board. For further information, contact Britta L. Bloomberg, MHS Deputy State Historic Preservation Officer.

The 4 copper sheathed lions to be mounted on the monument pedestals will complete the original design of the monument designer/architect Julius Berndt. The lions will be donated to the City of New Ulm by The Order of the Sons of Hermann, the organization that financed building the monument over 100 years ago. A specialist in copper sheathing and metal fabrication is currently in the process of fabricating the lions at his Sacramento, California fabrication shop. The \$300 thousand figure which is used in the Capital Funding Sources under Private Funds represents an estimate of the 4 lions value. The city is in the process of locating a professional appraiser to refine the value of the lions, however, because of the unique electrolysis process used in fabricating the copper sheathing, and the level of craftsmanship required for this type of project, the city is comfortable with the indicated value and seeks to use the \$300 thousand in-kind donation to meet matching fund requirements.

The city of New Ulm is proposing an \$876 thousand Hermann Monument Restoration Project during F.Y. 1998-99. This total includes transporting and installing the 4 copper-sheathed lions being donated to the city. The donated lions are valued at \$300 thousand. City funds for the project will total \$138 thousand (\$125 thousand cash; \$10 thousand in-kind construction management expense; and \$3 thousand for the cost of transporting the lion statues from California to New Ulm and installation of the statues on the monument). The total local share for this project is \$438 thousand, a 50% non-state share.

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

Tom MacAulay  
Assistant City Manager  
City of New Ulm  
100 North Broadway  
New Ulm, MN 56073  
Phone: (507) 359-8233  
Fax: (507) 359-9752

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	2	0	0	0	2	10/1998	05/1999
Design Development	6	0	0	0	6	10/1998	05/1999
Contract Documents	3	13	0	0	16	10/1998	05/1999
Construction Administration	0	6	0	0	6	05/1999	10/1999
<b>SUBTOTAL</b>	11	19	0	0	30		
<b>4. Project Management</b>						05/1999	10/1999
State Staff Project Management	0	0	0	0	0		
Construction Management	0	10	0	0	10		
<b>SUBTOTAL</b>	0	10	0	0	10		
<b>5. Construction Costs</b>						05/1999	10/1999
Site & Building Preparation	0	63	0	0	63		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	375	0	0	375		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	15	0	0	15		
Construction Contingency	0	38	0	0	38		
<b>SUBTOTAL</b>	0	491	0	0	491		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>8. Inflation</b>							
Midpoint of Construction		07/1999					
Inflation Multiplier		10.20%	0.00%	0.00%			
Inflation Cost		53	0	0	53		
<b>SUBTOTAL</b>	0	303	0	0	303	07/1999	07/1999
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	303	0	0	303		
<b>GRAND TOTAL</b>	\$11	\$876	\$0	\$0	\$887		

Grants to Political Subdivisions  
Hermann Restoration Project (New Ulm)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	398	0	0	398
<b>State Funds Subtotal</b>	0	398	0	0	398
Agency Operating Budget Funds	0	40	0	0	40
Federal Funds	0	0	0	0	0
Local Government Funds	11	138	0	0	149
Private Funds	0	300	0	0	300
Other	0	0	0	0	0
<b>TOTAL</b>	<b>11</b>	<b>876</b>	<b>0</b>	<b>0</b>	<b>887</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	398	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
Yes	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign is not required for a project of this nature.

**Department of Finance Analysis:**

The strategic linkage of this project to state services and policy objectives is unclear. The project is viewed as primarily a local-benefit project, with a modest link to state tourism.

This project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. Total funding needs have been reduced with a \$40 thousand grant, which is currently pending from the Minnesota Historical Society. Additional project funding from MHS is not available due to limited resources in the county and local preservation grant program. Grants awarded from this program typically do not exceed \$50-70 thousand per applicant.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>175</b>

**PROJECT LOCATION:** Braemer Park, Edina

**AGENCY PROJECT PRIORITY:** 1 of 1 (Richfield)

**1998 STATE APPROPRIATION REQUEST:** \$2,600

**PROJECT DESCRIPTION:**

Bloomington, Eden Prairie, Edina, Richfield and the Metropolitan Airports Commission propose to construct a training academy comprising state-of-the-art equipment and well-planned spaces necessary to meet the training needs of Minnesota's law enforcement and fire suppression personnel far into the future. The consortium of communities retained Roger Erickson, architect of the Maple Grove/Hennepin County Training Facility, to conduct a pre-design study, which led to an exceptional training academy design, which will provide public safety personnel with the training necessary to attain a high level of safety in law enforcement and fire suppression services. Todd Christopherson, of AMCON Construction Management, plays an equally important role assuring that quality is not compromised while striving to minimize costs.

The construction site of this training academy is Braemar Park in Edina. This ideal location, next to the highway 494 and 169 interchange, will offer personnel quick and easy access. Surrounded by a municipal ice arena, golf course and woods, this site will be sheltered from unnecessary public exposure and will not impact any residential neighborhoods. A training academy located in the Twin Cities is most ideal and essential considering the density of the population and the large number of public safety departments that serve the area. In addition, the cost savings resulting from less travel time for Metropolitan public safety personnel will decrease the costs of training.

The academy will include 2 state-of-the-art OSHA and EPA compliant ranges. The firearms range will consist of 13 lanes, 3 of which will accommodate high-velocity rifles. An integral feature of this range will be the ability to proceed down range and shoot in a 180-degree arc, if within 40 feet of the bullet trap. This will allow scenarios to more accurately depict real life situations. The second range, the decision shooting range, will be used for Live-Fire Decision Training, which projects law enforcement scenarios onto a screen requiring the officer to respond appropriately with his/her firearm. Decision shooting is a critical aspect of public safety training, often neglected due to the lack of technologically advanced training facilities. This range will also serve as a more cost effective range for use by smaller training groups.

Also included in this academy are several training rooms designed for specific types of law enforcement training. The defensive tactics room will have floor and wall mats to allow hand-to-hand combat training and roughhousing without injury. An

asp/baton training room has been designed with a raised ceiling to allow an asp/baton to be freely swung and batted about the room. The simulation room will include an Apogee computer system which trains officers in decision making by projecting law enforcement scenarios onto a screen and requiring the officers to respond with a laser gun. A driver training simulator, also located in the simulation room, will confront officers with numerous driving situations. Each of these rooms, when not being used, will accommodate other types of training.

Fire suppression personnel will be provided with a state-of-the-art live-fire training structure. This structure will simulate fires in 3 buildings found throughout communities: a 2 story residential, a 2 story commercial and 7 story apartment. Technologically advanced live-fire burners in this structure provide excellent live-fire training, which responds appropriately to fire fighting efforts and reacts as a real fire would. This live-fire structure has additional features to allow the following training to be conducted: horizontal and vertical shaft rescue, roof chopping, confined rescue, mask maze, ladder work and basement and attic fires. A burn pit and trench/cave rescue will also be located on site for live-fire training.

The South Metro Training Academy offers a professional and academic environment for learning to occur. Two classrooms, designed to handle 40 and 60 people seated, will include other amenities to assist the instructor in teaching. Audio-visual capabilities are one of the amenities which will grant the instructor flexibility using various educational resources. Training will often commence in the classroom and proceed into the firing range or fire tower for practical application.

These 5 entities, despite having already contributed and earmarked \$5.1 million for the construction of the training academy, are unable to fund the total bill. Therefore, these communities and the Metropolitan Airports Commission are seeking a grant of \$2.6 million to use in conjunction with other funds to construct this state-of-the-art training academy. These communities sought \$2 million for funding in the 1996 State Bonding Bill but were not awarded any funds. Since the 1996 funding proposal, significant changes have been made and a more comprehensive training academy plan has been developed which will better meet the training needs of Minnesota's public safety departments.

Funding for furniture, fixtures and equipment may seem exorbitant. However, in creating a state-of-the-art training academy, a significant amount of money is invested in technologically advanced training equipment and complex computer systems. This technologically advanced training equipment will provide public safety personnel with outstanding training opportunities far into the future. Failure to properly equip this academy will perpetuate the current training difficulty of having obsolete training facilities unable to accommodate state-of-the-art equipment. Some of the more expensive equipment costs in this academy include the Caswell firearms range equipment and ventilation system costing \$464 thousand, the fire structure burners at \$885 thousand and the driver training simulator at \$77 thousand.



If funding is not obtained through the State Bonding Bill, the academy will have to be scaled back. Scaling back this training academy will eliminate many of the benefits which this academy can offer public safety personnel. The costs for training will continue to increase as Minnesota public safety departments have no choice but to send personnel out-of-state for training and incur expensive training costs.

#### PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:

##### *Strategic Linkage*

There are several inherent qualities of the south Metro Training Academy that harmonize with goals which have been espoused by the state and Governor Carlson. One of the goals which communities are encouraged to initiate and implement is cooperating among neighboring communities. In this case, Bloomington, Eden Prairie, Edina, Richfield and the Metropolitan Airports Commission, rather than constructing separate fire towers and firing ranges, have pooled resources to construct a training academy which will present training opportunities to public safety personnel throughout the state. By coordinating construction of a training academy, these 5 communities have a high quality, state-of-the-art training facility which would not have been possible had each community individually constructed a facility. Consequently, this academy will be marketable to outside public safety departments for use in training.

Another of Minnesota's statewide goals is to foster economic development while also providing for the well-being of the environment and the community. The previous Edina gun range, contaminated with high levels of lead, has been shut down and the lead contaminated top soil removed. The South Metro Training Academy is designed with extensive ventilation systems which recycle the air and filter out the harmful lead contaminates. The fire burn system likewise provides the most environmentally safe method for conducting fire suppression training. The Braemar site for this training academy is surrounded on the south and east sides by woods and has a municipal ice arena and steep hill on the 2 remaining sides. This site does not impact any residential neighborhoods and will provide a discrete location which is easily secured from the public.

The *Minnesota Milestones: 1996 Progress Report* has established a goal of creating communities which are safe, friendly and caring. Unfortunately the 1996 report showed that this trend has moved in the negative direction of the desired result. Public safety personnel are individuals who neighborhoods should be able to rely on to be safe, friendly and caring. When neighborhoods experience domestic violence, law enforcement personnel respond to provide safe, friendly and caring assistance. When individuals are caught in the midst of a fire, firefighters provide safe, friendly and caring assistance to rescue individuals from fires. Well-trained public safety personnel can make a difference in creating safe, friendly, and caring communities.

##### *Current training conditions*

The communities of Bloomington, Eden Prairie, Edina and Richfield and the Metropolitan Airports Commission provide fire and police protection to over 215,000 residents, and the Metropolitan Airports Commission provides security for 30,000 airport employees and 29,000,000 people traveling annually through the St. Paul/Minneapolis International Airport. Together these communities are responsible for providing police and fire training to 294 law enforcement officers and 326 fire fighters.

The POST (Police Officer Standards in Training) Board and the NFA (National Fire Administration) requires these 4 communities and the Metropolitan Airports Commission to provide fire and police personnel with specific amounts of certain types of public safety training. The amount of training required for each police officer is similar among all departments. All new Bloomington police officers must receive 242 hours of training, while after the first year each officer must receive 38 hours of continuing education. A member of the Emergency Response Unit must receive, in addition to the 38 hours, an additional 72 hours of training. Ongoing training requirements total over 2.5 weeks per year for each of these patrol officers. Fire suppression personnel are subjected to equally rigorous training requirements and, in an attempt to meet these requirements, incur exorbitant costs for training.

The lack of training facilities has become more acute for law enforcement personnel in the South Metropolitan Twin Cities since the August closure of the Whipperman Gun Range in Edina. Likewise, for fire suppression personnel, the only live-fire training site among these 5 communities is an obsolete tower in Bloomington, which raises safety concerns, is very limited in the type of fuel which may be used, is restricted to the time of day when training can occur, and is in need of financially burdensome repairs. The lack of state-of-the-art training facilities in Minnesota to attract nationally renowned training providers has induced communities to send public safety personnel out of state for high quality training while also incurring additional travel and lodging costs. Bloomington, for instance, sends 25 officers annually to out-of-state training, which, on the average, lasts 6 days.

Lastly, modern day training facilities are severely limited in the variety of training that can be offered. Modern firearm ranges typically involve shooting at a target 65 feet directly in front of the officer while current fire training practices involve burning a bale of hay in a garage. The scenarios fail to depict the numerous other factors that influence the performance and safety of public safety personnel. The South Metro Training Academy will depict these factors and provide public safety personnel with a more realistic training experience. For instance, decision shooting, which train officers in making wise split-second decisions, is critical to law enforcement safety. Decision training equipment is just one of the many pieces of training equipment that allows life threatening lessons to be learned in the classroom environment, therefore avoiding the life threatening consequences that may result from a bad decision in the field. Many police departments neglect this training because existing facilities

are not equipped with the necessary technology.

***Project Outcome***

The South Metro Training Academy will increase the safety of fire and police personnel, as well as citizens, involved in emergency situations. This will be achieved by providing public safety personnel with access to a high quality state-of-the-art training academy equipped to expose personnel to numerous law enforcement and fire suppression scenarios. With the proper training facility available to public safety departments throughout Minnesota, more personnel will learn from their mistakes in a controlled classroom environment without suffering the deadly consequences of learning on the job. Safety will be increased for citizens by providing emergency services which are more professionally qualified to deal with a diverse range of emergency situations and, more importantly, to extinguish potentially harmful situations before they occur.

This academy will also provide cost savings for those departments training at this academy. Currently personnel are sent out of state to obtain quality training, incurring additional travel and lodging costs. The South Metro Training Academy will invite out-of-state training instructors to host training seminars at the academy and will have an extensive marketing plan inviting public safety departments throughout Minnesota to attend training without excessive travel and lodging costs. With a state-of-the-art training academy in Minnesota, public safety personnel will be able to attend the academy, train for the day and return home that evening. The cost efficiency, enabling communities throughout Minnesota to spend less on training, will provide a larger number of public safety personnel with superior training opportunities.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating costs are being requested with this project. The annual operating budget for the academy is projected to be \$227 thousand. Initially these costs will be divided evenly among the participating communities. However, the long-term strategy is that these operating costs will eventually be paid by the revenue earned from outside rental.

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

Mr. Jim Prosser  
Richfield City Manager  
6700 Portland Avenue  
Richfield, MN 55423-2598  
Phone: 861-9705  
Fax: 861-9749  
E-mail: jprosser@ci.richfield.mn.us

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$500	\$0	\$0	\$0	\$500		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	500	0	0	0	500		
<b>2. Predesign</b>	16	0	0	0	16	10/1996	03/1997
<b>3. Design Fees</b>							
Schematic	30	0	0	0	30	10/1997	11/1997
Design Development	50	0	0	0	50	11/1997	12/1997
Contract Documents	169	0	0	0	169	01/1998	03/1998
Construction Administration	0	85	0	0	85	05/1998	03/1999
<b>SUBTOTAL</b>	249	85	0	0	334		
<b>4. Project Management</b>						11/1996	03/1999
State Staff Project Management	0	0	0	0	0		
Construction Management	0	139	0	0	139		
<b>SUBTOTAL</b>	0	139	0	0	139		
<b>5. Construction Costs</b>						06/1998	03/1999
Site & Building Preparation	300	0	0	0	300		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	3,782	0	0	3,782		
Infrastructure/Roads/Utilities	0	200	0	0	200		
Hazardous Material Abatement	250	0	0	0	250		
Construction Contingency	0	295	0	0	295		
<b>SUBTOTAL</b>	550	4,277	0	0	4,827		
<b>6. Art</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	1,628	0	0	1,628	09/1998	03/1999
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	20	0	0	20	09/1998	03/1999
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	1,648	0	0	1,648		
<b>8. Inflation</b>							
Midpoint of Construction		10/1998					
Inflation Multiplier		6.50%	0.00%	0.00%			
Inflation Cost		400	0	0	400		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>9. Other</b>							
<b>GRAND TOTAL</b>	\$1,315	\$6,549	\$0	\$0	\$7,864		

Grants to Political Subdivisions  
South Metro Public Safety Training Academy

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,600	0	0	2,600
<b>State Funds Subtotal</b>	0	2,600	0	0	2,600
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	1,315	3,749	0	0	5,064
Private Funds	0	200	0	0	200
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,315</b>	<b>6,549</b>	<b>0</b>	<b>0</b>	<b>7,864</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
Expenditure Subtotal	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	2,600	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

**Department of Finance Analysis:**

The strategic linkage of this project to state services and policy objectives is unclear. However, by allowing access to the facility by other municipalities, the project is viewed as having potential for regional significance.

This request is in compliance with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the local sponsoring organization should prepare and finance a predesign study prior to consideration of this request for any funding in the 1998 legislative session.

The department also has concerns about the precedent that will be established with state funding of local public safety facilities. Equity considerations should be anticipated. State funding of this request will most likely result in similar requests from other local jurisdictions.

The possible linkage of this request with the Camp Ripley training facility as currently proposed by the Minnesota State Patrol should be explored. The State Patrol anticipates that a public safety training facility, if it were approved and funded in the 1998 legislative session, might be available to local governments for similar training activities.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	60
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>240</b>

**PROJECT LOCATION:** St. Paul

**AGENCY PROJECT PRIORITY:** 1 of 2 (Metropolitan Council)

**1998 STATE APPROPRIATION REQUEST:** \$12,000

**PROJECT DESCRIPTION:**

This request is to design and construct a new bus garage to replace the current facility at Snelling Avenue and I-94, which is 90 years old. The proposed location is in the southwest corner of the intersection of University Avenue and Lafayette. Project timelines are as follows:

Planning	1992-present
Site selection, land acquisition	1997
Design	1997-1998
Construction	1998-1999
Completion	April 2000

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The Metropolitan Council's *Regional Blueprint*, as *Revised 12/19/96*, page 56, shows the Council's commitment to transit: "Emphasize and promote transit services which preserve and enhance neighborhood stability and which reduce automobile dependence to improve air quality..." The *Regional Blueprint* also states: "The Council will give priority for funds for regional systems to maintaining, upgrading, and replacing system facilities serving existing urban development to make the best use of investments the region has already made."

The existing garage, which is need of replacement, is the furthest east facility in the Metropolitan area. To reach the east side of St. Paul and other service areas further east, buses must run long stretches of dead head or unproductive miles. This increases operating costs with no increase in service. A new garage further to the east will reduce operating costs and provide more reliable service.

In addition, an architectural study done in 1993 found over \$9 million in facility deficiencies which need to be corrected. The annual cost for repair, maintenance, and upkeep were estimated at \$270 thousand. Assuming the \$9 million of improvements were spread over 10 years, those costs plus the annual costs combine for an estimated annual cost of \$1.485 million for 10 years (adjusted for inflation).

There are also substantial OSHA violations and limitations on the building which increase the health risk to council employees. In addition, due to the OSHA restrictions, the number of buses which can be housed at the existing facility must be reduced in the winter and moved to other garages further west. This increases the operating costs to service St. Paul and further east.

*Project Alternatives:*

- Option 1:** the continued repair and maintenance of the existing garage,  
**Option 2:** moving service to existing garages, or  
**Option 3:** purchasing an existing garage or facility which could be modified to fit Metro Transit's needs.

Option 1 is estimated to cost over \$1.5 million per year to keep the existing garage open another 10 years. This garage is also experiencing OSHA violations that would need to be addressed.

Option 2 is not viable due to size constraints at the other garages and logistics; a garage is needed in St. Paul to serve the east metro region.

Option 3, due to the nature and size of the proposed garage, no existing facility has been found that would be adequate.

*Financing:*

This project will use a combination of state and federal funds:

State bonds*	\$10 million
State bonds**	\$12 million
Federal	\$ 6 million
	\$28 million

\* Approved in 1994 legislative session, Chapter 643, Sec. 15, Subd 7

\*\* Current request

The original state bond funds have not been used since additional federal monies did not materialize at that time and regional bonding authority was not sufficient enough to address this need. Regional bonding authority continues to be limited because of the impact on property taxes; so the existing bonding authority has been primarily focused on serving riders through fleet replacement, park and rides and transit hubs.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

There are no expected operating revenues. Estimated operating expenditures are as follows:

	<u>New Garage</u>
Administration and Clerical Labor	\$0.7 million
Maintenance Labor	\$2.4 million
Driver Labor	\$9.8 million
Building Maintenance Facility	\$0.2 million
Gas & Electric Utilities	<u>\$0.4 million</u>
	\$13.5 million

Note that labor costs at the new garage will be lower than those at the Snelling garage proportional to the smaller size of the garage; some service (and associated expense) will have shifted to other garages. We expect to see up to \$100 thousand a year in savings due to fewer deadhead bus miles being driven because of the better location of the garage within the route structure. We would also save over \$1 million per year in major maintenance expenses (these would be a mix of operating and capital expenses).

**OTHER CONSIDERATIONS:**

This project, if funded, would be located adjacent to the proposed support services building of the Department of Administration. Design and operating efficiencies could be achieved if both projects were funded simultaneously. Please see the associated project request of the Department of Administration, as included in their agency capital budget request package.

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

Finance Issues:  
Metropolitan Council Transit Operations  
Robert Thompson  
Finance Director  
560 Sixth Avenue North  
Minneapolis, MN 55411-4398  
Phone: 349-7701  
Fax: 349-7754  
E-Mail: internet:bob.thompson@metc.state.mn.us

Engineering and Design:  
Metropolitan Council Transit Operations  
John Bryan  
Facility Engineer  
Overhaul Base  
515 North Cleveland  
St. Paul, MN 55114  
Phone: 349-5080  
Fax: 349-5069  
E-Mail: internet:john.bryan@metc.state.mn.us

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						08/1997	03/1998
Land, Land and Easements, Options	\$2,000	\$1,200	\$0	\$0	\$3,200		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	2,000	1,200	0	0	3,200		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	700	0	0	0	700	09/1997	11/1997
Design Development	300	200	0	0	500	11/1997	03/1998
Contract Documents	0	200	0	0	200	03/1998	05/1998
Construction Administration	0	200	0	0	200	06/1998	11/1999
<b>SUBTOTAL</b>	1,000	600	0	0	1,600		
<b>4. Project Management</b>						06/1997	12/1999
State Staff Project Management	0	0	0	0	0		
Construction Management	0	700	0	0	700		
<b>SUBTOTAL</b>	0	700	0	0	700		
<b>5. Construction Costs</b>						03/1998	10/1999
Site & Building Preparation	0	779	0	0	779		
Demolition/Decommissioning	0	600	0	0	600		
Construction	7,000	11,100	0	0	18,100		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	1,000	0	0	1,000		
<b>SUBTOTAL</b>	7,000	13,479	0	0	20,479		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	0	0	0	0	10/1999	04/2000
Telecommunications (voice & data)	0	250	0	0	250	10/1999	04/2000
Security Equipment	0	100	0	0	100	10/1999	04/2000
Commissioning	0	150	0	0	150	10/1999	04/2000
<b>SUBTOTAL</b>	0	500	0	0	500		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>							
<b>9. Other</b>						10/1999	04/2000
<b>SUBTOTAL</b>	0	1,521	0	0	1,521		
<b>GRAND TOTAL</b>	\$10,000	\$18,000	\$0	\$0	\$28,000		



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
Dollars in Thousands (\$137,500 = \$138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	10,000	12,000	0	0	22,000
<b>State Funds Subtotal</b>	10,000	12,000	0	0	22,000
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	6,000	0	0	6,000
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>10,000</b>	<b>18,000</b>	<b>0</b>	<b>0</b>	<b>28,000</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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 1994, Chapter 643, Sec. 15, Subd 7	10,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

**Department of Finance Analysis:**

Metropolitan Council Transit has not previously submitted a six year plan. However, Minnesota Laws 1994, Chapter 643, Section 15, Subdivision 7 provided \$10 million to the Department of Transportation for a grant for Metro Council Transit capital improvements. These funds have not yet been spent but are apparently intended to replace the Snelling Garage facility and will be added to the current \$12 million request to construct a new St. Paul garage.

Metro Council Transit is not a state agency but does receive state grants for transit operating assistance in the operating budget. The Metropolitan Council has authority to issue its own bonds. At this point, it is unclear as to how MTC prioritizes its existing bonding capacity, and why state bonding assistance is needed when MTC can issue its own bonds.

The project has received a substantial safety and code concern score to reflect potential OSHA violations and structural deficiencies of the current facility.

Opposition to the proposed location of the new site in the St. Paul Phalen corridor has been voiced at a recent public hearing by adjacent east side business owners.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	70
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	21
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>291</b>

**This page intentionally left blank.**

**PROJECT LOCATION:** Metro Transit Headquarters, Minneapolis

**AGENCY PROJECT PRIORITY:** 2 of 2 (Metropolitan Council)

**1998 STATE APPROPRIATION REQUEST:** \$4,500

**PROJECT DESCRIPTION:**

This project is for the planning, designing, construction/remodeling and equipping with a communications console and displays of the Transit Control Center of Metro Transit. The project will be located in the Metro Transit Headquarters building located at 560 Sixth Avenue North in Minneapolis. This project is part of a larger project to add Metro Transit to the 800 MHz region-wide communication system.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The mission of the Metropolitan Council, as defined in the *Regional Blueprint*, is to provide leadership in the effective planning of regional growth and redevelopment, and in the delivery of quality regional services. Metro Transit is implementing strategies that call for building a strong Core and Hub Oriented Transit System, that provides a basic level of mobility for all people in the greater Twin Cities area.

The Metropolitan Council manages and provides fixed route, ridesharing and paratransit services throughout the Twin Cities metropolitan area. Each year, Metro Transit buses serve about 60 million passenger trips over 29 million miles of regular route daily bus services.

The overall project of tying Metro Transit to the 800 MHz region-wide communication system focuses on the need to improve driver and customer safety/security by providing more efficient police response to incidents and better utilization of staff and transit fleet to improve the transit schedules and service reliability for transit customers.

The Twin Cities metropolitan area will add over 600,000 new residents over the next 20 years, increasing the demand for transportation and the need for alternatives to the single occupancy car. The transit system will need to carry more passengers. And as the metropolitan area sprawls into lower density areas of the suburbs, the transit system needs to adjust accordingly. The use of existing and new resources will have to be more efficient and effective to serve this need. The communications system will enable the system to be managed more effectively while improving safety for passengers and drivers.

The project involves the remodeling and equipping of the Transit Control Center. It will be a 4,500 square foot space with state-of-the-art technology in the console electronics and hardware. This is the portion of the project requested for state funding (\$4.5 million). The balance of the project involves equipping buses, police cars and other vehicles with 1300 radios, providing off-site backup and consulting assistance (\$11.5 million).

The state legislature has encouraged regional cooperation for the 800 MHz communications system project. The Metropolitan Radio Board, part of the Metropolitan Council, has adopted a Region-wide Public Safety Radio Communications System Plan that will be the basis for constructing an integrated regional 2-way radio system that, by sharing limited radio frequencies, will have the capacity to serve all public safety users in the Twin Cities area, and by sharing expensive infrastructure will provide higher quality services to Metro Transit and other users at a lower cost. Participants include MnDot, Hennepin county, city of Minneapolis and the Metropolitan Council. The system is a key element in improving public safety in the region.

The current communications system does not have enough channel capacity to meet current and future needs. The equipment has exceeded the normal life expectancy. Components exist from original installation in 1978. It is not digital technology. The system has limited coverage and dead spots. It is very susceptible to noise and intermodulation. The Transit Control Center and Console is not ADA compliant and does not have enough space to meet the space requirements of the replacement system.

The new 800 MHz communications system will enhance driver and passenger safety/security. The system will include Silent Alarm, Covert Mic, and Emergency Voice Call capability. It will increase the channel capacity and greatly increase coverage area. It will allow for more specialized function/radio usage and is digital in nature. It allows for interagency communications with other public safety and emergency organizations.

The center has the required space for 800 MHz communications system hardware/software and will be designed to be ADA compliant.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

This project will have no impact on the state operating budget. This project has no direct revenues. It will contribute to increased ridership and revenue by helping to provide a better product which will attract customers but it is hard to quantify. No new state operating funds are being requested.

**OTHER CONSIDERATIONS:**

If the current radio system remains in place, problems resulting from Federal Communications Commission regulations would in the near future compel Metro Transit to switch or change radio systems.

Metro Transit, with implementation of this project, is attempting to replace radio system hardware and software that is up to 19 years old. Technology has changed significantly in recent years. For example, the current dataset in a Metro Transit bus is only able to transmit 300 bits/sec. Current technology allows data to be transmitted many times faster at 19 kbs/sec.

The additional data gathered from this system will provide service planners valuable information which they will use to plan bus routes and schedules. This project will enhance driver safety and security to bus drivers, and will provide valuable information to route planners and schedulers.

The project request for the Transit Control Center is \$4.5 million. The total project for linking Metro Transit into the 800 MHz Regional Communications System is as follows (in \$000):

Consultation Services		\$222	
Transit Control Center			
Remodeling	\$900		
Equipment			
Console Furniture	143		
Console Electronics & Hardware	3,057		
Wall Displays	<u>400</u>		
	\$3,600	4,500	
* Radios (1,300)		11,128	
* Off-site Backup		<u>150</u>	
<b>Total Budget (in \$000)</b>		<b>\$16,000</b>	

\* These costs are reflected as "Other" on the Project Cost Summary.

The project will use a combination of state and federal funds:

State Bonds	\$ 4.5 million
Regional Bonds	4.3 million
Federal	6.0 million
Unknown	<u>1.2 million</u>
	<b>\$16.0 million</b>

Regional bonding authority continues to be limited because of the impact on property taxes; so the existing bonding authority has been primarily focused on serving riders through fleet replacement, park and rides and transit hubs.

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

Gary Nyberg  
Lead Supervisor, Transit Control Center  
Metropolitan Transit Operations  
560 North 6th Ave.  
Minneapolis, MN 55441  
Phone: (612) 349-7303  
FAX: (612) 349-7316  
E-Mail: Internet:gary.nyberg@metc.state.mn.us

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	118	0	0	118	06/1997	12/1997
<b>3. Design Fees</b>							
Schematic	0	20	0	0	20	12/1997	01/2001
Design Development	0	21	0	0	21	12/1997	01/2001
Contract Documents	0	16	0	0	16	12/1997	01/2001
Construction Administration	0	47	0	0	47	12/1997	01/2001
<b>SUBTOTAL</b>	0	104	0	0	104		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0	06/1995	01/2001
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>							
Site & Building Preparation	0	0	0	0	0	04/1998	12/1998
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	900	0	0	900		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
<b>SUBTOTAL</b>	0	900	0	0	900		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	143	0	0	143	01/1999	12/1999
Telecommunications (voice & data)	0	3,457	0	0	3,457	01/1999	12/1999
Security Equipment	0	0	0	0	0	01/1999	12/1999
Commissioning	0	0	0	0	0	01/1999	12/1999
<b>SUBTOTAL</b>	0	3,600	0	0	3,600		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>							
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	11,278	0	0	11,278	06/1999	05/2001
<b>GRAND TOTAL</b>	\$0	\$16,000	\$0	\$0	\$16,000		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
Dollars in Thousands (\$137,500 = \$138 thousand)

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	4,500	0	0	4,500
<b>State Funds Subtotal</b>	0	4,500	0	0	4,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	6,000	0	0	6,000
Local Government Funds	0	5,500	0	0	5,500
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	0	16,000	0	0	16,000

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	4,500	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document has not been submitted. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

Metro Council Transit is not a state agency but does receive state grants for transit operating assistance in the operating budget. The Metropolitan Council has authority to issue its own bonds. At this point, it is unclear as to how MTC prioritizes its existing bonding capacity and why state bonding assistance is needed when MTC can issue its own bonds.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	72
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>272</b>



**This page intentionally left blank.**

**PROJECT LOCATION:** 7 Metro Counties plus Isanti & Chisago Counties

**AGENCY PROJECT PRIORITY:** 1 of 1 (Metropolitan Radio Board)

**1998 STATE APPROPRIATION REQUEST:** \$18,700

**PROJECT DESCRIPTION:**

All public agencies using 2-way radio communications will need to move to narrowband systems and replace their existing wideband equipment because the FCC is narrowing bandwidth to increase the number of channels available in an effort to meet the demand for radio channels to serve a wide range of private and public functions. The FCC also requires that channels be used more efficiently by sharing channels among jurisdictions through trunking technology. The legislature has determined that the most cost-effective way to do that is to establish an integrated region-wide radio system that shares sites, equipment and the limited number of 800 MHz public safety radio channels allocated to the metropolitan area by the FCC.

The Radio Board is working with the state of Minnesota and local governments in the metropolitan area to construct the first phase of an integrated digital trunked 2-way public safety radio system serving all public safety agencies operating in the 7 county area plus Isanti and Chisago counties. Funding for the first phase was provided by the legislature in 1995 (\$13 million local/regional) and 1996 (\$15 million state), based on preliminary cost estimates prepared by the board's engineer. The vendor recommended for contract award has agreed to provide a basic system that comes within the projected costs. Additional options, including a beefed-up microwave system and second controller, were priced as options in RPF process.

This request is for an additional \$3.7 million to purchase a second back-up computer controller for the regional backbone in infrastructure and \$15 million to assist local units of government in purchasing the infrastructure and radios necessary to operate on the new digital trunked 800 MHz backbone.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Controller:

The second controller will provide automatic backup for the system in the event that a catastrophic event or natural disaster damages or destroys the first controller. It will also provide capacity needed to expand the system to Greater Minnesota because the 2 controllers will have enough capacity to serve all public safety agencies in the state.

With the exception of limited capital funds from 911 revenues, no other sources of capital funding was provided to the board in its authorizing legislation. The board will be using any surplus 911 revenues to fund its share of the microwave enhancements, but it has no funds available to it for funding the second controller. The board is prohibited from charging user fees to local governments unless and until they use the system which effectively limits the board from raising capital funds in advance of system operation. The board must therefore request additional funding from the state.

In addition to providing fail-safe service for all users, the expanded capacity provided by the second controller will make it possible to extend the backbone throughout the state without adding additional computer capacity. Purchasing a backup controller as part of the initial system will save the costs of retrofitting later when the system is expanded statewide and additional capacity is needed.

Grants:

The board's system plan assumes that local governments will pay for their own equipment and radios. In the past, these costs were paid for by state and federal grants which are no longer available. To provide an incentive for jurisdictions to join the system, the board proposes to use grants to reward communities that join early and reduce the system's costs to patch old systems electronically to the new system.

Costs to retrofit for late participants will also be minimized. The board also wants to use grants to encourage consolidation of dispatch facilities, recognizing that significant savings in both infrastructure and personnel can be achieved with no degradation of service by consolidation.

The board's criteria for awarding grants will require that the local government or emergency medical services agency provide at a minimum a 50% match for the state grant funds. In many instances, the match is expected to be much greater; for example, Hennepin County and the city of Minneapolis have budgeted approximately \$29 million and \$9 million respectively for their participation in the region-wide system. The board's criteria will also recognize cost savings inherent in minimizing the number of interoperability connections; the potential for equipment and personnel savings possible by consolidation of dispatch centers; the need to bring critical public safety users onto the system as quickly as possible and the need/financial resources of individual users when making grants/loans for assistance.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No impact on state or local operation budgets. Early participation in the region-wide system will reduce capital costs for the region-wide backbone; consolidation of local dispatching will significantly reduce local operating costs.

**OTHER CONSIDERATIONS:**

Deferral or no action on the back-up controller results in more risk of system failure in a catastrophic event or natural disaster. Deferral adds more costs later for retrofitting. Deferral or no action on the grant program will result in less effective management of communications in major emergencies or disaster and higher long-term costs for the project.

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

Pat Pahl  
Radio Project Manager  
Metropolitan Radio Board  
230 East 5th Street  
Mears Park Centre  
St. Paul, MN 55101  
Phone: (612) 602-1392  
Fax: (612) 602-1404  
Email: pat.pahl@metc.state.mn.us

Grants to Political Subdivisions  
800 MHz Radio System (Metro Radio Board)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
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		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>							
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		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	0	0	0	0		
Telecommunications (voice & data)	28,000	18,700	0	0	46,700	12/1997	08/2003
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	28,000	18,700	0	0	46,700		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>							
<b>GRAND TOTAL</b>	\$28,000	\$18,700	\$0	\$0	\$46,700		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	15,000	18,700	0	0	33,700
<b>State Funds Subtotal</b>	15,000	18,700	0	0	33,700
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	13,000	0	0	0	13,000
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>28,000</b>	<b>18,700</b>	<b>0</b>	<b>0</b>	<b>46,700</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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	
Laaws of MN 1996, Chapter 463, Sec. 19, Subd. 3	15,000

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	18,700	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.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (Legislature)
Yes	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
No	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign does not apply to projects of this nature.

**Department of Finance Analysis:**

The Department of Finance generally recommends that local units of government share project costs through at least a 50% non-state funding match. In this case, however, the department has concerns about the use of any state funds for this proposed local grant program.

When bonding funds for the 800 MHz system were requested in the 1996 legislative session, the proposal reflected that state and local governments would share project costs of the backbone system. With that in mind, the 1996 Legislature appropriated \$15 million in general obligation bonds and trunk highway funds to match an approximate share of Met Council/local funds. The expectation was that the state would fund its share of equipment costs for the departments of Transportation and Public Safety (which it did in the 1997 legislative session) and local governments would fund their costs independently.

In addition, the Department is concerned about the proposed \$3.7 million cost for the back-up computer. Why was this cost not presented in the 1996 request and why now is the state being asked to pay 100% of the cost, given the previous cost-sharing approach?

Finally, the portion of this request dealing with equipment and radio grants would seem to be more appropriately requested as a general fund item, rather than general obligation bonding (due to potential bondability constraints).

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>195</b>

**This page intentionally left blank.**

**PROJECT LOCATION:** City of Nashwauk

**AGENCY PROJECT PRIORITY:** 1 of 1 (Itasca County)

**1998 STATE APPROPRIATION REQUEST:** \$2,036

**PROJECT DESCRIPTION:**

The Itasca School-to-Work Technology Center will be the focal point of a coordinated technical education program designed to train youth and retrain adults for technical careers in regional industries. The center will merge secondary and post-secondary educational approaches so that:

- a. high school students can undertake a technical curriculum focused on an industrial career that prepares them for subsequent employment, enhanced training, and follow-through college level education; and,
- b. adults, both those new to the workforce and those already employed in a target industry, can receive ongoing training and retraining to gain employment or enhance existing skills.

The center will be matched by a similar (but separate) operation at the western end of the Iron Range.

The center's educational program is complemented by 3 other features:

1. Itasca County Human Services office focusing on welfare to work programs and services;
2. integrated business incubator space for new enterprises that require technically skilled workers; and,
3. technical research and information center fully connected to the Internet.

The center will occupy both existing technical space at Nashwauk-Keewatin High School and new space attached to the high school. The new space will consist of highly flexible training rooms outfitted with industry donated equipment of the type actually used in regional industrial operations. Other features of the center are: classrooms including 1 outfitted for CAD/CAM, business incubator space, technical library, meeting space, day care, offices and support space. Interactive TV services will be wired into the complex to permit students cooperating with Nashwauk on shared learning can remotely access the center.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The iron mining industry, the dominant economic sector on the Iron Range, is facing significant workforce changes over the next decade:

- More than 3,400 taconite industry jobs will open up over the next 10 years. Projected retirements from an aging workforce mean about 55% of the industry's current 6,160 jobs could become available between 1997 and 2006.
- The massive steel industry downturn of the 1980s resulted in the layoff of thousands of young employees. This left mostly senior employees working at the taconite plants. These workers form the core of the ones reaching retirement age in the coming decade.
- About 2,500 of the job openings will come into the crafts and operations classifications. Welders, machinists, maintenance personnel, electricians, millwrights and truck drivers will be in high demand.
- Taconite plant jobs are among the highest paying on the Iron Range with good fringe benefits.
- The mining industry wants and needs workers with the appropriate skills, knowledge, values and attitudes.

In the eastern Itasca County area both National Steel and the Steelworkers Union conducted strategic planning efforts driven by the looming workforce transition and reached similar conclusions. They turned to the local secondary and post-secondary educational institutions for advice and assistance.

At the same time federal and state welfare reform actions drastically reshaped the philosophy and focus of social services. Further, Minnesota launched its School-to-Work initiative on enhancing technical education programs especially through intensive partnership ventures.

The proposed School-to-Work Technology Center addresses a critical and significant regional economic situation with an approach that fully integrates major educational and social initiatives.

The center implements core components of each of the project cooperators' strategic and capital plans:

- Itasca County: The county is the fiscal agent for the initial construction process. The county will relocate its Itasca Resources Center offices to the new center (consolidating the existing offices in Nashwauk and Keewatin).
- Itasca Community College: ICC's commitment to collaborative efforts is key to the project. ICC will provide the post-secondary education component of the project and serve as the integrating entity for future expansions of the concept.



- ISD 319: Nashwauk-Keewatin schools will own and be responsible for the physical site and provide the secondary education component. ISD 319 will provide bond financing for the project.
- City of Nashwauk: The city will operate the business incubator and, in conjunction with the school, operate the joint school-city library within which is housed the technology research and information center component of the project.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. The Nashwauk-Keewatin school district (ISD 319) will have additional operating costs due to this project. The district has the fiscal resources for these costs (which, in part, will be covered by office rentals and program fees).

The project will not have any significant impacts on Itasca Community College's operating budget. The educational services to be provided at the center will be covered by student fees and other ongoing sources of revenues.

The City of Nashwauk will incur new operating expenses for the incubator and research center. The city expects to recoup the incubator costs through rents. The research center/library expenses will be covered by community library funding sources and city general revenues.

Itasca County expects to save operating costs by consolidating 2 offices into the single new office at the center.

**OTHER CONSIDERATIONS:**

The heart of this project is its creative blend of active private-public and public-public partnerships. First, there is the partnership of Itasca County, ICC and ISD 319 to establish the Technology Center. Second, there is the direct involvement of National Steel as provider of training equipment and as partner in the secondary and post-secondary training/retraining programs. Third, there is the cooperative venture of the City of Nashwauk and ISD 319 to establish a joint library within which is housed the center's technical research facility. Fourth, there is the city/school partnership whereby the city's business incubator is housed where it can take advantage of the worker training and business assistance functions of the center.

This project is not an isolated, one-time activity. It is the first cooperative school-to-work initiative in a series that will follow in Itasca County utilizing the same

coordinating component of the county and ICC. Additional centers with other school-to-work emphasis may develop using this model and structure in other schools. This center also is mirrored by similar proposals for the eastern region of the Iron Range.

While the project is aimed at resolving the emerging labor shortage in the existing mining industry, it is capable of handling additional related career training and retraining needs. There is a strong likelihood that a direct reduction iron making plant will locate in the area; with it will come the immediate need to provide upwards of 150 skilled workers and the ongoing need to keep them well trained.

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

**Project Contact:**

Robert Olson, County Coordinator  
Itasca County Courthouse  
123 NE 4th Street  
Grand Rapids, MN 55744  
Phone: 218-327-2847  
Fax: 218-327-2848  
Email: robert.r.olson@state.mn.us

**Post-Secondary Education Contact:**

Joe Sertich, President  
Itasca Community College  
1851 E Highway 169, Grand Rapids, MN 55744  
Phone: 218-327-4461  
Fax: 218-327-4297  
Email: jsertich@it.cc.mn.us

**K-12 Education Contact:**

John Klarich, Superintendent  
Phone: 218-885-2705  
Fax: 218-885-1152

**Local Government Contact:**

Robert Fragnito, Mayor  
City of Nashwauk, 301 Central Avenue  
Nashwauk, MN 55769  
Phone: 218-885-1210  
Fax: 218-885-1305  
Email: fragasso@uslink.net

Grants to Political Subdivisions  
Itasca School-to-Work Technology Center (Nashwauk)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						12/1997	12/1997
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	150	0	0	150		
<b>SUBTOTAL</b>	0	150	0	0	150		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	40	0	0	40	07/1998	10/1998
Design Development	0	60	0	0	60	07/1998	11/1998
Contract Documents	0	115	0	0	115	10/1998	12/1998
Construction Administration	0	70	0	0	70	01/1999	07/2000
<b>SUBTOTAL</b>	0	285	0	0	285		
<b>4. Project Management</b>						01/1999	07/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	75	0	0	75		
<b>SUBTOTAL</b>	0	75	0	0	75		
<b>5. Construction Costs</b>						05/1999	07/2000
Site & Building Preparation	0	185	0	0	185		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,233	0	0	2,233		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	200	0	0	200		
<b>SUBTOTAL</b>	0	2,618	0	0	2,618		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	870	0	0	870	06/1999	11/1999
Telecommunications (voice & data)	0	75	0	0	75	06/1999	11/1999
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	945	0	0	945		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>		0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$4,073	\$0	\$0	\$4,073		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,036	0	0	2,036
<b>State Funds Subtotal</b>	0	2,036	0	0	2,036
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,812	0	0	1,812
Private Funds	0	225	0	0	225
Other	0	0	0	0	0
<b>TOTAL</b>	0	4,073	0	0	4,073

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	2,036	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
No	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

**Department of Finance Analysis:**

The strategic linkage of this request to state services and policy objectives is unclear. However, due to the broad-based nature of the project's potential clientele (residents, businesses, and students), the project is viewed as having potential for regional significance.

This request complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. Project sponsors should consider preparing and financing a predesign study prior to consideration of this request for any funding in the 1998 legislative session. In addition, the city should prepare a program plan identifying how on-going operating expenses in this facility will be funded.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

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

**This page intentionally left blank.**

**PROJECT LOCATION:** Minnesota Business Park, Ely

**AGENCY PROJECT PRIORITY:** 1 of 1 (Ely)

**1998 STATE APPROPRIATION REQUEST:** \$5,287

**PROJECT DESCRIPTION:**

This request is to construct a new 35,000 sf technology center facility to house the Minnesota Department of Revenue's (DOR) Minnesota Collection Enterprise (MCE) and other Ely operations at the Ely business park. This project will provide the latest in telecommunication infrastructure and provide additional space for high-tech education and business related enterprises. The 1998 request is for construction of a new high technology office facility for DOR, MCE and the city of Ely. No additional construction funds will be requested in 2000.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Legislative action in 1997 called for all state agency's accounts receivable, over 120 days, to be processed by the MCE in Ely, MN. The proven effectiveness of the Ely MCE operation and anticipated increased workload requires extensive facility and telecommunications infrastructure upgrade to the existing facility. The city of Ely is committed to DOR's MCE operations and proposes the construction of the Ely technology center to meet the needs now and in the future of DOR's Ely operations. The city of Ely will provide the land for the facility. The city of Ely is also committed to developing additional technology jobs and therefore proposes the Ely technology center to provide additional space for telecommunications businesses and to provide state of the art telecommunications infrastructure.

The outcome of the Ely technology center is to provide for both state and private enterprise high tech jobs for now and the future, enhance the education and training for these jobs, and continue the efficient and revenue producing function of the MCE. The MCE improved facilities and telecommunication infrastructure will maintain and improve efficient operations and result in additional revenues to the state of Minnesota. Development of high tech industry will have a major economic impact on the region.

The proposed site is owned by the city of Ely and is near the current location of DOR's Ely operations. The new site will allow for an efficient transfer and minimum impact on current operations. The current facility is inadequate to meet all the future needs of tele-processing and data collection enterprises, as well as not meeting the city of Ely's telecommunication industry development expectations.

A partnership of the state of Minnesota, city of Ely and other regional agencies will provide a state of the art technology center facility that is efficient and generates economic wealth to the state and the region. No funds were requested previously for the project.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. The current Ely Revenue Building is not cost effective for long-term telecommunications development and growth. The building requires life-safety updating to be in compliance with present-day codes and standards and requires renovation to make the building efficient from an operational and programs standpoint. Due to new building codes and floor load restrictions the existing facility is somewhat difficult to operate efficiently. The existing facility does not easily adapt to extensive and long-term technological upgrades.

Through a financial partnership with the city of Ely, and other regional agencies, DOR, MCE and other economic development enterprises will enjoy a modern and efficient facility in which to grow and develop its services to the citizens of Minnesota.

**OTHER CONSIDERATIONS:**

The ownership of a modern facility designed with the operations of DOR and MCE as its foremost design criteria, will provide the capability of the agency to continue its excellent performance well into the next century. The inclusion of the most modern telecommunications infrastructure is paramount to operations as well as the region's future economic health. The partnership with the state of Minnesota, and DOR is the driving force that will provide the future economic well-being of the state and region. Without this collaboration, the future development of the region will lag that of more urban areas. The failure to develop the Ely technology center will not only fail Minnesota taxpayers through less facility and infrastructure capability, but will fail the expectations of all Minnesotans that technology based industry is available to all regions of the state.

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

Lee Tessier, Ely City Clerk Treasurer  
209 E. Chapman St.  
Ely, MN 55731  
Phone: (218) 365-3224  
Fax: (218) 365-3038

Bill Henning  
Ely Area Development Council  
Rm 100, 30 South First Ave. E.  
Ely, MN 55731  
Email: eadc@ely-mn.com

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	20	0	0	20	05/1998	05/1998
<b>3. Design Fees</b>							
Schematic	0	48	0	0	48	05/1998	06/1998
Design Development	0	63	0	0	63	06/1998	07/1998
Contract Documents	0	126	0	0	126	08/1998	12/1998
Construction Administration	0	78	0	0	78	03/1999	09/2000
<b>SUBTOTAL</b>	0	315	0	0	315		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0	03/1999	09/2000
Construction Management	0	60	0	0	60		
<b>SUBTOTAL</b>	0	60	0	0	60		
<b>5. Construction Costs</b>							
Site & Building Preparation	0	150	0	0	150	03/1999	09/2000
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	3,500	0	0	3,500		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	395	0	0	395		
<b>SUBTOTAL</b>	0	4,045	0	0	4,045		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	40	0	0	40	09/1999	09/2000
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	40	0	0	40	06/1999	06/2000
Telecommunications (voice & data)	0	150	0	0	150	06/1999	06/2000
Security Equipment	0	70	0	0	70	06/1999	06/2000
Commissioning	0	40	0	0	40	12/1999	12/2000
<b>SUBTOTAL</b>	0	300	0	0	300		
<b>8. Inflation</b>							
Midpoint of Construction		08/1999					
Inflation Multiplier		10.60%	0.00%	0.00%			
Inflation Cost		507	0	0	507		
<b>SUBTOTAL</b>							
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$5,287	\$0	\$0	\$5,287		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	5,287	0	0	5,287
<b>State Funds Subtotal</b>	<b>0</b>	<b>5,287</b>	<b>0</b>	<b>0</b>	<b>5,287</b>
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
<b>TOTAL</b>	<b>0</b>	<b>5,287</b>	<b>0</b>	<b>0</b>	<b>5,287</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	5,287	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
Yes	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)



**Department of Administration Analysis:**

Predesign has been submitted. There is a request for additional information which is currently being developed by the City of Ely. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

The strategic linkage of this request to state services and policy objectives is unclear. Discussions with the Department of Revenue (as a potential tenant) and the Department of Administration (as the agency representing state interests in acquiring lease space) has not yielded any state interest in this project. Accordingly, the project is viewed as primarily a local-benefit project.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. In addition, the city should prepare a program plan identifying how on-going operating expenses in this facility will be funded.

Project request forms should be amended to clarify the following:

- The construction cost identified in item 5 on the project cost form does not equal the construction cost on the project construction form.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	0
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>85</b>

**PROJECT LOCATION:** Detroit Lakes

**AGENCY PROJECT PRIORITY:** 1 of 1 (Detroit Lakes)

**1998 STATE APPROPRIATION REQUEST:** \$6,000

**PROJECT DESCRIPTION:**

The city of Detroit Lakes requests funding to design and construct a community center at a cost of approximately \$6.75 million to serve Becker County area residents. The purpose of the community center is to create an environment where children and families can be together to participate in health, nurturing, supporting activities, and programs. The focus of the center will be on families and community.

The project will be located in the northeast section of Detroit Lakes near the middle school. The project is a high priority for the city of Detroit Lakes. We are requesting \$6 million in state funding for this project and another \$750 thousand is expected to be raised locally.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The area to be served by Detroit Lakes Area Community Center includes all of Becker County and a portion of surrounding counties. Becker County is not a wealthy area and there are no benefactors or large corporations that can provide financial support for this much needed community center facility. Therefore, state bonding is needed for this project.

Many of the area's businesses and residents are aware of the importance of wellness and fitness programs and the need for positive programs for youth and families in our area. Currently, adequate facilities are not available. A survey conducted by our area newspaper in 1995 found that the center would be used by families, youth, and seniors. At task force meetings, parents stated there was a lack of places for children and teens to go to participate in activities. All services and programs provided at the community center share a vision.

- **Universal:** All programs and services should be affordable and accessible to all members of the community.
- **Health:** All programs will promote positive physical, emotional, and spiritual health of the participants.
- **Families & Communities:** All programs and activities will reflect the needs and desires of families and the community.

- **Multi-Cultural:** All activities and programs will be geared toward multi-cultural needs.
- **Intergenerational:** The center will encourage interaction between people of all ages.
- **Bus Route:** In the absence of our community, there is a strong commitment to having the center located on a school bus route to make it accessible to the broadest number of students.

Construction of the community center is estimated to cost \$6.75 million. A feasibility study indicates that \$750 thousand in local contributions can be raised for this facility. The remaining \$6 million is needed from state bonding funds. The community center will include the following:

- A naturally lighted aquatics center for recreational and competitive swimming, with an 8-lane pool, children's wading/play area, whirlpool, water slide, family locker rooms and viewing area.
- Three gymnasiums with multipurpose flooring that can be used for basketball, volleyball, tennis, golf, jogging, running, walking, gymnastics and cultural events.
- Two handball/racquet ball courts, also used for wallyball.
- A smaller children's gymnasium to be used in conjunction with a day care area.
- Fitness/wellness and weight training area to be used for cardiovascular and aerobic training. This area will also be used for physical and occupational therapy.
- Meeting rooms for all types of community, recreational, and cultural activities.
- Offices, locker rooms for women, men, and private family locker rooms, kitchens and concessions.

The center's programming may include:

- After school programming to meet a wide variety of age and cultural needs; an extension of the Latchkey Program.
- Activities geared to infants and mothers and infants and fathers.

- Swimming lessons, water safety, lifeguard courses, etc.
- Cultural events and activities. The center recognizes that the diversity of our community is one of our strengths as well as one of our areas of need for programming.
- Specific activities (physical, social, etc.) for senior citizens.
- Specific activities where seniors and children interact.
- Young family focused activities. We would work with existing agencies who are providing these services and perhaps offer them at the center. We would also build upon what is currently being offered to meet the broadest needs.
- Day care services for parents/guardians using the facility. The day care services would provide a positive, healthy, safe environment where role modeling can occur. The time the children spend at the day care center will be as valuable for them as the time their parents or guardian spend in their activities.
- School-to-work programming. This is another area where the Detroit Lakes School District can point with pride to successful programming.
- Wellness. We see a collaborative relationship with medical and mental health providers in our community to promote wellness in our physical, mental, and emotional lives.
- Wellness - spiritual. We envision working with area religious and spiritual groups to provide facilities in which to house some of their activities.
- Wellness - employee groups. The center may offer special programming for area businesses, etc. for their employees who wish to increase their physical, mental, and emotional health.
- Tutoring programs. A primary focus would be on working with students who may be having difficulty with classes. It could also include tutoring services for those working to get their GED's.
- Homework assistance program.
- Enrichment activities for all students, including students who excel.
- Work force development programs.

- Accelerated training programs.
- Volunteer opportunities (all ages).
- Rehabilitation programs - initially providing a place for physical and occupational therapy to continue past the clinical environment and ultimately it may lead to a contractual arrangement with the center and medical providers to provide onsite therapy services.
- Support groups. We would see issue-specific groups being offered through collaboration with area agencies. Examples of some groups might be: parenting, self-esteem, coping, etc.
- Referral to appropriate agencies.
- Computer and technology use.

It is important to note that the programming of the center listed above is conceptual at this point, it is the commitment of the steering committee to work with the community to design the programming to meet the needs of the community.

We also envision that the programming of the center will be a continual work-in-progress. While it is fair assumption that swimming and other facility athletic/recreational activities will always be a part of the center, the other types of programming will evolve as the needs and interests of the community thorough its programming services. Our goal is not just to "build a building," but the "build a program" that becomes an important part in the lives of our children and families and moves us closer to raising healthy, productive citizens.

The needs for the proposed community center are many and varied. One of the most telling signs that our community has a need for this type of facility and programming comes directly from the recently published "1996 Children's Services Report Card" from Minnesota Planning. Becker County is ranked next to last among 79 out-state counties, based on the composite of 21 indicators. In comparison to the 1994 Report Card, Becker County fell further to the bottom statistically in terms of abused or neglected children, out-of-home placement, and infant mortality to name a few.

In a 1995 student survey of 9th and 12th graders, Becker County showed increases in a majority of cases, such as alcohol use, physical or sexual abuse, smoking and fighting.

Another telling statistic is that Becker County is ranked 10th worst in terms of children in poverty, with 118 out of 1,000 or 23%, below the poverty level. Becker

County is also ranked 10th from the bottom in rates of abused neglected children, with 12.58 cases per 1,000 children.

The enabling legislation for the Youth Initiative Grants indicated a commitment to school attendance areas with high concentrations of children eligible for free or reduced school lunch. In Becker County, the free or reduced eligible rates are:

Detroit Lakes Public Schools	43-45%
Frazee Public Schools	42%
Lake Park/Audubon Public Schools	
State Average	28%

To further demonstrate the need, in the Detroit Lakes School District, 94% of students qualify for the free or reduced breakfast program.

One of the reasons Becker County was eligible to be considered as a Pew Children's Initiative site by the state of Minnesota was its poverty rate. In addition to its poverty rates, Becker County has a teen pregnancy rate almost twice that of the state average; our juvenile crime rates are up and our violence rates are up. One of the reasons we were chosen as a Children's Initiative site beside the above "proofs of need" was our cultural diversity and the commitment of our citizens to move forward a new vision for children and families. One of the conclusions of the community assessment work done by the Becker County Children's Initiative was the need for a facility, much like the proposed community center.

#### IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested for this project. The annual operating cost of the facility is expected to be \$464 thousand. Revenues are expected to equal \$469 thousand. Revenues will be derived from the following sources:

(in \$000)

Memberships	\$310
School Rentals	40
Other Rental	20
Program Income	60
Other Sources	39
Total Revenue	\$469

A portion of the \$39 thousand is to come from other sources and may be an operating subsidy from the city of Detroit Lakes.

#### OTHER CONSIDERATIONS:

There are several other strong indicators of need for the center in our community:

- Many of the area's businesses and residents are aware of the importance of wellness and fitness programs, and they actively participate in some type of exercise program, but adequate facilities are not available.
- A survey was conducted in the area newspaper 2 years ago to determine public interest in a community center. The overwhelming result was that such a center would be used extensively by all age groups. The Fall of 1995 brought together a group of concerned citizens to form a task force to put together a well-defined project. The group consisted of representatives from all sectors: county, state, and city governments, businesses, school district, medical community and partners.
- In the public meetings that have been held, parents have consistently brought up the lack of places for teens and children to participate in activities, especially after school. This was echoed over the past 5 years in the community assessment work done by the Becker County Children's Initiative.
- A survey also found that seniors wanted a walking track and pool. Many residents shared their concern about the lack of meeting places for groups and cultural events.
- Prior to the introduction of a bond issue several years ago, the Detroit Lakes Public School District held multiple community meetings regarding the redesign for the high school and other district buildings. The message that a community center was needed was loud and clear from the parents and the broader community. The message also indicated that rather than a school district project with funding through property taxes, it should be a community project with various avenues of funding.

A community center and its programs will focus on 4 key areas:

1. promoting a more productive and health lifestyle for citizens and visitors of all ages;
2. keeping our young people safe and involved in positive activities;
3. Attracting and holding new businesses, corporations and families to this area; and
4. providing much-needed space for recreational, cultural, and competitive activities.

Detroit Lakes has a long tradition of getting things done and we continue to be a community of action. The need for a community center is strong and the commitment to constructing a center is shared by a broad base of area residents and businesses.

A community center has been a proven need in Detroit Lakes for more than 12 years. Various groups have invested the feasibility of constructing a community center and were unable to find a reasonable way to fund the project. It appears that state bonding is the only way to fund this project.

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

Larry Buboltz, Mayor  
City of Detroit Lakes  
PO Box 647  
Detroit Lakes MN 56502  
Telephone: 218 846-7400  
Fax: 218 847-8969

Richard Grabow, City Administrator  
City of Detroit Lakes  
PO Box 647  
Detroit Lakes MN 56502  
Telephone: 218 847-5658  
Fax: 218 847-8969

Grants to Political Subdivisions  
Detroit Lakes Community Center

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	48	0	0	48		
<b>3. Design Fees</b>							
Schematic	0	100	0	0	100		
Design Development	0	100	0	0	100		
Contract Documents	0	100	0	0	100		
Construction Administration	0	200	0	0	200		
<b>SUBTOTAL</b>	0	500	0	0	500		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>							
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	6,102	0	0	6,102		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
<b>SUBTOTAL</b>	0	6,102	0	0	6,102		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	100	0	0	100		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	100	0	0	100		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
<b>SUBTOTAL</b>		0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$6,750	\$0	\$0	\$6,750		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	6,000	0	0	6,000
<b>State Funds Subtotal</b>	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	0	750	0	0	750
Other	0	0	0	0	0
<b>TOTAL</b>	0	6,750	0	0	6,750

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document has not been received for this request. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. Project sponsors currently propose an 11% local funding match. The city has prepared a program plan identifying how on-going operating expenses in this facility will be funded. Project sponsors should also prepare and finance a predesign study prior to consideration of any funding for this request in the 1998 legislative session.

As a broader policy matter, however, the state should consider whether it wishes to become involved in funding local community centers, as a number of community center projects either have been submitted or have the potential for being requested in the 1998 legislative session. To date, requests for local community centers have surfaced in this Grants to Political Subdivisions section of the capital budget, in Military Affairs requests, and through recommendations of the MN Amateur Sports Commission. At this time, there appears to be no strategic linkage of local community centers to state programs and policy goals. The request is viewed primarily as a local-benefit project.

Project request forms should be amended to clarify the following:

- Who will own the facility?
- Who will operate the facility?
- Has land for this project already been acquired or should land acquisition costs be shown on the project cost form?
- Start and end dates should be added to the project cost form for each cost item.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	11
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>96</b>



**This page intentionally left blank.**

**PROJECT LOCATION:** Lake Crystal

**AGENCY PROJECT PRIORITY:** 1 of 1 (Lake Crystal)

**1998 STATE APPROPRIATION REQUEST:** \$1,500

**PROJECT DESCRIPTION:**

This request is to design and construct a recreation facility in Lake Crystal, Minnesota.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Almost 2 years ago, Eldon and Helen Jones, founders of Crysteel Manufacturing and Distributing in Lake Crystal, offered a matching challenge grant of \$200 thousand per year for 5 years to the citizens of Lake Crystal, Minnesota for the purpose of building an indoor swimming pool and walking track. They chose this as a way of repaying the community which had nurtured them throughout their lives and had made their success in business possible. In fact, they were able to expand their business as a result of industrial revenue bonds issued by the city.

A board of directors for Lake Crystal Recreation Center Association was formed in February 1996, and 4 committees (fundraising, advertising and publicity, site selection, and building and design) were formed. The building and design committee toured several facilities in Minnesota and South Dakota and chose a design similar to a facility in Milbank, South Dakota. The site selection committee then considered multiple potential sites and ultimately decided on a site which was generously donated by Mr. Dean Meixell, a Lake Crystal farmer and developer.

The initial concept envisioned an indoor pool with waterslide and wading area, community meeting room, vending area and snack bar. Questionnaires were then mailed out to all households in School district 2071 asking for input on the types of services desired by the community. Of course, the swimming pool and track ranked the highest, but there was also strong interest in a gymnasium. The board felt that, in order to make this a facility appealing to families of all ages, the gym needed to be added to the plans.

Multiple contractors and architects were interviewed, and after careful consideration, the Hasslen Construction Firm, Dana, Larson, Roubal Architects, and Associated Pool Builders were chosen for the project. The estimated cost for the entire facility to be constructed in early 2000 is \$3.5 million.

After these preliminaries were completed, the fund raising committee and the advertising and publicity committee sprung into action. The advertising and publicity committee has made an initial diligent and ongoing effort to inform the community about the project through newspaper articles and last summer sponsoring a booth at the Blue Earth County Fair. The fund raising committee was successful in securing substantial pledges from several area businesses as well as a few individuals. Early in their efforts they identified the Minnesota Foundation as a reliable vehicle for allowing tax-free donations. In addition, the committee has arranged for donated legal counsel to form charitable organization designation for the recreation center.

After the initial large pledges were obtained, the fund raising committee began organizing solicitors to seek pledges from individuals and other businesses. Innovative means of collecting donations include a program in which local farmers can designate a portion of their grain to be donated to the fund at harvest time, which has tax advantages for the farmer.

Questions have been raised about the need for such a center in Lake Crystal. The answers are found in testimony from local families who are unable to get their children into swimming classes at the Mankato YMCA (12 miles from Lake Crystal) because the YMCA schedule is full. In addition, the winter space for community volleyball and basketball leagues is at a premium, and often Mankato facilities have to be rented to accommodate the need. Thus the need for a local gymnasium.

There have also been questions about why the recreation center efforts were not being coordinated with the local schools. The answer to this is that a bond referendum for a new high school was defeated, and subsequent referendums have also been defeated. The Recreation Center Association could not wait for the school district to act because of the timeline imposed by the Jones grant.

Even though the community has been very successful in raising funds, it is difficult for a community of 2,100 souls to raise \$3.5 million. Thus, an application for a state bonding grant in the amount of \$1.5 million is being requested. The city of Lake Crystal will act as the entity requesting the grant to satisfy the legal requirements of public ownership. The city will own the facility and lease it back to the Recreation Center Association. In addition, project sponsors will satisfy the requirement that at least half of the project cost will be raised by the community.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. An income and expense statement for the facility has been prepared and is available upon request.

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

Anthony C. Jaspers, M.D.  
Board Chair, Lake Crystal Area Recreation Center  
221 S. Murphy St.  
Lake Crystal, MN 56055  
(507) 726-2136  
jaspers@ic.mankato.mn.us

Robert Hauge  
Lake Crystal City Hall  
100 Robinson Street  
Lake Crystal, MN 56055

Mary Cummings  
Legislative Assistant to Representative Bob Gunther  
337 State Office Building  
100 Constitution Avenue  
St. Paul, MN 55155-1298  
(612) 296-3244

Grants to Political Subdivisions  
Lake Crystal Area Recreation Center

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	28	0	0	28	01/1998	02/1998
Design Development	0	47	0	0	47	02/1998	03/1998
Contract Documents	0	75	0	0	75	03/1998	05/1998
Construction Administration	0	38	0	0	38	05/1998	06/1998
<b>SUBTOTAL</b>	0	188	0	0	188		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						05/1998	06/1998
Site & Building Preparation	0	176	0	0	176		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,986	0	0	2,986		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	100	0	0	100		
<b>SUBTOTAL</b>	0	3,262	0	0	3,262		
<b>6. Art</b>	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	50	0	0	50	06/1999	07/1999
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	50	0	0	50		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>		0	0	0	0		
<b>9. Other</b>	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$3,500	\$0	\$0	\$3,500		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,500	0	0	1,500
<b>State Funds Subtotal</b>	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	0	0	0	0
Private Funds	0	2,000	0	0	2,000
Other	0	0	0	0	0
<b>TOTAL</b>	0	3,500	0	0	3,500

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document is in the process of being developed; and a recommendation will be issued upon completion.

**Department of Finance Analysis:**

The project sponsors have complied with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the city has prepared a program plan identifying how on-going operating expenses in this facility will be funded. However, project sponsors should also prepare and finance a predesign study prior to consideration of any funding for this request in the 1998 legislative session.

As a broader policy matter, however, the state should consider whether it wishes to become involved in funding local community centers, as a number of community center projects either have been submitted or have the potential for being requested in the 1998 legislative session. To date, requests for local community centers have surfaced in this Grants to Political Subdivisions section of the capital budget, in Military Affairs requests, and through recommendations of the MN Amateur Sports Commission. At this time, there appears to be no strategic linkage of local community centers to state programs and policy goals. The request is viewed primarily as a local-benefit project.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	57
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>142</b>

**This page intentionally left blank.**

**PROJECT LOCATION:** Proctor Municipal Golf Course

**AGENCY PROJECT PRIORITY:** 1 of 1 (Proctor)

**1998 STATE APPROPRIATION REQUEST:** \$1,975

**PROJECT DESCRIPTION:**

Proctor, Minnesota is a community of 3,122 citizens with a currently stable population. It is located on the southwestern edge of St. Louis county adjacent to Carlton county. It is and has been primarily a railroad town, serving the DM&IR in its movement of taconite to the Duluth Harbor. In order for the community to maintain the current population and grow, we have identified the priority needs of Proctor and the surrounding area as a combined:

- community activity center
- library, state of the art high tech facility
- arts, entertainment and museum facility

The city is requesting \$1.975 million in state funds, to be matched with \$1.976 million in various city funds.

In conjunction with the above, we would combine city management and police services. The site is directly adjacent to the Proctor Golf Course, which offers the opportunity to include an instructional oriented golf facility.

The community activity center will allow citizens of all age groups to congregate within their city. Currently the city is lacking such a facility.

The Proctor Library would be a state of the art high tech facility. It would serve the needs of the entire community and surrounding rural citizens. There currently is no library in the city.

Proctor will work with the High Technology Council for program funding assistance to bring the most current high technology to Proctor.

The entertainment and arts facility would bring the community and museum together in training, producing and staging theater events. It would also allow for bringing in outside entertainment. There currently is no central facility for creating either theater or arts related events.

The state Arts Board has expressed the need for arts development in Proctor and also its willingness to fund such programming.

The community activity center as a scale of economy would include city management, police services and golf course training and management facilities. These would take up approximately 20% of the proposed facility.

The economic impact to the community would include the ability to induce additional business development, expanded population growth and the efficiency of scale through centralization.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The trend in the facility design for communities is to consider multiple users. Cities, counties and state can no longer have free-standing, independent operations such as a free-standing library, city hall, etc., for small communities and must rather seek ways to combine these elements to reduce ongoing tax payer operational costs.

Anticipated project outcomes include a more effective and efficient city by providing innovative and timely city services. This will effectively maintain community population through additional youth activities, senior citizens programs, and general population projects. The efficiencies will be accomplished by sharing of labor for the joint use community activity center. It will also free up current city owned properties for private development, which creates property tax increases and job development.

Customer service will be improved by ADA accessibility for all service users and public meeting attendees. City technology upgrades that tie to Internet and state systems will improve citizen services and also make municipal public documents available to citizens. The Community center and arts/entertainment theater and museum will bond the community's current, past and future with all age groups.

Customer service will also be improved by a library with its emphasis on high tech that will serve as a learning/training center for all ages as well as a resource center for local businesses.

Efficiency of all current services will be greatly increased thus allowing more citizens to be served as well as drawing more citizens into community service volunteer roles.

Geographic dispersion of benefits includes EBD students in the 7 district area. Residents in the south St. Louis county area will benefit from the arts/entertainment/community/library services (it is estimated that as much as 50% of the joint use facilities users would come from outside Proctor).

The Proctor joint use facilities committee over the last 7 years has reviewed renovation costs for each publicly owned building plus other buildings in Proctor and determined the most feasible alternative is to build one new facility that can house all programs.



Proctor's three-year comprehensive plan development process (five public hearings, several surveys and countless group meetings) addresses Proctor's needs for a community center with such services as the number one priority for our area.

The joint user facilities committee researched 10 sites (private and publicly owned), had renovation/construction costs estimated for 5 sites, and recommends the golf course site due to:

- cost
- location in the downtown area
- potential for expansion, parking, accessible off major highway (Highway 2)

Financing alternatives were considered, including federal, state, IRRRB, area funding sources. Due to Proctor's maximum debt capacity set by the state, Proctor will never have the ability to bond for enough to build a new joint use facility nor would the tax base have the ability to pay for such debt. The city has not previously applied for state funding for this project.

The current city hall causes legal liability concerns because it is not ADA accessible and is hazardous to workers and public with asbestos wrapped pipes, lead paint, structurally damaged, and electrical, mechanical and plumbing not in compliance with current building codes.

#### IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested with this project. Summary of annual proposed operating revenues and expenditures (in \$000):

	<u>Revenues</u>	<u>Expenditures</u>
City Hall Utility		
Maintenance Savings	5.5	
Club House	85.5	65.0
Museum	5.0	5.0
Library		10.0
Arts/Entertainment	3.0	3.0
EBD Classes	8.0	4.0
	\$106.5	\$87.0

The city has worked with School District 704, and our community activity center would be used to run (and expand) programs that the district currently does not have space for:

- a cooperative family collaborative services center to offer city, school district, county services at one site to area families,

- adult education (such as high school GED courses),
- Oh-No 18 program (run by Lutheran Social Services),
- additional ECFE classes,
- after-school student activities (directed towards at-risk youth),
- a community day care (to assist families in the return to work welfare reforms).

Proctor is working with ARDC's Area Aging Council, and our center would provide space for seniors' educational programs (health care, health insurance).

Programs such as the above will lessen the financial burden on state agency programs by providing local space for such programs.

#### OTHER CONSIDERATIONS:

The consequence of deferral or no action is that Proctor would be left in a position of reducing services to cover increasing costs of operations and not be able to provide what is needed to encourage Proctor's growth, and thus ensure the decline of another small community.

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

John M. Foschi  
City Administrator  
Proctor City Hall  
200 Second Street  
Proctor, MN 55810  
Phone: (218) 624-3641  
Fax: (218)624-9459

Grants to Political Subdivisions  
Proctor Community Activity Center

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	37	0	0	37	06/1998	08/1998
Design Development	0	50	0	0	50	08/1998	10/1998
Contract Documents	0	81	0	0	81	10/1998	12/1998
Construction Administration	0	80	0	0	80	01/1999	10/1999
<b>SUBTOTAL</b>	0	248	0	0	248		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						01/1999	10/1999
Site & Building Preparation	0	200	0	0	200		
Demolition/Decommissioning	0	70	0	0	70		
Construction	0	2,542	0	0	2,542		
Infrastructure/Roads/Utilities	0	150	0	0	150		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	148	0	0	148		
<b>SUBTOTAL</b>	0	3,110	0	0	3,110		
<b>6. Art</b>						01/1999	10/1999
<b>SUBTOTAL</b>	0	25	0	0	25		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	150	0	0	150	08/1999	10/1999
Telecommunications (voice & data)	0	50	0	0	50	08/1999	10/1999
Security Equipment	0	10	0	0	10	08/1999	10/1999
Commissioning	0	5	0	0	5	08/1999	10/1999
<b>SUBTOTAL</b>	0	215	0	0	215		
<b>8. Inflation</b>							
Midpoint of Construction		06/1999					
Inflation Multiplier		9.80%	0.00%	0.00%			
Inflation Cost		353	0	0	353		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$0	\$3,951	\$0	\$0	\$3,951		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	1,975	0	0	1,975
<b>State Funds Subtotal</b>	0	1,975	0	0	1,975
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	1,976	0	0	1,976
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	0	3,951	0	0	3,951

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	1,975	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document has not been received for this request. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

This project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. In addition, the city has prepared a program plan identifying how on-going operating expenses in this facility will be funded. However, project sponsors should also prepare and finance a predesign study prior to consideration of any funding for this request in the 1998 legislative session.

As a broader policy matter, however, the state should consider whether it wishes to become involved in funding local community centers, as a number of community center projects either have been submitted or have the potential for being requested in the 1998 legislative session. To date, requests for local community centers have surfaced in this Grants to Political Subdivisions section of the capital budget, in Military Affairs requests, and through recommendations of the MN Amateur Sports Commission. At this time, there appears to be no strategic linkage of local community centers to state programs and policy goals. The request is viewed primarily as a local-benefit project.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

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

**This page intentionally left blank.**

**PROJECT LOCATION:** Elk River, Minnesota

**AGENCY PROJECT PRIORITY:** 1 of 1 (Elk River)

**1998 STATE APPROPRIATION REQUEST:** \$2,000

**PROJECT DESCRIPTION:**

The proposed project consists of approximately a 59,500 square foot indoor sports recreational facility and an adjacent 50,000 square foot air-supported dome to be operated by the Minnesota Sports Federation (MSF). The facility will be constructed on a 6+ acre site north of Interstate 94 and just south of Highway 10 in Elk River, Minnesota. The site adjoins outdoor athletic fields and baseball/softball diamonds, is next to the Sherburne County Fairgrounds, and across the street from Lake Orono Park and Elk River City Hall.

The Minnesota Sports Federation has been operating its programs throughout the state of Minnesota for over 15 years, and its statewide constituency represents nearly 250,000 members and annual participants in its programs throughout the state. This facility will demonstrate a strong regional and statewide impact in delivering recreational services. The Minnesota Sports Federation's history represents over 56 statewide and national tournaments, which can be coordinated through this facility.

The primary focus of the facility will be to serve the following 4 areas:

- Youth basketball and volleyball tournaments - statewide and national (boys and girls under 16).
- Indoor softball/baseball tournaments - statewide and national.
- Indoor basketball/volleyball venue for the Minnesota Special Olympics - statewide tournaments.
- Amateur Sports Hall of Fame - focusing only on those athletes who never participated professionally.

The site has been chosen because it is geographically and demographically central to the state; is in close proximity to the Twin Cities metro area; is located in Sherburne County, the fastest growing county in the state; and is in a user-friendly community which does not have a sport facility, which will assure daily usage and activity. Within the facilities planned, all categories of the Minnesota Sports Federation membership will benefit.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The Minnesota Sports Federation's mission is to provide wholesome

amateur/recreational sports opportunities that promote fun, fitness, personal growth, good sports and the development of lifetime leisure skills.

The MSF contributes to the quality of life in Minnesota by:

- promoting economic benefits through sport events;
- promoting social benefits through healthy sports activities;
- improving infrastructure through development sport facilities.

*Importance of Amateur Athletics*

The opportunity for youth and adults throughout Minnesota to participate in amateur athletics provides great resources to the state and enhances the well being of its citizens. Amateur athletics encourages health and vitality, mental and physical self development, individual accomplishment, community involvement and teamwork, positive social values, and broadens the playing field by giving everyone a chance to participate. This is especially true for females who, until recently, have had limited opportunities available to them for participation in a variety of sports and athletic events.

A unique feature of this complex will be the establishment of the Minnesota Amateur Sports Hall of Fame. The Minnesota Sports Federation has been entrusted with memorabilia from Minnesota amateur athletes, which has significance over the past 50 years. Additionally, the vast number of its statewide participants assures the expansion of the Hall of Fame into a statewide attraction.

*Necessity for a Statewide Youth-Oriented Sports Complex*

Since its inception in 1982, the Minnesota Sports Federation has grown from an organization serving 67,000 amateur athletes in Minnesota, to its current program level of 232,000 participants. This growth has reflected the dramatic population growth in the state during the same period. According to the Minnesota Department of Tourism, "Between 1980 and 1994, Minnesota's population grew significantly faster than any other Midwest state." Team memberships in the Minnesota Sports Federation has also mirrored this exciting growth over the past 15 years as seen in the following growth chart:

<u>Year</u>	<u>Numer of Teams</u>
1982	4,461
1986	7,914
1991	9,588
1996	10,637

Dramatic growth in sports such as Junior Olympic Softball and youth basketball and volleyball has placed great pressure on the organization to meet the increasing interest and demand of amateur athletes. Unfortunately, due to the lack of

availability and oftentimes prohibitive facility rental costs, the MSF is unable to expand existing programs or initiate new ones that would greatly enhance membership services and/or serve the needs of special populations and provide greater gender equity.

In 1987 the Minnesota State High School League removed restrictions on off-season play, thus allowing players the opportunity to hone skills in formal leagues and camps throughout the year. As a result, participation in youth leagues and other off-season camps and programs has skyrocketed.

The Minneapolis *Star Tribune* reported in February 1997 that "In many communities in the metro area, participation is so great that youth directors are scrambling to find gym space. This winter 1,200 boys and about 600 girls are playing basketball in youth programs in Eden Prairie alone."

#### *Female Participation in Amateur Athletics*

Women and girls have become more involved in sports at all levels throughout the state since the inception of the 1972 Title IX law prohibiting gender discrimination in educational institutions and the principle of gender equity that asserts the value of equitable participation by, and treatment of, men and women in intercollegiate athletics. Yet, a lack of sufficient and adequate sports facilities continue to limit females interested in participating in amateur athletics.

The benefits to girls who participate in sports are impressive. According to the Women's Sports Foundation, girls active in sports are 92% less likely to get involved with drugs, 80% less likely to have an unwanted pregnancy and 3 times more likely to graduate from high school. The *Melpomene Journal* reported in 1992 that girls derive confidence in themselves and their ability from physical activity and positive self-esteem through challenge, risk-taking experiences and skill development.

Women too are finding great benefits from active participation in sports. The Women's Sports Foundation has stated that women who participate in sports have high levels of self-esteem, less depression, and are more satisfied with their lives. In addition, exercise has shown to reduce the risk of heart disease, breast cancer, and other illnesses.

MSF is dedicated to providing greater opportunities for women and girls to actively participate in sports. If additional indoor and outdoor amateur sports facilities were available, the scope of MSF programs could be increased significantly in the areas of sports tournaments for men and women of all ages, research, coaches/player training, programs for the physically challenged and senior citizens' recreational activities.

#### *Activity Opportunities for People with Special Needs*

As society has encouraged physical activity for people with special needs, sports and recreation has become an integral part of their everyday lives. Physical activity benefits these participants in several ways. While physical activity stimulates systems of the body which may otherwise be unused, it also helps a person to develop confidence, self-esteem and a sense of belonging. One problem has been a lack of facilities which allow the challenged and mentally disabled population to experience multiple forms of activity. The variety of activities planned for the Minnesota Amateur Sports and Wellness Center will be appreciated by the entire population. The ability to reach a segment of the population, which is many times forgotten, is challenging, yet exciting. The Minnesota Sports Federation's goal is simple - to enhance the lives of all members.

Minnesota Sports Federation has a long-standing, cooperative relationship with the Special Olympics. This facility will provide a venue for statewide Special Olympics events which previously has been unavailable.

#### **IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. All owner and operating responsibilities would rest exclusively with the Minnesota Sports Federation under an operating lease with the city of Elk River.

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

Karen Larsen, President  
Minnesota Sports Federation  
592 Dodge Ave NW  
Elk River, MN 55330  
(612) 241-1789

Patrick Klaers, City Administrator  
City of Elk River  
13065 Orono Parkway  
P.O. Box 490  
Elk River, MN 55330-0490  
Phone: (612) 441-7420  
Fax: (612) 441-7425

Grants to Political Subdivisions  
Amateur Sports Hall of Fame (Elk River)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$531	\$0	\$0	\$531		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	531	0	0	531		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	10	0	0	10		
<b>3. Design Fees</b>							
Schematic	0	8	0	0	8		
Design Development	0	12	0	0	12		
Contract Documents	0	0	0	0	0		
Construction Administration	0	95	0	0	95		
<b>SUBTOTAL</b>	0	115	0	0	115		
<b>4. Project Management</b>							
State Staff Project Management	0	40	0	0	40		
Construction Management	35	280	0	0	315		
<b>SUBTOTAL</b>	35	320	0	0	355		
<b>5. Construction Costs</b>							
Site & Building Preparation	0	160	0	0	160		
Demolition/Decommissioning	0	25	0	0	25		
Construction	0	4,176	0	0	4,176		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	0	0	0	0		
<b>SUBTOTAL</b>	0	4,361	0	0	4,361		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	605	0	0	605		
Telecommunications (voice & data)	0	0	0	0	0		
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	605	0	0	605		
<b>8. Inflation</b>							
Midpoint of Construction		05/1999					
Inflation Multiplier		9.40%	0.00%	0.00%			
Inflation Cost		559	0	0	559		
<b>SUBTOTAL</b>							
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$35	\$6,501	\$0	\$0	\$6,536		



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	2,000	0	0	2,000
<b>State Funds Subtotal</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	2,912	0	0	2,912
Private Funds	35	1,589	0	0	1,624
Other	0	0	0	0	0
<b>TOTAL</b>	<b>35</b>	<b>6,501</b>	<b>0</b>	<b>0</b>	<b>6,536</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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)	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document has not been received for this request. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

The strategic linkage of this project to state services and policy objectives is unclear. The project is viewed as primarily a local-benefit project, with potential for regional significance.

The linkage of this facility with programs and services offered by the Minnesota Amateur Sports Commission is also unclear. Why has this project not been recommended by the Minnesota Amateur Sports Commission or carried within its 1998 capital requests? Does redundancy exist between the missions of the two entities? To date, requests for local community centers have surfaced in this Grants to Political Subdivisions section of the capital budget, in Military Affairs requests, and through recommendations of the MN Amateur Sports Commission.

The project complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match and the city has prepared a program plan identifying how on-going operating expenses in this facility will be funded. However, project sponsors should consider preparing a predesign study prior to consideration of this request for any funding in the 1998 legislative session.

Project request forms should be amended to clarify the following:

- A construction cost form has not been completed for this request.
- Start and end dates for all cost items must be identified on the project cost form.
- The inflation adjustment, as originally proposed, was inconsistent with the appropriate inflation percentage for a project with a May, 1999, midpoint of construction. As such, the inflation amount now shown on the project cost form has been updated by DOF to the correct amount of \$525 thousand.
- Lack of a predesign for this request has resulted in a lack of confidence by the Department of Finance in the quality of these cost estimates.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	67
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>152</b>

**This page intentionally left blank.**

**PROJECT LOCATION:** Bloomington, MN

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

**1998 STATE APPROPRIATION REQUEST:** \$25,000

**PROJECT DESCRIPTION:**

In 1997, the Legislature requested the city of Bloomington to study a regional theater and tourism center to serve the south and west metropolitan area. The Southwest Performing Arts Center will consist of 2 theaters in a structure encompassing about 185 thousand square feet of gross building area. One theater will be a 3000-4000 seat auditorium designed for concerts, musicals, business gatherings and community events such as graduations. The second theatre will be a smaller 300-600 seat facility for smaller performing arts groups and business use.

The Arts Center will be conveniently located to serve an audience in the south and west metropolitan area along and outside the I-494 ring. This market area has higher than average interest in the performing arts. The Southwest Performing Arts Center will also enhance Minnesota's tourism attraction and total tourist expenditure by marketing jointly with the Mall of America and Bloomington Convention and Visitors Bureau. The increased tourism will benefit the state's hospitality industry and enhance state revenue through increased sales and income taxes.

Two sites are under study. One is on the north side of Mt. Normandale Lake at the intersection of I-494 and Highway 100. This site would share parking with the Normandale Lake Office Park. The second site is on or adjacent to the Mall of America. Both sites have excellent access to the metropolitan highway system.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Presently, there is no one facility which offers *all* the amenities of a first-class facility capable of producing 70% of all touring attractions on the road today and convenient parking for patrons within a block radius of the site. Both sites provide exceptional access for visitors staying in the metro area's largest hotel concentrations and for people driving in from outside the metropolitan area.

It is anticipated that sales tax generated from the sales of tickets, food, lodging and novelties along with payroll taxes will benefit the state of Minnesota. Sales tax and payroll tax from just the theater will generate in excess of \$1 million per year for the state of Minnesota. Additional tourism will benefit businesses throughout the metropolitan area.

The facility will be owned by local government. A professional management firm or staff will manage operations. Operating costs and ongoing capital repairs and replacement is provided for and will **not** become an obligation of the state.

Although the proposed performing arts center is only in a feasibility stage, it already has drawn the support of several important partners who see the need for a performing arts facility which would benefit residents, businesses and the hospitality industry. These partners will provide the core support for a \$17 million endowment fund necessary to offset any operating losses and to build capital reserves for future repair and replacement.

**IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

There will be no impact on the agency operating budgets. The operations will be the responsibility of the owner.

Principal sources of revenue are rents, suite leases, ticket sales, merchandise/concessions and endowment fund investment earnings. Projected revenues for the center are estimated at \$880 thousand per year (expressed in 1997 dollars). Projected operating costs of \$1,580,000 will result in an annual operating loss of \$700 thousand. Earnings from a \$17 million endowment fund will be used to cover such anticipated losses.

The Southwest Performing Arts Center's development costs are described in the attached forms. Building construction is projected at \$52.3 million. Other development costs include detailed design, site preparation, infrastructure, project management, skyway connections, contingency and furnishings. Total development costs including the land cost is \$85.9 million. Total funding including the endowment fund is \$102.9 million.

The city of Bloomington requests state bonding participation of \$25.0 million which will be matched with a local and private investment of \$27 million and city funding of \$40.9 million including bonding of \$39.9 million. This will be contingent upon private fund raising of a \$17 million endowment fund to cover any operating and maintenance deficits the center may experience and to build a capital repair fund, assuming a 6% investment return rate. The land, estimated to cost \$10 million, will be contributed by either the city or a private corporation dependent upon the site chosen and is in addition to the contributions noted below.

The total funding including the endowment fund and land is as follows:

	(\$ millions)	
Local Government Bonds	\$39.9	38.8%
Private Capital Funds	10.0	9.7%
Private Endowment Fund	17.0	16.5%
State Bonding	25.0	24.3%
Land	10.0	9.7%
Skyway TIF	1.0	1.0%
Total	\$102.9	100.0%

The state of Minnesota is asked to fund 24.3% of the total package.

#### OTHER CONSIDERATIONS:

The initial feasibility and design study of this proposal is currently underway with a 12-31-97 completion deadline. Capital costs were estimated based on currently available data and may be further refined in the December study report.

The operating income estimates were developed in conjunction with Springsted, Inc., the city's fiscal advisor. As they discuss in their report, the assumptions used to develop such estimates are numerous and far reaching. During the predesign phase, the city will have an opportunity to fine-tune the estimates.

#### SPECIAL REQUEST

The city respectfully requests that the \$500 thousand pre-design funding be granted by the state upon approval to provide state bonding funds. This would allow the required and appropriate level of study to occur prior to issuance of any other state or local financing.

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

Terri Heaton, Chief Financial Officer  
City of Bloomington  
2215 West Old Shakopee Rd  
Bloomington, MN 55431-3096  
Phone: (612) 948-8791  
Fax: (612) 948-8789

Larry Lee, Director of Community Development  
City of Bloomington  
2215 West Old Shakopee Rd  
Bloomington, MN 55431-3096  
Phone: (612) 948-8947  
Fax: (612) 948-8749

Grants to Political Subdivisions  
Southwest Performing Arts Center (Bloomington)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						06/1998	06/1998
Land, Land and Easements, Options	\$0	\$10,000	\$0	\$0	\$10,000		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	10,000	0	0	10,000		
<b>2. Predesign</b>	25	500	0	0	525	07/1998	12/1998
<b>3. Design Fees</b>							
Schematic	0	495	0	0	495	01/1999	02/1999
Design Development	0	743	0	0	743	03/1999	05/1999
Contract Documents	0	2,476	0	0	2,476	06/1999	08/1999
Construction Administration	0	1,237	0	0	1,237	10/1999	08/2001
<b>SUBTOTAL</b>	0	4,951	0	0	4,951		
<b>4. Project Management</b>						10/1999	08/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	0	1,200	0	0	1,200		
<b>SUBTOTAL</b>	0	1,200	0	0	1,200		
<b>5. Construction Costs</b>						10/1999	08/2001
Site & Building Preparation	0	1,665	0	0	1,665		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	45,855	0	0	45,855		
Infrastructure/Roads/Utilities	0	2,000	0	0	2,000		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	2,775	0	0	2,775		
<b>SUBTOTAL</b>	0	52,295	0	0	52,295		
<b>6. Art</b>	0	50	0	0	50	08/2001	10/2001
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	4,000	0	0	4,000	08/2001	10/2001
Telecommunications (voice & data)	0	500	0	0	500	08/2001	10/2001
Security Equipment	0	500	0	0	500	08/2001	10/2001
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	5,000	0	0	5,000		
<b>8. Inflation</b>							
Midpoint of Construction		09/2000					
Inflation Multiplier		16.10%	0.00%	0.00%			
<b>SUBTOTAL</b>		11,913	0	0	11,913		
<b>9. Other</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$25	\$85,909	\$0	\$0	\$85,934		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	25	25,000	0	0	25,025
<b>State Funds Subtotal</b>	25	25,000	0	0	25,025
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	40,909	0	0	40,909
Private Funds	0	10,000	0	0	10,000
Other	0	10,000	0	0	10,000
<b>TOTAL</b>	25	85,909	0	0	85,934

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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 1997, Chapter 200, Art. 1, Section 2, Subd 4	25

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	25,000	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

A predesign document has not been received for this request. No review or recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

This request complies with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. The city is currently proposing a local contribution of 71%.

The city has prepared a program plan identifying how on-going operating expenses in this facility will be funded. Project sponsors should also finance and prepare a predesign study prior to consideration of any funding for this request in the 1998 legislative session.

As a broader policy matter, however, the state should consider whether it wishes to become involved in funding local community centers and performing arts facilities, as a number of community center projects either have been submitted or have the potential for being requested in the 1998 legislative session. To date, requests for community centers have surfaced in this Grants to Political Subdivisions section of the capital budget, in Military Affairs requests, and through recommendations of the MN Amateur Sports Commission. At this time, there appears to be no strategic linkage of local community centers to state programs and policy goals. The request is viewed primarily as a local-benefit project, with potential for regional significance.

Equity issues of public funding should also be considered. This facility is similar to privately financed theaters in Minneapolis and St. Paul, and may be in direct competition with them.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	0
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	71
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>181</b>



**This page intentionally left blank.**

**PROJECT LOCATION:** Downtown Bemidji, Minnesota

**AGENCY PROJECT PRIORITY:** 1 of 2 (Bemidji)

**1998 STATE APPROPRIATION REQUEST:** \$690

**PROJECT DESCRIPTION:**

The 1912 Great Northern Depot, on the National Register of Historic Places, was the last depot commissioned on the Great Northern Railroad by the legendary founder James J. Hill. The city of Bemidji, in cooperation with the Beltrami County Historical Society (BCHS) and Beltrami County, is undertaking the restoration and re-use of the depot for occupancy by the BCHS.

This legislative appropriation is necessary to repair and restore the building to its original character and quality and to make necessary state building code improvements so that it can be permanently occupied by the BCHS. The building is both a community and state resource that should be preserved, restored and used in a manner compatible with public interest and access. The total project cost is estimated at \$1.48 million with the costs split equally between legislative appropriations and local funding.

The legislature has previously appropriated \$50 thousand matched by \$50 thousand in local funds. The current request is therefore \$690 thousand to be matched by an equal amount of \$690 thousand. The city desires to begin this project immediately because of the dangers of vandalism and deterioration which is ongoing as the building sits vacant. Without funding the building will likely be lost to the community, state and region.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The city of Bemidji has identified the depot and the railroad corridor redevelopment as a very high priority in its most recent strategic planning efforts and looks to these redevelopment projects as keys to new retail development in the downtown area. The depot project is considered the keystone of the railroad corridor plan and will be the first project commissioned in this downtown redevelopment area. In addition, the city is currently developing plans for adjacent river and lakeshore restoration and enhancement projects that will provide a much more attractive setting for both commercial and residential improvements anticipated for the immediate downtown area.

The site is part of a core group of railway properties that were identified as prime

historic resources important to future investment and community improvements in the 1982-83 Bemidji downtown revitalization plans. It is less than a block from Lake Irving to the south and the Mississippi River to the southeast. It will be accessible to automobiles and pedestrians via Minnesota Avenue and the new railroad corridor roadway. The location will also be accessible to bicyclists, walkers, hikers, boaters and snowmobiles via a proposed new trail system along the river.

Since the downtown revitalization plans were implemented, the city has aggressively moved to protect the depot from demolition while pursuing and implementing a variety of capital projects essential to community betterment. These have included new sewage treatment facilities, a new tourist information center and lakeshore improvement plan including storm water retention ponds to protect the Mississippi River and area lakes. Bemidji has also undertaken major infrastructure and road projects, neighborhood housing and renewal projects, airport terminal and runway improvements and a wide variety of smaller, yet high priority projects. In 1997, city committed funding and other city resources to the development of a new Beltrami County Community Services building and 350 vehicle parking facility in the downtown area.

In the past decade Bemidji has been very successful in identifying, and implementing public projects that stimulate and leverage other community improvements. The depot has now become a high priority project because it is a critical component of a new capital investment and downtown improvement strategy.

The depot project will utilize public funds to directly leverage other private and public investment in downtown Bemidji. It will serve as the "theme" project in the railroad corridor redevelopment area. It will preserve an important historical building which provides a window to the past in terms of Minnesota's development. This combination of building, tenant, setting and community improvement is a rare opportunity that must not be lost. The depot will provide a much needed home for the BCHS and will also help draw people to northern Minnesota, Bemidji and the downtown area and other businesses. Should project funding fail, the entire railroad corridor image would suffer and the redevelopment plan would probably become more difficult to implement with timing and financial investment delays. The loss would likely generate a feeling of "no confidence" in the overall plan.

The tenancy of the BCHS will provide public access to materials and documents from the early days of development in northern Minnesota. BCHS maintains important photographic, artifact and object collections representing the cultural diversity of the area, state and region. It also requires specific air quality and humidity levels in order to preserve and protect a state and regional historic photography collection and the Morrison collection of American Indian artifacts.

These 2 collections alone represent 2 of the most important historic resources in the state of Minnesota and require significant physical storage and archive facilities for both protection and use.

The BCHS mission is not only to protect and preserve, but to disseminate, i.e., make their heritage information and collections available to the public. In order to accomplish their mission, BCHS is in dire need of modern climate controlled facilities that can protect its valuable historic collections and at the same time provide a visible location where visitor cash flow can be maximized. Should the project fail, BCHS will not be able to capitalize on the long term viability of this unique building and site. Survival of the BCHS and the ability to protect its historic collections, are therefore directly tied to this proposal.

#### **IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. The city of Bemidji intends to provide the building to the BCHS in its restored condition. The long term goal of the building/tenancy agreement is to see the project become self supporting. The city, county and the Historical Society will develop an operating agreement that will be fair to all 3 parties in terms of current and projected cash flow, operating costs, debt retirement and associated expenses. The city also fully intends to use the project to help leverage other tax generating private investment in the area which, in turn will benefit both the city, county and state in terms of tax revenue. Indirect benefits will also accrue to downtown businesses through increased economic activity.

The BCHS is at a crossroads in terms of its development and ability to manage and protect its historic resources. It currently occupies a small building approximately 5 miles from downtown Bemidji at the Beltrami County Fairgrounds. This location provides little in terms of public visibility and financial support. The society requires a larger and more viable downtown location (where it once was located) with high traffic potential and sufficient space for display, archive and office functions. The society also requires both an archive and museum space in order to qualify for certain sources of funding for their operation. The depot will provide the physical space, historical setting, location, access to public resources and public visibility to further its mission of preserving the history of the region and the state for both residents and visitors. The operating cash flow requirements of BCHS will be significantly augmented by visitor fees at this new location. There is no other available building in the city of Bemidji with a better physical image, size, setting and opportunity for the BCHS.

#### **OTHER CONSIDERATIONS:**

The city envisions this project as a critical component of ongoing planning and improvement projects identified for the community at large. The city is currently evaluating highway improvement and relocation strategies for Paul Bunyan Drive as it enters the downtown area from the south (about 1 block from the depot site). Changes will be implemented in the next 24 months. In addition, planning is underway for lakeshore and river improvements under the Heritage Rivers Program recently announced by the Clinton administration (less than a block from the depot site). Planning has also started on a west side road/parkway that will connect with the railroad corridor roadway and redevelopment and bring traffic and people from the north side of the community directly to and through the railroad corridor.

All these projects have identified the railroad corridor and the depot in particular as determinants in the feasibility of the various planning efforts. Should the funding and implementation of the depot project fail, these complementary planning efforts may suffer some corresponding loss in "the window of opportunity" which could set them back both financially and in timing for implementation.

Under the current funding scenario, the Great Northern Depot project truly becomes one of the "keystone" projects in a series of major new improvements envisioned for downtown Bemidji.

From its new location in the restored Bemidji Great Northern Depot, the BCHS will provide a variety of essential functions tied to the state of Minnesota Historical Society. In addition, the location will provide an integral and viable tourism attraction compatible with community, region and state objectives to bring visitors to the state of Minnesota. The BCHS is a "gateway" agency for the state society and provides record keeping and archiving of important Beltrami County and Northwest Minnesota newspapers, legal documents and materials considered essential by the state of Minnesota. These materials will be stored in the new archive area of the depot. Original materials will continue to be catalogued and kept in this region of the state, but information will be accessible through Minnesota State Historical Society computer connections. The depot will be restored with modern archive, storage, security and information access features necessary to support these functions. The current facilities of the BCHS are not adequate to serve these needs and the location limits the society from generating adequate user and visitation fees necessary to help maintain these services. The BCHS will be able to provide greatly improved services to the region and state from a new high visibility downtown Bemidji location. In addition, providing these services from a national historic register building will provide additional visitor focus and further support local, county and state requirements for record keeping and archiving of important historic documents.

The Great Northern Depot, restored for use by the BCHS, is an important link in physically and financially maintaining records and associated information for local,

regional and state interests. The project not only saves and restores an important landmark building that will attract visitors, but also makes the BCHS a more viable resource agency to the state of Minnesota Historical Society, the people of Minnesota and visitors from outside the state.

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

Douglas E. Peterson, Mayor  
Bemidji City Hall  
317 4th Street NW  
Bemidji, MN 56601-3116  
Phone: 218-759-3560  
Fax: 218-759-3590

Mark Wirtanen, AIA  
Architectural Resources, Inc.  
704 East Howard Street  
Hibbing, MN 55746  
Phone: 218-263-6868  
Fax: 218-722-6803  
email: archres@arimn.com

Grants to Political Subdivisions  
Great Northern Depot Restoration (Bemidji)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						05/1998	05/1998
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	10	0	0	0	10		
<b>SUBTOTAL</b>	10	0	0	0	10		
<b>2. Predesign</b>	10	0	0	0	10	06/1997	05/1998
<b>SUBTOTAL</b>	10	0	0	0	10		
<b>3. Design Fees</b>							
Schematic	20	0	0	0	20	05/1998	06/1998
Design Development	25	0	0	0	25	07/1998	09/1998
Contract Documents	0	45	0	0	45	09/1998	12/1998
Construction Administration	0	25	0	0	25	03/1999	09/1999
<b>SUBTOTAL</b>	45	70	0	0	115		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						03/1999	09/1999
Site & Building Preparation	35	185	0	0	220		
Demolition/Decommissioning	0	6	0	0	6		
Construction	0	692	0	0	692		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	20	0	0	20		
Construction Contingency	0	68	0	0	68		
<b>SUBTOTAL</b>	35	971	0	0	1,006		
<b>6. Art</b>	0	7	0	0	7	03/1999	09/1999
<b>SUBTOTAL</b>	0	7	0	0	7		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	190	0	0	190	03/1999	09/1999
Telecommunications (voice & data)	0	2	0	0	2	03/1999	09/1999
Security Equipment	0	5	0	0	5	03/1999	09/1999
Commissioning	0	3	0	0	3	09/1999	09/1999
<b>SUBTOTAL</b>	0	200	0	0	200		
<b>8. Inflation</b>							
Midpoint of Construction		06/1999					
Inflation Multiplier		9.80%	0.00%	0.00%			
Inflation Cost		122	0	0	122		
<b>SUBTOTAL</b>		122	0	0	122		
<b>9. Other</b>	0	10	0	0	10	03/1999	09/1999
<b>SUBTOTAL</b>	0	10	0	0	10		
<b>GRAND TOTAL</b>	\$100	\$1,380	\$0	\$0	\$1,480		

Grants to Political Subdivisions  
Great Northern Depot Restoration (Bemidji)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	50	690	0	0	740
<b>State Funds Subtotal</b>	<b>50</b>	<b>690</b>	<b>0</b>	<b>0</b>	<b>740</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	50	690	0	0	740
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>100</b>	<b>1,380</b>	<b>0</b>	<b>0</b>	<b>1,480</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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 1997, Chapter 200, Section 18, Subd. 5	50

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	690	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

The predesign submittal meets requirements and received a positive recommendation.

**Department of Finance Analysis:**

The strategic linkage of this project to state services and policy objectives is unclear. The project is viewed as primarily a local-benefit project, with a modest link to state tourism.

The project is in compliance with the department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. The city has prepared a program plan identifying how on-going operating expenses in this facility will be funded.

Project sponsors have contacted the Minnesota Historical Society to inquire as to the availability of county and local preservation grants for this project. The next grant round will be in the early fall of 1998.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	35
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>200</b>

**PROJECT LOCATION:** Downtown Bemidji

**AGENCY PROJECT PRIORITY:** 2 of 2 (Bemidji)

**1998 STATE APPROPRIATION REQUEST:** \$9,205

**PROJECT DESCRIPTION:**

This request is to construct a new Headwaters Science Center (HSC) building on approximately 4 acres of land which is being acquired by the city of Bemidji. The property is on the west shore of the Mississippi River as it passes from Lake Irving into Lake Bemidji in downtown Bemidji. The city will donate the project site, which is within its corporate limits, and HSC will be a major centerpiece, along with the James J. Hill depot, of its "Rediscover Downtown" project. The new science center location will be highly visible from and accessible to motor vehicle, bicycle, pedestrian, and watercraft traffic. All of these forms of transportation will pass directly in contact with the project site.

The HSC facility will be comprised of a new building of approximately 47,000 gsf, with storm water retention, other outdoor exhibits, parking and landscape areas, and a canoe landing. A-E selection is slated for summer 1998, construction is anticipated to commence in April 2000, and the new facility will be occupied in May 2001, with formal dedication later that year.

The project will be constructed in one phase, though development of outdoor areas may take more time. There is no subsequent timeline established, but space will be left for possible addition of an Imax or Omnimax theater, for which no state funding will be sought.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

This project is to support and further the mission of HSC by providing a building for exhibits, programs and other activities. HSC's mission is to provide intellectual stimulation and enjoyment for all children and adults in its northern Minnesota service area with scientific and technological interactive displays, exhibits, and programs otherwise unavailable in the region. The center will work with regional educational organizations and relevant community entities to assure that exhibits and activities will enhance and supplement educational programs.

Although northern Minnesota abounds in natural assets, intellectual resources available for family use other than those associated with formal education and libraries are sparse. HSC was established in a former J.C. Penney building almost 4 years ago. Anecdotal comments from visitors indicate that HSC's efforts are widely and deeply appreciated. The center receives calls from over 200 miles away related

to offerings in the store, teachers' workshops, or other programs. The center provides paid employment for 6 persons, including 3 Bemidji State University students as well as unpaid internships for other college and university students in education, industrial arts, public relations/mass media, and science. Two full-time volunteers provide administration and 75 other volunteers participate variously in HSC activities. Two Eagle Scout projects have been completed at HSC.

HSC provides student with experiences that enrich and expand formal educational offerings and provides families and other population segments with an enjoyable and interesting learning environment. HSC is open 7 days a week and is located in the resource-poor corridor between Winnipeg, Manitoba and St. Paul, Minnesota. Distances from northwestern and north central areas of the state obviate use of the Science Museum of Minnesota by most of that population. A science center needs to be an available resource: a place where people of all ages can be introduced to scientific concepts in a non-threatening environment, where adults can network with others to seek answers to questions relating to science, and where students have access to help for science projects and other such endeavors.

Major programs and services provided by HSC include science-related exhibits and activities for thousands of school students and other visitors in an exhibit hall with about 80 hands-on and animal exhibits. Many teachers use center exhibits as resources for teaching science. There are computer exhibits with educational programs and Internet access, "Saturday Science" and other programs year round, and a Starlab portable planetarium as well as outdoor astronomy programs with telescopes. The water laboratory is used for River Watch activities by teachers, students and lake association member's. HSC is the Bemidji weather station for the U.S. Weather Service in Grand Forks. The center is developing exhibits designed to teach visitors about northern Minnesota ecosystems. HSC is proud of its Headwaters Environmental Learning Center residential program, which uses Concordia Language Villages facilities during the school year; this makes efficient use of existing facilities well suited to environmental education activities, without our needing to maintain them. HSC's Science Store offers science-based books, puzzles, and toys and curriculum materials for teachers; none of these items are offered widely in our service area. Center visitors often seek science-related information and references from HSC staff.

HSC conducts teacher workshops, including GEMS (Great Explorations in Math and Science from Lawrence Hall of Science, University of California, Berkeley), project WET, Project Wild, and other science-related topics. A newsletter, *The Headwaters Current*, is usually published 4 times during the year for members, regional educators and other interested persons. Memberships, costing \$40 for families and \$25 for individuals, provide access to the exhibit floor, reduced prices for programs and store purchases, the newsletter, and free access to over 200 other science centers nationwide through a reciprocal admission program.



There are 2 convergent plans to be considered: A) plans for HSC; and B) plans for the city of Bemidji.

A) Exhibits and programs are severely limited by our present facility and a larger facility is needed to accommodate necessary staff growth. The center cannot remain static: it must grow with its community and region or it cannot survive as a legitimate science center. Science centers are dynamic, enthusiastic places, and the present facility is so limiting that this atmosphere cannot be maintained nor can the needed staff be recruited. For over 2 years, HSCs Board members have recognized the need to move beyond the present facility in order to allow the center to present more exhibits and programs of value to those in its service area.

Worldwide, science centers have been one of the most rapidly growing enterprises in recent years. They have become very important as adjuncts to formal education as well as informal educational resources for the general public.

B) Plans for the city of Bemidji involve the need to move forward as the city grows into its role as a regional hub for northwest and north central Minnesota. Though new local, school district, county, and state buildings and roads are being built, little has happened in terms of increasing informal educational resources and development of alternative activities for residents and visitors. The new HSC building will provide facilities which will significantly help improve the quality of life in northern Minnesota.

The city of Bemidji has undergone impressive growth with recent years. As nearby townships expand and the regional population increases, tourism has also increased. Siouline Railroad has abandoned its route through downtown Bemidji and the land is presently a very unsightly combination of old sheds, piles of sandy fill, old tracks and ties, and the old, but potentially very useful, James J. Hill depot. For more information on the James J. Hill Depot project, please see the associated capital budget request from the city of Bemidji.

For HSC, project outcomes will result in design and construction of a fully functional building which will allow the center to carry out its mission as stated above. For the city of Bemidji, the project will provide an important anchor as the railroad corridor is developed as an educational and retailing area with greenspace continuous with trails linking it not only to the city, but to other trails and parks.

Assumptions used are based on continued cooperation between HSC and the city of Bemidji. A close, long lasting relationship with the city will provide oversight as the project unfolds. Landscape planner Richard Rose, who did original drawings for the city, was included in discussions. Documents and publications from the Association of Science Technology Centers (ASTC) and other science centers were used in making calculations. Population data was obtained from Headwaters Regional Development Commission and the city of Bemidji. HSC staff assembled attendance data. TSP/Eos Architects and Engineers used standard architectural and

engineering guides and additional information gathered in August 1997 at a science center architectural session sponsored by ASTC at Harvard University. HSC budget predictions are based on the fact that the new building will provide opportunities not presently available.

All aspects of HSC programs and services will be improved. The program least affected will be Headwaters Environmental Learning Center programs conducted at Concordia Language Villages, though even that program will be affected by an attractive new building and the addition of marketing staff, which will increase participation in all HSC programs.

From an educational standpoint, the new building will provide space to allow exhibits to be vastly improved and arranged in a thematic fashion, as in grouping health-related exhibits together. Other theme examples would be weather and cold-related exhibits, which would include a walk-in freezer allowing demonstrations of the effects of extreme cold on materials, and water-based exhibits to compliment the water lab. HSC will provide tourists, as well as residents, with information about the aquatic ecosystems of northern Minnesota. There will be space for a geology and clay-science lab. Interactive television (ITV) access in the auditorium and classrooms will make it possible to extend our educational programs and demonstrations to regional schools. The center will work with regional schools to develop science exhibits that will augment school resources and state curriculum guidelines. Appropriate facilities for teacher workshops will enable us to better utilize our resources. Animal exhibits will be easier to handle and will be more sanitary with hand-washing facilities nearby. Space for outdoor astronomy programs with telescopes, outdoor exhibits relating to the Mississippi River, a storm water retention pond, and native plants to be identified will extend HSC's offerings.

With a new building, staff can be increased; presently, staffing is inadequate and facilities do not provide spaces for activities and programs that will be directed by new staff members. The 2 most important aspects of the change will be that all spaces in HSC will be accessible to persons with mobility impairments and that the building will be safer, with a sprinkling system, safe building access from buses, and sufficient numbers of exits to accommodate more visitors. Air quality will be significantly improved with humidity controls and air filters. Group visits will be much enhanced because there will be space for welcoming large school groups and for coats, boots, lunches and other items brought by school groups. Drinking fountains and adequate rest rooms with hot water faucets will make the center a healthier place to be.

Secure space to leave coats, boots and other belongings, and a small vending machine area will provide a more pleasant atmosphere for visitors. Improved store space will allow better displays, more science-related merchandise, and increased revenues. Space for special events for adults and families, appropriate office space for staff, improved space for preparation of publications and advertisements, and accommodations for volunteers will greatly improve institutional efficiencies. The

proposed project will encourage increasing interest in visitation, longer stays, and more repeated visits, thus increasing economic security and assuring the long-term future of HSC.

About \$3.225 million will be needed for exhibit design, new exhibits and equipment for the projected new building. Science center exhibits are expensive to design and build for the hard use to which they are subjected. HSC will seek aid from appropriate foundations and agencies, industries, and individual gifts to add to exhibits. Limited exhibit space and accessibility problems make such requests impractical at this time.

In the new building it will be possible to have demonstrations, classroom activities, and exhibit floor use going on at the same time. Presently, these activities interfere with each other and inadequate space makes exhibit development impossible. New facilities will also allow the center to increase staffing to the level necessary to better serve visitors.

The new building will reduce overhead expenses which now go into mortgage payments, repairs, and staff time spent compensating for building deficits (stringing electrical extensions, staff and volunteer time spent on compensatory chores, finding buckets and moving exhibits to cope with a leaking roof, etc.).

HSC will need more staff members, including paid administrators, in addition to assistance with building maintenance. HSC anticipates continuing to use services provided by Bemidji's Day Activity Center or other appropriate state/federal assistance programs if this is practical and effective. The city of Bemidji, as the property owner, will probably assist in grounds keeping such as grass mowing and snow removal.

The new building will make the center more attractive and comfortable for visitors and more versatile for exhibits and group activities. Easy access to the Mississippi River and a water testing laboratory will make water testing activities more interesting for River Watch and other water-based learning activities. Many schools do not have any facilities for such activities. A larger center with more exhibits will increase visitation for a number of reasons.

HSC presently serves a big section of northwest and north central Minnesota, with schools and other visitors coming from a radius of more than 100 miles from Bemidji. Schools have come from Aitkin, Akeley, Badger, Bagley, Bemidji, Blackduck, Cass Lake, Clearbrook-Gonvick, Deer River, East Grand Forks, Grand Forks ND, Grand Rapids, Indus, International Falls, Kelliher, Mahanomen, Macintosh, Nett Lake, Northome, Oklee, Squaw Lake, Talmoon, Thief River Falls, Walker, Warroad, and other communities. HSC hosts boy and girl scout troops, 4-H, HeadStart, Early Childhood and Family Education (ECFE), home schoolers, and many others. Present school group sizes range up to 140 people. School groups and individuals from 3 nearby Indian reservations, Leech Lake, Red Lake, and White

Earth, frequently visit. Tourists from all over the world have also visited HSC. Visiting youth groups, such as Russian hockey teams, usually visit when they are in town.

The only parts of the present building accessible to persons with mobility impairments are the main exhibit floor and store. When people with special needs visit, they cannot participate in science demonstration activities or other special activities which are held either in a basement room or upstairs on the balcony.

The roof leaks and is responsible for extensive heat loss. Estimates for replacement are \$50 thousand, a figure which does not include needed replacements for ceiling electrical fixtures.

The building is not sprinkled and exits are inadequate for full building use. We are unable to host overnight youth camp-ins.

School buses must stop in the middle of the street to discharge and pick up students. This ties up traffic on Bemidji's main street, Beltrami Avenue, and requires very close adult supervision of children as they pass through a row of briefly parked vehicles when they leave or enter the bus. In a remodeling plan for the existing building, school buses would use the alley behind the building to provide student access to the center. Unfortunately, the back entrance to the center is below the alley grade, requiring extensive and expensive remodeling.

Plumbing and electrical features of the old building are not adequate for science center needs. Many of the light fixtures do not function, and there have been several rather exciting incidents involving short circuits. The fact that there is marginally adequate lighting is due to the benevolence of a local electrical contractor who has been most generous in providing assistance, but the fixtures are old, very energy inefficient, and are potentially dangerous, especially in an unsprinkled building.

HSCs ancient oil furnace has been replaced by 3 new gas furnaces with the help of local contractors, which has markedly reduced heating bills and eliminated the constant worry of heating failure. However, there is no way to control humidity or airborne particulate material in the old building, resulting in the seemingly perpetual need to clean exhibits and store merchandise. Lack of humidity control is also hard on exhibits, causing seals to dry out and other problems relating to dry air.

Repairing one part of the old building would not be possible without having to remodel elsewhere. Electrical systems should be replaced at the same time as the badly needed new roof. An elevator would require the entire modification of the back of the building, which is below grade relative to the alley behind the building. These modifications, and others which would be required to bring the building up to code, would cost an estimated \$1.5 million and there would still be inadequate exhibit and program space and no parking.

HSC has always wanted to be inside city limits in order to reach that part of its targeted audience which does not have access to vehicular transportation. The site to be used is near the old James J. Hill depot, which the city plans to develop as a home for the Beltrami County Historical Society. The juxtaposition of HSC and the Historical Society will be very convenient for school groups and other visitors.

In the planning process, the expense of an auditorium to hold 300 people was soundly discussed and the group considered the alternative of using the Paul Bunyan Playhouse space several blocks away. Because we already have had groups of 200 people crowded into inadequate space, we do not consider the space for 300 to be exorbitant. The need to have a readily accessible auditorium led to the inclusion of the proposed space, which will, unless we have a large group scheduled, be divided into 2 parts by a moveable barrier. The Playhouse space, even were it closer, is not always available and our scheduling problems are already complicated. We anticipate that the auditorium, as well as other spaces, will be rentable spaces which will generate income, also.

Concordia Language Villages will continue to be used for Headwaters Environmental Learning Center residential programs.

Bemidji has no large corporate funds or foundations, and raising sums required for a project of this magnitude would be extraordinarily difficult. There do not appear to be any realistic financing alternatives. We do not yet have a cost/benefit analysis.

The Minnesota State Legislature allocated the project \$200 thousand for predesign and design in the 1996 Bonding Bill, but the line item was vetoed by Governor Carlson.

#### **IMPACT ON STATE AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. A program operating plan of facility revenue and attendance projections is available upon request.

#### **OTHER CONSIDERATIONS:**

HSC is struggling to provide services now and is limited in its ability to provide services by its physical facility.

The needs HSC is facing are serious and imminent. In a small community with few monetary resources, it is probably impossible to raise the amount of money needed to construct a building to serve the students, general population and tourists of northcentral and northwestern Minnesota. That HSC exists at all is a real tribute to hundreds of generous people who have given of their time, energies, talents, and finances to bring the center into being and to make it work. This is a one-time request to the state on behalf of many thousands of northern Minnesotans.

Though Bemidji is a marvelous community and is in sound financial condition, the community does not have a large financial reserves, nor are there large local corporations or other access to the large financial resources required for a project of this magnitude.

HSC was begun by local citizens to meet an unmet need. At the outset, the community in general had no idea what a science center could contribute to regional quality of life, but HSC now has enthusiastic regional support. The entire operation has been done, in a sense, as a prototype: we have tried to develop programs and exhibits based on the desires of our visitors and volunteer exhibit designers and builders, then worked to improve them.

The area served by HSC includes some of Minnesota's most economically depressed populations and also includes 3 reservations: Red Lake, White Earth, and Leech Lake. The center often hosts school groups from economically deprived areas, and many of the local families who frequent it have never been in another museum. Some of our members have told us that they never used to visit museums when in the Twin Cities, but now, with the reciprocal admission program, many go to the Science Museum of Minnesota.

The new HSC building is important to the state of Minnesota because it will make badly needed informal science education resources available to residents of and visitors to a large segment of Minnesota far from the metro area. Non-metro populations need more available resources to help acquaint adults and youngsters with the great changes taking place in science and technology. Though some communities are able to bus students to the Twin Cities to visit culturally and educationally important resources, a one-time visit to a science center is inadequate to accomplish the tasks science centers set out to do, and does little for adult populations. "Science" has been misunderstood by much of the public as an elitist endeavor, when, in truth, scientific thought processes should be used by many, if not most, persons as "common sense." Rural populations cannot afford to be passed up by science and technology; in a shrinking world with an expanding understanding of the universe, all citizens must be made aware of the concepts that are guiding humankind into the future. Science centers provide excellent opportunities for family enjoyment and intellectual growth.

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

Adela S. ("Laddie") Elwell, Ph.D.  
Executive Director of Headwaters Science Center  
413 Beltrami Avenue NW  
Bemidji, MN 56601  
Phone: (218) 751-1110  
Fax: (218) 751-8855  
Internet: oishsc@northernnet.sci

Douglas Peterson, Mayor, City of Bemidji  
City Hall, 317 4th Street NW  
Bemidji, MN 56601  
Phone: (218) 759-3566  
Fax: (218) 759-3590  
Internet: depmayor@paulbunyan.net

Predesign study information:  
Charles L. Brown, AIA  
TSP/EOS Architects and Engineers  
21 Water Street  
Excelsior, MN 55331  
Phone: (612) 474-3291  
Fax: (612) 474-3928

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

<b>TOTAL PROJECT COSTS</b> All Years and All Funding Sources	<b>Project Costs</b> All Prior Years	<b>Project Costs</b> FY 1998-99	<b>Project Costs</b> FY 2000-01	<b>Project Costs</b> FY 2002-03	<b>Project Costs</b> All Years	<b>Project Start</b> (Month/Year)	<b>Project Finish</b> (Month/Year)
<b>1. Property Acquisition</b>						08/1997	08/1998
Land, Land and Easements, Options	\$0	\$250	\$0	\$0	\$250		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	250	0	0	250		
<b>2. Predesign</b>						08/1997	08/1998
<b>SUBTOTAL</b>	0	18	0	0	18		
<b>3. Design Fees</b>							
Schematic	0	107	0	0	107	08/1998	02/1999
Design Development	0	108	0	0	108	02/1999	06/1999
Contract Documents	0	217	0	0	217	06/1999	02/2000
Construction Administration	0	135	0	0	135	02/2000	06/2001
<b>SUBTOTAL</b>	0	567	0	0	567		
<b>4. Project Management</b>						08/1998	06/2001
State Staff Project Management	0	0	0	0	0		
Construction Management	0	313	0	0	313		
<b>SUBTOTAL</b>	0	313	0	0	313		
<b>5. Construction Costs</b>						02/2000	06/2001
Site & Building Preparation	0	439	0	0	439		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,639	0	0	5,639		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	182	0	0	182		
<b>SUBTOTAL</b>	0	6,260	0	0	6,260		
<b>6. Art</b>						02/1999	04/2001
<b>SUBTOTAL</b>	0	63	0	0	63		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	3,249	0	0	3,249	02/1999	05/2001
Telecommunications (voice & data)	0	104	0	0	104	02/1999	05/2001
Security Equipment	0	52	0	0	52	02/1999	05/2001
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	3,405	0	0	3,405		
<b>8. Inflation</b>							
Midpoint of Construction		10/2000					
Inflation Multiplier		16.50%	0.00%	0.00%			
<b>SUBTOTAL</b>		1,795	0	0	1,795		
<b>9. Other</b>						04/2001	05/2001
<b>SUBTOTAL</b>	0	50	0	0	50		
<b>GRAND TOTAL</b>	\$0	\$12,721	\$0	\$0	\$12,721		

Grants to Political Subdivisions  
Headwaters Science Center (Bemidji)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	9,155	0	0	9,155
General Fund Projects	0	50	0	0	50
<b>State Funds Subtotal</b>	0	9,205	0	0	9,205
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	291	0	0	291
Private Funds	0	3,225	0	0	3,225
Other	0	0	0	0	0
<b>TOTAL</b>	0	12,721	0	0	12,721

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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)	Amount	Percent of Total
General Fund	9,155	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

Predesign has been received but requires additional information based on earlier comments. No recommendation has been issued at this time. It is assumed that the predesign document will reflect this capital request.

**Department of Finance Analysis:**

The strategic linkage of this request to state services and policy objectives is unclear. The project is viewed as having regional significance due to the broad-based nature of the project's potential clientele (residents and students).

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. Non-state funding for the project is currently proposed by the applicant at 28% of total project costs for the biennium.

Project sponsors have prepared a program plan identifying how on-going operating expenses in this facility will be funded and have submitted a predesign study to the Department of Administration for their review.

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	40
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	28
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	0
<b>TOTAL</b>	<b>700 Maximum</b>	<b>223</b>

**PROJECT LOCATION:** City Beach Park, Wabasha

**AGENCY PROJECT PRIORITY:** 1 of 1 (Wabasha)

**1998 STATE APPROPRIATION REQUEST:** \$2,451

**PROJECT DESCRIPTION:**

This request is to construct the American Bald Eagle Center, which will consist of a new 10,000 s.f. interpretive center, including approximately 4,000 s.f. of stationary public exhibit space and an additional 1,500 s.f. of display space for live bald eagles, to be located on an existing 6-acre city park site in Wabasha, Minnesota. Additionally, outdoor platforms are designed and oriented toward significant migration areas, allowing the observer to view eagles and other flora and fauna in their natural habitat.

Upgrades to the expanded existing City Beach Park are proposed to include nature trails highlighted along the walks with informative kiosks which illustrate features of the natural environment and educate about their significance. Additionally, new playground equipment, picnic equipment, and toilet facilities are proposed to enhance the convenience and safety of the existing park area. The center will be owned by the city of Wabasha and will be operated under a lease agreement by EagleWatch, Inc.

The American Bald Eagle Center is a culmination of 8 years of sustained effort by the grass roots community organization, EagleWatch, Inc. (a Minnesota nonprofit corporation with IRS 501.c.3. designation) and the city of Wabasha. Over 60 EagleWatch volunteers and nearly 100 members have facilitated observation of the bald eagle in its native habitat and educated locals and visitors to the importance of the bald eagle in its ecosystem. Through this center, EagleWatch, Inc. hopes to further their mission *to foster commitment to environmental stewardship using the return of the bald eagle from near extinction as a success story and to develop and strengthen appreciation of the bald eagle as a central symbol of North American cultural heritage.*

**Phases and Timelines**

Pre-design	November 1996 - September 1997
Property Acquisition	July 1997 - July 1998
Design	October 1997 - July 1998
Site Development	April 1998 - June 1999
Construction	July 1998 - July 1999
Occupancy	August 1999

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The American Bald Eagle Center will be a unique defining feature of the state of Minnesota for the world. Commissioned with the mission of contributing to the improvement of our planet's environmental well-being and our nation's cultural and civic pride, it will offer our state a point of convergence and pride for generations. The center will occupy a unique natural heritage and eco-tourism niche that exists in no other state.

This is a cornerstone for the region's economic development. Modest projections indicate that this center will eventually attract an additional 100,000 to 200,000 visitors annually to this region. According to the Minnesota Department of Tourism these visitors will infuse as much as \$20 million to our economy each year. That \$20 million expenditure could mean \$1.1 million in state sales tax revenue collected as well as 540 new tourism-related jobs.

There is currently no building in the city of Wabasha that would accommodate the needs of both size and character for this project. The decision for new construction and site selection was made by a number of committees made up of EagleWatch volunteers, city council members, citizens, EagleWatch board members, and the city administrator. The main considerations for the design of the facility were 1) an unobstructed view of the river, 2) land, 3) zoning, 4) adequate size for the building and parking, 5) natural conditions (existence of trees/grass). Currently, there is only one appropriate site available for this construction - the City Beach Park.

In November of 1996 the Wabasha City Council voted unanimously to approve a \$687 thousand grant to the project with proceeds of a pre-1990 tax increment financing bond. In addition, the city of Wabasha has committed land appraised at \$300 thousand. There is a maximum of 36 months to expend the city funds for this project (by January 2000). Other forms of financing, such as grants, corporate sponsorships, and joint venture agreements have been explored and will continue to be researched, but it was felt that state appropriation or bonding would be the only way to ensure the completion of the project in the time allowed.

In the 1997 legislative session, the project was awarded \$450 thousand in a direct appropriation. Committees of the house and senate suggested EagleWatch return in the 1998-99 capital bonding session and seek the remaining funds for construction. The 1997 appropriation is designated for land acquisition, predesign and design of the facility and is available for use through 6-30-99. To date, land acquisition, predesign and design have been funded. Bond funds, as now requested, would be used for construction.



**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project. The project will be a self-sustaining enterprise of the city of Wabasha and EagleWatch, Inc., the lessor of the American Bald Eagle Center. The city of Wabasha has committed operating funds of \$30 thousand/year over 3 years toward the project. After this 3-year period, it is anticipated that admissions, gift shop/mail order sales and joint venture agreements will support the center. The center will operate year round with normal business hours.

The project anticipates operating expenditures and revenues to be as follows (year 1 being the first full year of operation):

<u>Income:</u> (in \$000)	<u>Year 1 (1999)</u>	<u>Year 2 (2000)</u>	<u>Year 3 (2001)</u>
Admissions	\$87	\$173	\$330
Memberships	8	15	25
Gift Shop/Mail Order	45	70	100
Agreements/Fund Raisers	12	22	31
Grants/Donations	41	30	5
<b>Total Revenue</b>	<b>\$193</b>	<b>\$310</b>	<b>\$491</b>

**Expenses:** (in \$000)

Payroll	\$99	\$134	\$228
Facilities	8	10	14
Office	7	10	14
Marketing	13	27	49
Shows/Dues	2	5	6
Fees	4	5	6
Programming	60	77	134
Surplus Contingency	-0-	48	40
<b>Total Expenses:</b>	<b>\$193</b>	<b>\$310</b>	<b>\$491</b>

**OTHER CONSIDERATIONS:**

This project will grow into the leading national and international program for education and advocacy on behalf of the American Bald Eagle and its Mississippi River habitat. The center is conceived and designed to provide comprehensive awareness and education to a broad segment of the public and a major segment of the area's school students. This facility will offer learning experiences for all segments of the general populace, providing dependable, quality recreational and educational programs throughout the year.

The American Bald Eagle Center project is a proposal for a public-private sector partnership in an important new business and offers a unique opportunity to fill an important and promising market niche. The project calls for a relatively modest capital outlay and promises a rapid financial return for public sector investment partners - in addition to the many intangible benefits it will bring to the community, region and state. Based on actual experience of similar centers elsewhere, such as the International Wolf Center in Ely, Minnesota, we anticipate that the annual income of the American Bald Eagle Center could grow to approximately \$1 million within a decade.

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

Mary Rivers, Vice-president  
EagleWatch, Inc.  
P.O. Box 245  
Wabasha MN 55981  
Phone: (612) 565-3918(w)  
(612) 565-4093(h)  
Fax: (612) 565-4850  
Email: mmrivers@wabasha.net

Chad Shryock, City Administrator  
City of Wabasha  
900 Hiawatha Drive E  
Wabasha MN 55981  
Phone: (612) 565-4568  
Fax: (612) 565-4569  
E-mail: cityadmin@wabasha.net



Grants to Political Subdivisions  
Bald Eagle Center (Wabasha)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						11/1996	07/1998
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	127	300	0	0	427		
<b>SUBTOTAL</b>	127	300	0	0	427		
<b>2. Predesign</b>	22	0	0	0	22	11/1996	09/1997
<b>3. Design Fees</b>							
Schematic	26	0	0	0	26	10/1997	12/1997
Design Development	95	0	0	0	95	01/1998	02/1998
Contract Documents	59	0	0	0	59	03/1998	06/1998
Construction Administration	20	0	0	0	20	06/1998	06/1999
<b>SUBTOTAL</b>	200	0	0	0	200		
<b>4. Project Management</b>						04/1998	07/1999
State Staff Project Management	0	0	0	0	0		
Construction Management	57	21	0	0	78		
<b>SUBTOTAL</b>	57	21	0	0	78		
<b>5. Construction Costs</b>						04/1998	07/1999
Site & Building Preparation	44	143	0	0	187		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	2,627	0	0	2,627		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	29	0	0	29		
<b>SUBTOTAL</b>	44	2,799	0	0	2,843		
<b>6. Art</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	35	0	0	35	01/1999	07/1999
Telecommunications (voice & data)	0	25	0	0	25	01/1999	07/1999
Security Equipment	0	0	0	0	0	01/1999	07/1999
Commissioning	0	0	0	0	0	06/1999	08/1999
<b>SUBTOTAL</b>	0	60	0	0	60		
<b>8. Inflation</b>							
Midpoint of Construction		02/1999					
Inflation Multiplier		8.10%	0.00%	0.00%			
<b>SUBTOTAL</b>		258	0	0	258		
<b>9. Other</b>	0	0	0	0	0	02/1999	02/1999
<b>GRAND TOTAL</b>	\$450	\$3,438	\$0	\$0	\$3,888		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	450	2,451	0	0	2,901
<b>State Funds Subtotal</b>	450	2,451	0	0	2,901
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	987	0	0	987
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	450	3,438	0	0	3,888

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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 MN 1997, SF 1905, Section 12, Subd. 4(d)	450

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	2,451	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

**Department of Administration Analysis:**

The predesign submittal meets requirements and received a positive recommendation.

**Department of Finance Analysis:**

Policies regarding how aggressively the state wishes to pursue environmental education initiatives and corresponding funding levels are presently unclear. Further discussion by state policy-makers is needed to identify and prioritize how environmental education should best be provided and funded, whether through out-of-classroom experiences, day use centers or residential (overnight) centers.

In 1996, a subcommittee of the Environmental Education Advisory Board (EEAB) was formed to conduct an evaluation of residential and day-use environmental learning centers that were seeking bonding funds in the 1998 legislative session. Their review considered whether the proposals had established an effective environmental education plan, had developed a workable business operating plan, and whether the construction requests were consistent with those plans.

The EEAB report (issued November 1997) indicates that all requests have promise, but only two projects are deemed ready for funding with the greatest potential for success -- the Laurentian Environmental Center (residential facility) and Hartley Nature Center (day-use facility).

In addition, state decision-makers are encouraged to review the 1997 Wilder Research Center report, "*Residential Environmental Learning Centers in Minnesota*." This report examines the financial feasibility of expanded RELC's, as well as proposed new RELC's in relation to market demand for such facilities. The findings of the report highlight the substantial expansion of existing RELC's in Minnesota, identify many other RELC proposals in various stages of development, and remind decision-makers that market demand for environmental education is largely finite.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. This recommendation has a precedent in environmental education -- many RELC's that previously received state bonding funds as far back as 1994 had substantial non-state match requirements (i.e., 1/3 local, 1/3 Blandin Foundation, 1/3 state). Project sponsors are currently proposing a 29% non-state funding match.

Based on attendance projections provided by the Center, the project is viewed as having regional significance. The city has prepared a facility predesign and a detailed program plan identifying how on-going operating expenses of this project will be funded.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	29
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
<b>TOTAL</b>	<b>700 Maximum</b>	<b>254</b>

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

**This page intentionally left blank.**

**PROJECT LOCATION:** City of Fertile

**AGENCY PROJECT PRIORITY:** 1 of 4 (Environmental Learning Centers)

**1998 STATE APPROPRIATION REQUEST:** \$2,400

**PROJECT DESCRIPTION:**

The present request is for \$2.4 million which will build one 96 bed dormitory, part of the day use/public building, an administration/theater annex, connecting tunnel and needed infrastructure. This is less than 50% of the planned and desired total of \$5.6 million but would give adequate room for growth while holding overhead to a minimum.

The plan and desired outcome for the Agassiz Environmental Learning Center (AELC) is to fulfill the adopted mission statement. "The purpose of the AELC is to foster a greater awareness and understanding of the interrelationships between humans and nature."

Plans have evolved and developed over the past 5 years as to how to best achieve this mission statement. There is a large potential market for environmental education in the northwest quadrant of Minnesota and eastern North Dakota which the AELC is helping fill through day use programs. The day use programs are distance sensitive as time spent in travel limits the service area to about a 60 mile radius.

There are some schools attending from as far as 90 miles but that dictates an arrival time of 10:30 - 11:00 a.m. and departure at 1:15 - 1:30 p.m.

To better serve these students and those in a 200 mile radius plus anywhere else in the state or area, a residential ELC has been researched and planned. The planned facility has been achieved through public meetings, school inputs, and \$300 thousand appropriation by the state of Minnesota in the 1994 bonding bill for architecture and engineering.

The pre-design manual called for a \$5.6 million construction cost including inflation. This would build two 96-bed dormitories, administration/theater, dining hall for 200, kitchen and associated facilities, classrooms, a rock climbing silo and infrastructures (sewer, water, utilities) plus intern/instructor housing.

Due to many factors such as our own research into timing and needs, the expansion and addition of Earthsense/Greenprint, the lag time for EE requirements in the state and the Wilder report to the Greenprint Council, the plan to request construction funds has been scaled back.

Permanent staff would be limited to 3 or 4 positions with residential interns as instructors and almost all other positions being contracted (i.e.: housekeeper, food service, maintenance and grounds).

This is an area and state resource far more than a need or desire of the city of Fertile. It will bring in or retain several families and will generate some economic benefit (food contracts, housekeeping, etc) but its real value will be to the children of northwest Minnesota.

Therefore, a request of \$2.4 million is needed to reach these modest goals.

Dining needs would be contracted from city of Fertile restaurants with some of the general use building adapted for service use. The side of the AELC is on 640 acres of "dedicated wilderness" incorporated into the city limits of Fertile. The AELC buildings will be less than 1/2 mile from the physical limits of the city of Fertile. City water and sewer are therefore available.

The success of the AELC will be one of multiple use; i.e., continued day use, residential use in a steadily increasing radius, agricultural meetings and seminars, Boy Scouts, Girl Scouts, Elderhostle, area and state agency retreats. Also considered are arts programs and displays. There are over 10 miles of developed hiking and ski trails which are city maintained in the summer and groomed for skis in the winter. There is also an outer perimeter snowsled trail connected to the Agassiz trails system and maintained by the local snowsled club. Skiers and snowsled users are expected to be rather substantial weekend users of the facility.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The future of Minnesota, the Red River Valley, and the entire Upper Midwest is dependent on the health and sustainability of our natural resource base and on wise use of these resources. The Agassiz Environmental Learning Center (ELC) is an investment which will strengthen the region's environmental and economic future. Informed decisions regarding sustainable use of our natural resources requires an understanding of the impacts of man's actions on the environment. The purpose of the Agassiz ELC is to help foster this understanding and awareness through its various programs and services related to conservation and natural resource management.

The Agassiz ELC in its simplest form will be a viable residential environmental education facility in northwestern Minnesota, western Dakota's and the entire state, with professional staff and curriculum to serve school groups and the public. Currently there are 5 such facilities in the state of Minnesota providing residential environmental education services. The entire project and buildings are owned by the city of Fertile and are incorporated within the city limits.

The success of these Centers lies not in their dormitories, classrooms and other man-made facilities, but in their programs of involving students directly in the learning process in an outdoor setting. Learning comes alive as students are immersed in the classroom of the outdoors. An awareness is awakened in students young and old of the interrelationships between humans and nature and our responsibility to be good stewards of our natural resources.

Located near Fertile, Minnesota, the Agassiz ELC will provide hands-on learning opportunities in the Fertile Sand Hills for schools from northwestern Minnesota and the Red River Valley. These students generally have not attended such centers due to lack of Residential ELC information or the long distances to existing centers. Opportunities to focus on the prairie, sand dunes, oak savanna, and riverine ecosystems inherent to its site and the agricultural heritage of the area allow the Agassiz ELC to be of benefit to schools throughout Minnesota and elsewhere which have not had exposure to these elements.

The Agassiz ELC will also serve as a regional resource center and clearinghouse for environmental information to residents of the region. It will be a partner in assisting land and water stewardship agencies throughout the region to meet the education needs of their various audiences. The Agassiz ELC is 501(c)(3) non-profit corporation supported by a combination of user fees, memberships and contributions from a variety of supporters interested in the future well being of the region's environment and economy.

#### **IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

Plans for development of the Agassiz ELC began several years ago as a means to address the need to make residential environmental education (EE) services more accessible to residents of northwestern Minnesota and also to provide a residential EE experience related to the prairie environment which is an important part of the region's heritage. Many partners have assisted in the planning and development efforts to this time with the city of Fertile and the Northwest Minnesota Initiative Fund providing key initial financial support to develop the project. There has also been considerable cooperation and sharing of information from existing residential EE centers in Minnesota as they recognize the need for a strong network of residential EE centers statewide.

Delivery of EE programs is the primary means for the Agassiz ELC to achieve its purpose of fostering environmental awareness.

No state operating funds are being requested for this project. Residential programs will be provided as facilities become available to accommodate students for overnight stays (i.e., dorms, dining, classrooms, etc.). Projections are to begin construction in the fall of 1998 with the facility ready for residential use and program delivery by the fall of 1999. Generally, a week of residential programming consists of one school group arriving Monday morning and departing Wednesday noon with

a second group arriving Wednesday noon and departing after lunch on Friday. Occupancy is projected to be 960 students in the first year of operations. This would translate to an average of 1 class (24 students) for 40 3-day sessions. There are an absolute possible 72 sessions per school year, but a more practical number would be 60 usable sessions. The plan and projection is to accommodate from 1 to 3 classes; i.e., 24 - 72 students per session. Scheduling would allow the continued day use of 1,600 students per year.

Slow and steady growth is anticipated with 1,200 students in year 2 and 1,440 in the third year. This facility may seem small, but projections point to the ability to accommodate 4,000 - 5,000 students on a school year basis.

Minnesota has a total public school enrollment of 750,195 students in grades 1-12 (October, 1994 figures). Of this total, 380,474 students are in grades 1-6 or an average of 63,412 students per grade. Again grades 4-6 are the primary clientele for residential ELC programs. There are approximately 190,000 students enrolled in these 3 grades in Minnesota public schools. The Agassiz ELC expects to draw on these plus additional use from private schools, home schools, and schools from North Dakota.

#### **OTHER CONSIDERATIONS:**

Funding needed to sustain the RELC is projected from a variety of sources including, user fees, foundations, corporate and business sponsorships, private memberships, and contributions. The RELC would require a subsidy of \$65 thousand a year for the first 5 years. These costs would be covered by pledged contributions from area entities.

Following initial construction, the Agassiz ELC would be an economic and educational asset to the community and state. After the 5th year of residential operations, it is projected that the ELC will be self sufficient with revenues primarily coming from user fees. A financial goal of the ELC is to be able to generate and set aside funds from operating income to cover maintenance and improvements. However, income generated from this type of non-profit business would not be sufficient for an organization to neither receive a loan to build a residential center, having to make payments for subsequent years after, nor to be compensated for building expenses. In order for ELC's to be viable, debt retirement is not feasible.

#### ***Private or Local Contributions for Construction Costs***

It is a large undertaking to raise initial operating funds at a private or local level. Almost without exception, funding sources state they will not contribute to bricks and mortar. Earthsense 2000 is an example of a good idea gone bad - the funds are not coming in and the cost of raising them seems prohibitive.

It seems necessary to include here that a suggested previous state bonding formula has not worked; i.e., 1994 bonding, 1/3 Blandin, 1/3 state, 1/3 local. Probably not more than 20 to 25% of "local" funding has been raised (with a fund raising cost approaching 30%), no state funds have been utilized, no construction has resulted from state bonding. This kind of funding is far more damaging than an outright refusal.

***Items Funded by the Previous \$300 Thousand State Appropriation***

The 1994 state appropriation has and is being used for a pre-design document, schematic design documents, design development, and, after approval by LCMR, it will be used for contract documents. There will be some funds left over that could be used for construction administration.

***Funding by Other Sources: Local Government***

The city of Fertile has purchased 640 acres of land designated as a natural area and wilderness sanctuary plus adding several other tracts to make a total of over 700 acres. They have developed extensive hiking, skiing trails, a nature center building, bridge, viewing deck on the river and a maintenance/storage building. All of this area is deeded into a permanent wilderness, natural recreation area open to all and cannot be used for commercial development or exploration.

The \$807 thousand in local government funding is arrived at a current value of \$320 thousand for improvements, and land at current value of \$700 per acre = \$487 thousand. Perhaps a more realistic measure could be made by a comparison; i.e., Rydell Refuge located 20 miles away and own by U.S. Fish and Wildlife Service and is appraised at a future value of \$3 thousand per acre. This would be comparable and would put the city of Fertile contribution at or near \$2.5 million.

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

Sharon Edlund  
City Clerk/Treasurer  
PO Box 628  
Fertile, MN 56540  
Phone: 218-945-3136  
Fax: 218-945-3236



**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						07/1995	07/1996
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	807	0	0	0	807		
<b>SUBTOTAL</b>	807	0	0	0	807		
<b>2. Predesign</b>	22	0	0	0	22	05/1995	12/1995
<b>SUBTOTAL</b>							
<b>3. Design Fees</b>							
Schematic	48	0	0	0	48	01/1996	09/1996
Design Development	64	0	0	0	64	10/1996	11/1997
Contract Documents	125	0	0	0	125	12/1997	03/1998
Construction Administration	0	45	0	0	45	07/1998	09/1999
<b>SUBTOTAL</b>	237	45	0	0	282		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						07/1995	09/1999
Site & Building Preparation	41	0	0	0	41		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	1,914	0	0	1,914		
Infrastructure/Roads/Utilities	0	70	0	0	70		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	50	0	0	50		
<b>SUBTOTAL</b>	41	2,034	0	0	2,075		
<b>6. Art</b>	0	20	0	0	20	07/1998	09/1999
<b>SUBTOTAL</b>							
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	75	0	0	75	06/1999	09/1999
Telecommunications (voice & data)	0	25	0	0	25	06/1999	09/1999
Security Equipment	0	0	0	0	0		
Commissioning	0	3	0	0	3	08/1999	09/1999
<b>SUBTOTAL</b>	0	103	0	0	103		
<b>8. Inflation</b>							
Midpoint of Construction		04/1999					
Inflation Multiplier		9.00%	0.00%	0.00%			
Inflation Cost		198	0	0	198		
<b>SUBTOTAL</b>							
<b>9. Other</b>	0	0	0	0	0		
<b>SUBTOTAL</b>							
<b>GRAND TOTAL</b>	\$1,107	\$2,400	\$0	\$0	\$3,507		

Grants to Political Subdivisions  
Agassiz ELC (Fertile)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	300	2,400	0	0	2,700
<b>State Funds Subtotal</b>	<b>300</b>	<b>2,400</b>	<b>0</b>	<b>0</b>	<b>2,700</b>
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	807	0	0	0	807
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>1,107</b>	<b>2,400</b>	<b>0</b>	<b>0</b>	<b>3,507</b>

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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	
1994, Chapter 643, Section 23, Subd.28(f)	300

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	2,400	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

**Department of Finance Analysis:**

Policies regarding how aggressively the state wishes to pursue environmental education initiatives and corresponding funding levels are presently unclear. Further discussion by state policy-makers is needed to identify and prioritize how environmental education should best be provided and funded, whether through out-of-classroom experiences, day use centers or residential (overnight) centers.

In 1996, a subcommittee of the Environmental Education Advisory Board (EEAB) was formed to conduct an evaluation of residential and day-use environmental learning centers that were seeking bonding funds in the 1998 legislative session. Their review considered whether the proposals had established an effective environmental education plan, had developed a workable business operating plan, and whether the construction requests were consistent with those plans.

The EEAB report (issued November 1997) indicates that all requests have promise, but only two projects are deemed ready for funding with the greatest potential for success -- the Laurentian Environmental Center (residential facility) and Hartley Nature Center (day-use facility).

In addition, state decision-makers are encouraged to review the 1997 Wilder Research Center report, "*Residential Environmental Learning Centers in Minnesota*." This report examines the financial feasibility of expanded RELC's, as well as proposed new RELC's in relation to market demand for such facilities. The findings of the report highlight the substantial expansion of existing RELC's in Minnesota, identify many other RELC proposals in various stages of development, and remind decision-makers that market demand for environmental education is largely finite.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. This recommendation has a precedent in environmental education -- many RELC's that previously received state bonding funds as far back as 1994 had substantial non-state match requirements (i.e., 1/3 local, 1/3 Blandin Foundation, 1/3 state). The applicant has substantially reduced the scope of the project rather than commit to a non-state funding match. A careful analysis is needed of the city's contribution of a 700 acre site for the project to determine if the land value might represent a larger local contribution than is currently shown on the project detail form.

Based on attendance projections provided by the Center, the project is viewed as having regional significance. However, the city should prepare a detailed program plan identifying how on-going operating expenses of this project will be funded.

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

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.

**PROJECT LOCATION:** 10 miles north of Willmar, Kandiyohi County

**AGENCY PROJECT PRIORITY:** 1 of 4 (Environmental Learning Centers)

**1998 STATE APPROPRIATION REQUEST:** \$5,405

**PROJECT DESCRIPTION:**

The purpose of this project is to support the mission of the Prairie Woods Environmental Learning Center (PWELC) to promote an individual and shared commitment to the responsible use, management and preservation of our natural resources. A residential environmental learning center complex is the cornerstone to accomplishing the education strategies envisioned by the PWELC. This new facility, 49,771 gross square feet, will include space for administration, classrooms, food service, energy, dormitories, and exhibits to accommodate and educate students of all ages for overnight and day visits. The operating expenses of the residential environmental learning center will be borne by the revenue generated from user fees, contributions, memberships, and retail sales.

The PWELC site consists of 433 acres of land with gradations between rolling prairie, pothole wetlands, hardwood forests and lake aquatic ecosystems. It is a natural outdoor laboratory surrounded by thriving agricultural and lake communities, waterfowl and wildlife management areas, Sibley State Park, state trails, private resource based businesses and transportation corridors.

The PWELC site is located on the south side of Lake Florida in the northern half of Kandiyohi County in west central Minnesota. The largest municipalities of Willmar, New London and Spicer are within 10 miles of the PWELC site. More than 50,000 of Kandiyohi County's 551,682 acres are comprised of water held in prairie potholes, wetlands and 361 lakes.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

Environmental education goals for students and citizens of the state include:

- To understand ecological systems.
- To understand the cause and effect relationship between human attitudes and behavior and the environment.
- To analyze, develop and use problem-solving skills to understand the decision making process of individuals, institutions and nations regarding environmental issues.

- To evaluate alternative responses to environmental issues before deciding on alternative courses of action.
- To understand the potential complementary nature of multiple uses of the environment.
- To provide experiences that assist citizens to increase their sensitivity and stewardship for the environment.
- To provide information citizens need to make informed decisions about actions to take on environmental issues.

To meet the state's goals for environmental education, the 1993 Environmental Education Plan identifies philosophical principles, audiences, outcomes, and strategies for action to guide environmental education over the next 10 years. In preparing this plan and building on previous environmental education efforts the Environmental Education Advisory Board (EEAB) selected the following mission for environmental education in Minnesota:

To develop a population that has the knowledge, skills, attitudes, motivation, and commitment to work individually and collectively toward sustaining a healthy environment.

To that end the EEAB recommended that the legislature provide \$12 million in bonding to establish residential environmental education centers in portions of the state where they do not currently exist. The EEAB further concluded there is a need for residential environmental education centers in the Twin Cities metro area and the southern and western prairie and agricultural areas of the state.

This environmental education mission corresponds to the U.S. EPA's National Environmental Education Advisory Council's 1992 definition:

Environmental education is the interdisciplinary process of developing a citizenry that is knowledgeable about the total environment, in its natural and built aspects, and that has the capacity and the commitment to engage in inquiry, problem-solving, decision-making and action that will assure environmental quality.

**Organizational Goals:**

- Provide quality residential and day-use environmental education opportunities serving the needs and interest of students and facilitators in formal education institutions. Students get the added benefits of residential environmental

education programming, including greater retention of information and expanded outdoor experiences.

A measurable outcome of reaching these goals is that an estimated 5,232 students (3,000 day-use, 2,232 residential) will be served in 1999, growing to 13,950 students (4,400 day-use, 9,960 residential) by the year 2002.

- Provide quality residential and day-use environmental education opportunities for persons in a non-formal education setting; government officials and boards, consumers, producers/landowners, regulated and business communities, recreationalists, civic groups and religious groups.
- Become an integral part of the economic, environmental and social development of central Minnesota. Contribute to the economic development of the local community through the creation of 12 months of construction employment and at least 18 full-time jobs at PWELC.

**Project Rationale:**

The governing board decided the best alternative to meet the organization's goals and program requirements is to build a facility on the existing PWELC land. Advantages to this alternative include:

- This site provides an ideal setting to deliver environmental education.
- It is desirable to provide facilities on site to maximize the visitor's educational experience.
- Cooperative use of housing located at 3 nearby church camps was investigated but considered not to be a viable option because:

PWELC programs will occur year-round, including weekends, and the church camps will be in use all summer as well as weekends year round.

Transporting students from housing and dining facilities to the outdoor classrooms greatly compromises the student's experience.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested with this project.

A measurable outcome of this project is that an estimated 5,772 students will be served in 1997, growing to 15,250 students by the year 2000. With the completion of this project, the operating expenses will grow from \$20 thousand in 1995 to \$900

thousand in 2000. User fees, membership and retail sales are projected to cover all operation expenses.

**OTHER CONSIDERATIONS:**

\$250 thousand was appropriated from bonding in M.L. 1994, Chap. 643 for the preparation of predesign, schematic design, design development and construction documents.

Over \$1.2 million of land acquisition and improvements have occurred or are being planned for the total development of the PWELC. The following projects have been or will be funded by private individuals, businesses, and local government agencies:

- 433 acres of land;
- entrance road construction;
- design and construction of trails, canoe
- base, challenge course, amphitheater, trail
- shelters, outdoor teaching stations;
- redevelopment of the old farm site to
- include sod house, log cabin, restore old
- farm buildings, water and sewer; and
- housing for on site staff.

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

Kim Embretson  
Prairie Woods ELC  
12718 10th Street NE  
Spicer, MN 56288  
Telephone: 320/354-5894  
Fax: 320/796-6786

Wayne Thompson  
Kandiyohi County Coordinator  
1900 Hwy 294 NE  
Willmar, MN 56201

Grants to Political Subdivisions  
Prairie Woods ELC (Kandiyohi County)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Cost

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						06/1998	06/1998
Land, Land and Easements, Options	\$5	\$16	\$0	\$0	\$21		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	5	16	0	0	21		
<b>2. Predesign</b>	15	0	0	0	15	06/1994	06/1995
<b>3. Design Fees</b>							
Schematic	45	0	0	0	45	07/1995	02/1996
Design Development	61	0	0	0	61	07/1995	02/1996
Contract Documents	121	0	0	0	121	11/1997	02/1998
Construction Administration	0	87	0	0	87	06/1998	07/1999
<b>SUBTOTAL</b>	227	87	0	0	314		
<b>4. Project Management</b>						06/1998	07/1999
State Staff Project Management	0	0	0	0	0		
Construction Management	3	13	0	0	16		
<b>SUBTOTAL</b>	3	13	0	0	16		
<b>5. Construction Costs</b>						06/1998	07/1999
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	4,296	0	0	4,296		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	430	0	0	430		
<b>SUBTOTAL</b>	0	4,726	0	0	4,726		
<b>6. Art</b>	0	47	0	0	47	07/1999	09/1999
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	125	0	0	125	06/1999	09/1999
Telecommunications (voice & data)	0	0	0	0	0	06/1999	09/1999
Security Equipment	0	0	0	0	0	06/1999	09/1999
Commissioning	0	5	0	0	5	06/1999	09/1999
<b>SUBTOTAL</b>	0	130	0	0	130		
<b>8. Inflation</b>							
Midpoint of Construction		01/1999					
Inflation Multiplier		7.70%	0.00%	0.00%			
Inflation Cost		386	0	0	386		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$250	\$5,405	\$0	\$0	\$5,655		

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	250	5,405	0	0	5,655
<b>State Funds Subtotal</b>	250	5,405	0	0	5,655
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	250	5,405	0	0	5,655

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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 1994, Chapter 643, Section 23, Subd. 28(h)	250

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	5,405	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
No	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
No	Matching Funds Required (as per agency request)

**Department of Finance Analysis:**

Policies regarding how aggressively the state wishes to pursue environmental education initiatives and corresponding funding levels are presently unclear. Further discussion by state policy-makers is needed to identify and prioritize how environmental education should best be provided and funded, whether through out-of-classroom experiences, day use centers or residential (overnight) centers.

In 1996, a subcommittee of the Environmental Education Advisory Board (EEAB) was formed to conduct an evaluation of residential and day-use environmental learning centers that were seeking bonding funds in the 1998 legislative session. Their review considered whether the proposals had established an effective environmental education plan, had developed a workable business operating plan, and whether the construction requests were consistent with those plans.

The EEAB report (issued November 1997) indicates that all requests have promise, but only two projects are deemed ready for funding with the greatest potential for success -- the Laurentian Environmental Center (residential facility) and Hartley Nature Center (day-use facility).

In addition, state decision-makers are encouraged to review the 1997 Wilder Research Center report, "*Residential Environmental Learning Centers in Minnesota*." This report examines the financial feasibility of expanded RELC's, as well as proposed new RELC's in relation to market demand for such facilities. The findings of the report highlight the substantial expansion of existing RELC's in Minnesota, identify many other RELC proposals in various stages of development, and remind decision-makers that market demand for environmental education is largely finite.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. This recommendation has a precedent in environmental education -- many RELC's that previously received state bonding funds as far back as 1994 had substantial non-state match requirements (i.e., 1/3 local, 1/3 Blandin Foundation, 1/3 state).

Based on attendance projections provided by the Center, the project is viewed as having regional significance. However, a detailed program plan should be prepared identifying how on-going operating expenses of this project will be funded.

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

**Governor's Recommendation:**

The Governor does not recommend capital funds for this project.



Due to the fact that the...  
...  
...

**This page intentionally left blank.**

**PROJECT LOCATION:** Mounds View Public Schools, Britt, MN

**AGENCY PROJECT PRIORITY:** 1 of 4 (Environmental Learning Centers)

**1998 STATE APPROPRIATION REQUEST:** \$1,406

**PROJECT DESCRIPTION:**

The Laurentian Environmental Learning Center (LEC) is a residential learning center operated by Independent School District #621 (Mounds View) located near Virginia, MN. The original facilities, located on state owned land, were built in the 1930s. Most of the buildings are in need of stabilization, remodeling, and in some cases, removal and replacement. A 1993 designed and adopted master plan prioritizes the renovation projects.

This request will provide funds for the continuation of the master plan implementation. A previous state grant of \$450 thousand provided for emergency replacement of sleeping cabins and bath houses through bonding funds appropriated under Laws 1994. The 1997 Legislature appropriated \$325 thousand for the lodge restoration. This is being spent for the lodge/kitchen project which is due to be completed November 1997.

Remaining work includes completion of the lodge renovation and existing classroom, replacement of second phase of cabins, renovate outdated existing cabins to classrooms, build staff office and equipment storage facility, and refurbish remaining buildings.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The LEC is an established 140 bed residential education facility that provides environmental education programs on a statewide basis since 1978. The mission is to foster the development of an environmental ethic through experiential learning in the outdoors. The goal is to contribute to the development of an environmentally informed citizenry that can effectively participate in the management of natural resources.

This project will complete the renovation and replacement of facilities that pose existing and potential health and safety issues. It will allow for the continuation of an established residential environmental education institution which serves over 5,000 people annually from 36 schools (this represents 19 school districts) and over 64 additional private schools, churches, environmental service agencies and civic groups. It will also enhance existing public/private partnerships with local area businesses which contribute to the economy.

This project implements the recommendations of the "GreenPrint Plan for Minnesota," the document adopted in 1993 to guide the state's involvement in environmental education.

Completion of the master plan will make it possible for this well-established education facility to provide hands-on outdoor learning experiences to people of all ages in a safe and ADA accessible environment.

Most of the existing original facilities were constructed in the 1930s and in serious need of renovation and/or replacement to ensure that all code requirements continue to be met.

The alternative is to continue with existing inadequate facilities. This would mean that programs for the established clientele would be significantly reduced or terminated at a future date, as the center would close.

Fund raising of private funds and increased student fees were considered. Private fund raising is difficult and is insufficient in raising the necessary funds. Student fees already pay the operating costs of this self-sustaining education program. Repair and maintenance costs of all facilities is included in the LEC operating budget.

This project currently has the following available: \$375 thousand in school district capital funds and IRRRB funds. This is being held as a local match which has been requested in previous sessions. When expended, it will be used to complete renovation of the lodge and the existing classroom. A 1996 bonding provision of \$750 thousand was vetoed. The 1997 Legislature appropriated \$325 thousand in the Environment Funding bill which is being used toward the kitchen renovation project.

**IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):**

No state operating funds are being requested for this project.

The LEC operating budget is \$349 thousand for the F.Y. 1997-98 which is funded entirely through fees paid by program participants. Of this amount \$238 thousand is dedicated to salaries and benefits for 12 employees. The remaining amount is for food, equipment, utilities, repairs, etc.

**OTHER CONSIDERATIONS:**

Funding is requested for the following items (in \$000s):

a. Lodge completion	\$170
b. Existing, classroom stabilization/renovation	66
c. Site-side Geotechnical Investigations	9
d. New north housing	505
e. Repairs to cabins bear, loon, walleye & aspen	307
f. New break-out classroom building east of existing	73
g. Improve entry road, parking	177
h. Construct new pedestrian entry path	82
i. New staff office, convert dir. cabin to teacher cabin	233
j. Improve paths: classroom/lake	55
k. Miscellaneous accessibility improvements	10
l. Storage facilities	13
m. Field Improvements	9
n. Improve trail programs and signage	20
o. Refurbish remaining buildings	12
p. Renovate sauna	37
q. Improve paths to staff cabin	3
Total Project Cost	\$1,781
<u>(Local Match)</u>	<u>(375)</u>
State Funding Request	\$1,406

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

Project Spokesperson: Susan (Sue) Hankner, Coordinator  
Laurentian Environmental Center  
8950 Peppard Road  
Britt, MN 55710  
Phone: (218) 749-1288  
FAX: (218) 749-2750  
E-Mail: lec@rangenet.com

Local Government Contact: Nick Temali  
Community Education Director  
Mounds View Public Schools  
500 10th Street NW  
New Brighton, MN 55112  
Phone: (612)639-6008  
FAX: (612)639-6033

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>							
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>2. Predesign</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>3. Design Fees</b>							
Schematic	0	29	0	0	29	05/1998	06/1998
Design Development	0	45	0	0	45	06/1998	08/1998
Contract Documents	0	70	0	0	70	08/1998	11/1998
Construction Administration	0	34	0	0	34	12/1998	12/1999
<b>SUBTOTAL</b>	0	178	0	0	178		
<b>4. Project Management</b>							
State Staff Project Management	0	0	0	0	0		
Construction Management	0	0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>5. Construction Costs</b>						06/1998	12/1999
Site & Building Preparation	0	9	0	0	9		
Demolition/Decommissioning	0	0	0	0	0		
Construction	775	1,444	0	0	2,219		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	85	0	0	85		
<b>SUBTOTAL</b>	775	1,538	0	0	2,313		
<b>6. Art</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	55	0	0	55	06/1999	12/1999
Telecommunications (voice & data)	0	10	0	0	10	12/1998	12/1999
Security Equipment	0	0	0	0	0		
Commissioning	0	0	0	0	0		
<b>SUBTOTAL</b>	0	65	0	0	65		
<b>8. Inflation</b>							
Midpoint of Construction							
Inflation Multiplier		0.00%	0.00%	0.00%			
Inflation Cost		0	0	0	0		
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	<b>\$775</b>	<b>\$1,781</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,556</b>		

Grants to Political Subdivisions  
Laurentian ELC (Britt)

AGENCY CAPITAL BUDGET REQUEST  
Fiscal Years 1998-2003  
Dollars in Thousands (\$137,500 = \$138 thousand)

Project Detail

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds :					
G.O Bonds/State Bldgs	775	1,406	0	0	2,181
<b>State Funds Subtotal</b>	775	1,406	0	0	2,181
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	375	0	0	375
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	775	1,781	0	0	2,556

IMPACT ON STATE OPERATING COSTS	Current FY 1998-99	Projected Costs (Without Inflation)			
		FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	0	0	0	0	0
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	0	0	0	0	0
Change from Current FY 1998-99		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 1997, Chapter 216, Sec. 3, Subd. 9	325
Laws 1994, Chapter 663, Sec.23, Subd. 28(g)	450

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	1,406	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
No	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

Department of Finance Analysis:

Policies regarding how aggressively the state wishes to pursue environmental education initiatives and corresponding funding levels are presently unclear. Further discussion by state policy-makers is needed to identify and prioritize how environmental education should best be provided and funded, whether through out-of-classroom experiences, day use centers or residential (overnight) centers.

In 1996, a subcommittee of the Environmental Education Advisory Board (EEAB) was formed to conduct an evaluation of residential and day-use environmental learning centers that were seeking bonding funds in the 1998 legislative session. Their review considered whether the proposals had established an effective environmental education plan, had developed a workable business operating plan, and whether the construction requests were consistent with those plans.

The EEAB report (issued November 1997) indicates that all requests have promise, but only 2 projects are deemed ready for funding with the greatest potential for success -- the Laurentian Environmental Center (residential facility) and Hartley Nature Center (day-use facility).

In addition, state decision-makers are encouraged to review the 1997 Wilder Research Center report, *"Residential Environmental Learning Centers in Minnesota."* This report examines the financial feasibility of expanded RELC's, as well as proposed new RELC's in relation to market demand for such facilities. The findings of the report highlight the substantial expansion of existing RELC's in Minnesota, identify many other RELC proposals in various stages of development, and remind decision-makers that market demand for environmental education is largely finite.

The Department of Finance recommends that local units of government share project costs through at least a 50% non-state funding match. This recommendation has a precedent in environmental education -- many RELC's that previously received state bonding funds as far back as 1994 had substantial non-state match requirements (i.e., 1/3 local, 1/3 Blandin Foundation, 1/3 state). Project sponsors are currently proposing a 21% non-state funding match.

Based on attendance projections provided by the Center, the project is viewed as having regional significance. The school district has prepared a detailed program plan identifying how on-going operating expenses of this project will be funded.

Project request forms should be amended to clarify the following:

- The construction cost identified in item 5 on the project cost form does not equal the construction cost on the project construction form. Gross square feet

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	35
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	21
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	50
<b>TOTAL</b>	<b>700 Maximum</b>	<b>306</b>

calculations are also missing.

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

1. The first step is to identify the problem. This involves understanding the symptoms and the context in which they are occurring.

**This page intentionally left blank.**

**PROJECT LOCATION:** City of Herman

**AGENCY PROJECT PRIORITY:** 1 of 4 (Environmental Learning Centers)

**1998 STATE APPROPRIATION REQUEST:** \$4,035

**PROJECT DESCRIPTION:**

The Lawndale Foundation, a 503 (C)(3) corporation, operates the RELC site under a management agreement with the city of Herman, Minnesota, the owner.

The Lawndale Environmental Learning Center is the only proposed residential ELC located clearly within the Prairie Biome Province of Minnesota. It lies along the border of the Northern Tallgrass Prairie and the Minnesota River Prairie subsections. It also offers a different curriculum focus which addresses not only the natural environment, but also agricultural land use and its interaction with the natural world. Lawndale provides opportunities for working with local farmers on soil and water conservation measures and has worked in close cooperation with the Herman-Norcross Community School. It is located in the "heart" of the migration corridor of the Mississippi Flyway, and its waterfowl program is unique among the RELCs in Minnesota. A survey of all Minnesota schools indicated that 171 (including 28 metro schools) expressed interest in using Lawndale for environmental education. Our mission is to develop a conservation ethic by teaching and demonstrating the stewardship of natural and agricultural resources.

We will build a residential environmental learning center. The center will have overnight housing for 250+ students as well as dining and kitchen facilities. There will be adequate educational space and display area as well as ample room for day visitors and informal education. A wetland boardwalk will be built to facilitate the study of the very adequate marshlands and prairie. Some of the prairie needs to be accessed by boardwalk across a marsh. A set of agricultural buildings will be built and/or moved in to house livestock. All of this fully compliments the very excellent building that are in place at the site now.

Our present buildings consist of a farm house with 5 bedrooms, living room, sitting room, dining room, kitchen, storage room, 1 1/2 baths and a full basement. The ranch house consists of 3 bedrooms, living room, den, 2 baths and a full basement with 3 additional bedrooms and recreation area. Two steel buildings, one 40' x 80' and the other 40' x 105', both having cement floors and are in excellent condition. There is an older barn granary and single garage that are in fair condition. There is a newer triple garage in very good condition. The facilities are served with electric power from the Runestone Rural Electric Association from Alexandria, who have pledged to help us with energy saving demonstrations, etc. An excellent improvement road serves as access. There are 2 sewer systems. There is a fairly new well on the grounds. Phone service is in both houses. There facilities are on

the edge of a beautiful lake, Burr Lake. There are 169.3 acres of land with 98.4 acres tillable. Land rent more than maintains the property.

At this point, a word about our small farm exhibit. We need to have you aware that we are not going back in time nor are we portraying "Old MacDonald's Farm." Our grassroots board members farm up to 3,100 acres per individual. We submit that watching and/or actually milking a cow by hand will far more adequately demonstrate where milk comes from (of course milking by machine will be demonstrated as well). The same theory applies to other areas. The basics must be understood before a comprehension of our modern technological advances can be grasped. The funding of this project will make available to the people of this state the most comprehensive environmental learning center for dispersion of our 3 curriculum headings of Prairie, Wildlife and Conservation, and Agriculture to be found anywhere.

**PROJECT RATIONALE AND RELATIONSHIP TO AGENCY LONG-RANGE STRATEGIC PLAN AND CAPITAL PLAN:**

The growing demand for residential environmental learning center services is attributed to increasing public awareness about environmental issues, further heightened by state-mandated environmental education opportunities (the 1990 Minnesota Environmental Education Act). A Minnesota Department of Education survey of environmental education contact teachers (one teacher in each school identified by principals) shows that teachers rank their preference for residential environmental learning centers as second only to day use nature centers for off-site environmental education experiences.

Currently, the existing residential environmental learning centers are full to capacity, serving only about 3% of Minnesota's total (approximate) enrollment of 890 thousand K-12 students, per Minnesota Department of Education's fall 1993 figures. The existing residential environment learning centers have established the market demand to necessitate doubling their service capacity. We project the current based on information provided by the residential learning center, Greenprint Council.

The currently functioning residential learning centers are distributed across the northern third of Minnesota, with the exception of Forest Resource Center in the extreme southeastern corner of the state. Lawndale's location in west central Minnesota is advantageously close to a large number of schools not now presently being served by a residential environmental learning center for either residential or day use.

Lawndale also plans to meet the unmet marketplace demand for agriculture oriented environmental education. The majority of programs offered by established residential environmental learning centers are focused on forest environments, primarily because of their locations. Some of their emerging or proposed residential



environmental learning centers incorporate prairie curricula and are only touching upon agriculture in one form or another. Lawndale, more than any existing, emerging, or proposed residential learning centers, is in a unique position to provide a comprehensive program about the role of agriculture and the environment.

Lawndale's most comprehensive waterfowl program will remain untouched by any other RELC.

The goal of the Lawndale Environmental Foundation, Inc. will create a full service residential environmental learning center that will feature themes of the prairie, prairie wetland, wildlife and agriculture. The aim of the center is to develop a conservative ethic by teaching and demonstrating the stewardship of natural and agricultural resources.

The Lawndale Learning Center will serve through formal education, to youth in grades K-12 and through community education, people of all ages, living here in the upper midwest region.

This plan proposes a total day attendance of 1,800 to 4,000 visitors per year for the years 1998 to 2001. The plan also proposes residential attendance of 30 students to 1998 growing 8,375 students in 2001.

Enrollment projections are based on our market survey to which 171 pre-qualified prospective institutions, including contact persons responded. There is continued interest in our center and even as few as 30% of patrons from this group could significantly fill Lawndale's schedule capacity. Included in these respondents were 28 metro-area schools.

#### IMPACT ON AGENCY OPERATING BUDGETS (FACILITIES NOTE):

No state operating funds are being requested with this project at this time.

#### OTHER CONSIDERATIONS:

- Buildings on site are being used and others are ready for use
- Optimum site
- Grassroots board
- Active involvement and support by farmers
- Only RELC located clearly within the Prairie Province of Minnesota
- Business management being developed by MSU-SBDC
- Environmental education is working in close cooperation with the Herman-Norcross School District
- Has a different curriculum than any other learning center (agricultural-environmental curriculum)

- In the heart of the Mississippi flyway for waterfowl observation

This project received \$400 thousand as a planning predesign grant from the Legislative Commission on Minnesota Resource (LCMR) in March 1995. Funding for this project was approved by the Minnesota Legislature, 1995 Minnesota Laws, Ch. 220, Sec 19, subd 6(b).

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

Gordon F. Ekberg, Project Leader  
Lawndale Environmental Foundation, Inc.  
Box 181  
Herman, Minnesota 56248-9627  
Phone: (320) 677-2203 Office  
(320) 677-2687 Home  
(320) 677-2204 Fax

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

TOTAL PROJECT COSTS All Years and All Funding Sources	Project Costs All Prior Years	Project Costs FY 1998-99	Project Costs FY 2000-01	Project Costs FY 2002-03	Project Costs All Years	Project Start (Month/Year)	Project Finish (Month/Year)
<b>1. Property Acquisition</b>						06/1998	12/1998
Land, Land and Easements, Options	\$0	\$0	\$0	\$0	\$0		
Buildings and Land	380	0	0	0	380		
<b>SUBTOTAL</b>	380	0	0	0	380		
<b>2. Predesign</b>						01/1998	06/1998
<b>SUBTOTAL</b>	0	15	0	0	15		
<b>3. Design Fees</b>							
Schematic	0	50	0	0	50	07/1998	08/1998
Design Development	0	87	0	0	87	09/1998	11/1998
Contract Documents	0	134	0	0	134	12/1998	05/1999
Construction Administration	0	84	0	0	84	06/1999	08/2000
<b>SUBTOTAL</b>	0	355	0	0	355		
<b>4. Project Management</b>						06/1998	08/2000
State Staff Project Management	0	0	0	0	0		
Construction Management	99	0	0	0	99		
<b>SUBTOTAL</b>	99	0	0	0	99		
<b>5. Construction Costs</b>						06/1999	08/2000
Site & Building Preparation	0	0	0	0	0		
Demolition/Decommissioning	0	0	0	0	0		
Construction	0	5,388	0	0	5,388		
Infrastructure/Roads/Utilities	0	0	0	0	0		
Hazardous Material Abatement	0	0	0	0	0		
Construction Contingency	0	539	0	0	539		
<b>SUBTOTAL</b>	0	5,927	0	0	5,927		
<b>6. Art</b>						10/1999	08/2000
<b>SUBTOTAL</b>	0	55	0	0	55		
<b>7. Occupancy</b>							
Furniture, Fixtures and Equipment	0	474	0	0	474	06/2000	10/2000
Telecommunications (voice & data)	0	55	0	0	55	04/2000	08/2000
Security Equipment	0	10	0	0	10	04/2000	08/2000
Commissioning	0	270	0	0	270	04/2000	08/2000
<b>SUBTOTAL</b>	0	809	0	0	809		
<b>8. Inflation</b>							
Midpoint of Construction		01/2000					
Inflation Multiplier		12.70%	0.00%	0.00%			
Inflation Cost		909	0	0	909		
<b>SUBTOTAL</b>							
<b>9. Other</b>							
<b>SUBTOTAL</b>	0	0	0	0	0		
<b>GRAND TOTAL</b>	\$479	\$8,070	\$0	\$0	\$8,549		

**AGENCY CAPITAL BUDGET REQUEST**  
**Fiscal Years 1998-2003**  
**Dollars in Thousands (\$137,500 = \$138 thousand)**

CAPITAL FUNDING SOURCES	Prior Years	FY 1998-99	FY 2000-01	FY 2002-03	TOTAL
State Funds					
G.O Bonds/State Bldgs	400	4,035	0	0	4,435
<b>State Funds Subtotal</b>	<b>400</b>	<b>4,035</b>	<b>0</b>	<b>0</b>	<b>4,435</b>
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	79	4,035	0	0	4,114
Other	0	0	0	0	0
<b>TOTAL</b>	<b>479</b>	<b>8,070</b>	<b>0</b>	<b>0</b>	<b>8,549</b>

IMPACT ON STATE OPERATING COSTS	Current	Projected Costs (Without Inflation)			
	FY 1998-99	FY 1998-99	FY 2000-01	FY 2002-03	FY 2004-05
Compensation -- Program and Building Operation	0	0	0	0	0
Other Program Related Expenses	0	0	0	0	0
Building Operating Expenses	0	0	0	0	0
State-Owned Lease Expenses	0	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0	0
<b>Expenditure Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenue Offsets	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change from Current FY 1998-99		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 MN 1995, Chapter 220, Sec 19, Subd 6(b)	400

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (For bond-financed projects)	Amount	Percent of Total
General Fund	4,035	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 (Legislature)
No	MS 16B.335 (1b): Project Exempt From This Review (Legislature)
No	MS 16B.335 (2): Other Projects (Legislative Notification)
Yes	MS 16B.335 (3): Predesign Requirement (Administration Dept)
Yes	MS 16B.335 (4): Energy Conservation Requirements (Agency)
No	MS 16B.335 (5): Information Technology Review (Office of Technology)
Yes	MS 16A.695: Use Agreement Required (Finance Dept)
Yes	MS 16A.695: Program Funding Review Required (Agency)
Yes	Matching Funds Required (as per agency request)

Department of Finance Analysis:

Policies regarding how aggressively the state wishes to pursue environmental education initiatives and corresponding funding levels are presently unclear. Further discussion by state policy-makers is needed to identify and prioritize how environmental education should best be provided and funded, whether through out-of-classroom experiences, day use centers or residential (overnight) centers.

In 1996, a subcommittee of the Environmental Education Advisory Board (EEAB) was formed to conduct an evaluation of residential and day-use environmental learning centers that were seeking bonding funds in the 1998 legislative session. Their review considered whether the proposals had established an effective environmental education plan, had developed a workable business operating plan, and whether the construction requests were consistent with those plans.

The EEAB report (issued November 1997) indicates that all requests have promise, but only two projects are deemed ready for funding with the greatest potential for success -- the Laurentian Environmental Center (residential facility) and Hartley Nature Center (day-use facility).

In addition, state decision-makers are encouraged to review the 1997 Wilder Research Center report, "Residential Environmental Learning Centers in Minnesota." This report examines the financial feasibility of expanded RELC's, as well as proposed new RELC's in relation to market demand for such facilities. The findings of the report highlight the substantial expansion of existing RELC's in Minnesota, identify many other RELC proposals in various stages of development, and remind decision-makers that market demand for environmental education is largely finite.

Based on attendance projections provided by the Center, the project is viewed as having regional significance. However, the city should prepare a detailed program plan identifying how on-going operating expenses of this project will be funded.

This request is in compliance with the Department of Finance recommendation that local units of government share project costs through at least a 50% non-state funding match. This recommendation has a precedent in environmental education -- many RELC's that previously received state bonding funds as far back as 1994 had substantial non-state match requirements (i.e., 1/3 local, 1/3 Blandin Foundation, 1/3 state).

Governor's Recommendation:

The Governor does not recommend capital funds for this project.

STATEWIDE STRATEGIC SCORE		
Criteria	Values	Points
Critical Life Safety Emergency - Existing Hazards	0/700	0
Critical Legal Liability - Existing Liability	0/700	0
Prior Binding Commitment	0/700	0
Strategic Linkage - Agency Six Year Plan	0/40/80/120	80
Safety/Code Concerns	0/35/70/105	0
Customer Service/Statewide Significance	0/35/70/105	70
Agency Priority	0/25/50/75/100	50
User and Non-State Financing	0-100	50
State Asset Management	0/20/40/60	0
State Operating Savings or Operating Efficiencies	0/20/40/60	0
Contained in State Six-Year Planning Estimates	0/25/50	25
TOTAL		700 Maximum 275