

Minnesota Historical Society

Projects Summary
(\$ in Thousands)

Project Title	2012 Agency Priority Ranking	Agency Project Request for State Funds (\$ by Session)				Governor's Recommendations	Governor's Planning Estimate	
		2012	2014	2016	Total		2012	2014
Historic Sites Asset Preservation	1	\$7,331	\$4,829	\$2,290	\$14,450	\$3,250	\$3,250	\$3,250
Oliver Kelley Farm Revitalization	2	9,857	0	0	9,857	0	0	0
County and Local Historic Preservation Grants	3	1,500	1,500	1,500	4,500	0	0	0
Fort Snelling Revitalization		0	12,000	0	12,000	0	0	0
Historic Sites Visitor Center Expansions		0	2,250	0	2,250	0	0	0
History Center Expansion Space Utilization		0	2,000	10,000	12,000	0	0	0
Total Project Requests		\$18,688	\$22,579	\$13,790	\$55,057	\$3,250	\$3,250	\$3,250

Agency Profile At A Glance

Two-year operating budget:

- \$41.370 million in state general funds (FY 2012 – 13 appropriated)
- \$28.438 million in non-state funds including earned revenue, gifts, grants, etc. (FY 2012 – 13 estimated)

The Society serves, each year:

- Nearly 900,000 visitors served at sites and museums including nearly 640,000 visitors served at historic sites
- Over 275,000 visitors served at History Center museum and library
- Over 250,000 school children on organized programs at sites and History Center
- Nearly four million visits (unique individuals) on the Society’s web site, www.mnhs.org

This work is carried out by

- Approx. 401 full-time equivalent staff members

The Society preserves over one million items in collections, including three-dimensional objects, artifacts, books, maps, photos, government records, and archaeological artifacts for the benefit of Minnesotans of today and of the future.

Agency Purpose

The Minnesota Historical Society (Society) was created by the Territorial Legislature in 1849 as one of the first educational and cultural institutions in Minnesota.

Today, the Society serves a statewide audience through programs and services at the History Center in the Capitol Complex in St. Paul and through a statewide network of historic sites and museums. In addition, the Society serves an audience statewide, and beyond through its award-winning website, www.mnhs.org.

The Minnesota Historical Society is guided by its vision for the future and its mission statement:

- We illuminate the Past to Light the Future
- The Minnesota Historical Society connects people with history to help them gain perspective on their lives. The Society preserves the evidence of the past and tells the stories of Minnesota’s people.

The Society is governed by an Executive Council of 30 members who are responsible for establishing major policies and monitoring the quality of its programs and services.



Core Functions

The Society serves the citizens of Minnesota through a variety of programs and services. Major operations are as follows:

Historical Programs and Education Division, Departments include:

- Historic Preservation, Field Services, and Grants
- Archaeology
- History Center Museum and Education
- Enterprise Technology and Business Development

Historic Sites and Museums Division

- 32 historic sites statewide
- Mill City Museum

Library, Publications and Collections Division, Departments include:

- Collections and Reference
- State Archives
- Collections Management
- MHS Press

External Relations Division, Departments include:

- Marketing and Communications
- Government Relations
- Development

Human Resources and Volunteer Services Finance and Administration

Budget

The Society is supported by state appropriations of approximately \$20.4 million each year, for ongoing operation of the History Center (including building services and debt service, for which approximately \$5.9 million each year is transferred to the Department of Administration), the Historic Sites Network and other activities (including State Archives), the History Center Museum, the History Center Library, the State Historic Preservation Office, and numerous other functions.

In addition, the Society is supported by non-state funds, including earned revenue, gifts, and grants.

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Websites

Minnesota Historical Society Homepage: www.mnhs.org

The Society Web links:

History Center information:

<http://www.mnhs.org/places/historycenter/index.html>

(See additional web pages on 2011 agency profile)

Library: Including catalogs, special databases, and genealogy information:

<http://www.mnhs.org/library/index.html>

Minnesota Place Names: <http://mnplaces.mnhs.org/index.cfm>

Upcoming Events: <http://www.mnhs.org/events/index.html>

Membership Information: <http://www.mnhs.org/about/members/index.html>

Minnesota's Historic Sites Network

For further information about MHS Historic Sites:

<http://www.mnhs.org/places/sites/index.html>

At A Glance: Minnesota Historical Society - Strategic Vision Statement

In the Minnesota Historical Society's recent strategic planning process, the Society identified the following statements to describe where the organization hopes to be in five years:

At the end of five years, the Minnesota Historical Society will have increased the value it creates for Minnesotans.

- The Society is playing an expanded role in the teaching of history through programs that serve students directly and support the efforts of Minnesota's teachers and parents to educate the state's young people. These efforts are significantly increasing the research and critical thinking skills of students and their understanding of how history relates to their lives today.
- The Society offers an historical perspective to enhance understanding of topics that have a significant impact on the people of Minnesota. Increasingly, they perceive the Society to be a lively and creative institution whose programs raise their awareness of the ways in which history affects their lives and how that knowledge can help them make informed decisions for the future.
- Increased numbers of children and adults are participating in the Society's programs and are using its extensive collections both in person and on the web.
- The Society's programs, collections, staff, and governing structure more closely reflect Minnesota's diversity.
- The Society has clear priorities, is systematically measuring its performance, and can demonstrate that it achieves the intended results in a cost-effective way. The Society's funders recognize the value of the Society's work and are increasing their support accordingly.
- The Society is expanding its partnerships with other organizations to benefit the state's people.
- The Society has a funding model that successfully draws on a variety of public and private sources to fund its varied programs and services.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs**Agency Mission Statement and Governance:**

- The Minnesota Historical Society (the Society) is the oldest educational/cultural institution in the state, having been chartered by the first legislature of the Minnesota Territory in 1849.
- Mission Statement: the Minnesota Historical Society connects people with history to help them gain perspective on their lives. The Society preserves the evidence of the past and tells the stories of Minnesota's people.
- The Society is governed by an executive council of 30 members responsible for establishing major policies and monitoring the quality of its programs and services. The council also performs duties mandated under M.S. Chapter 138 and various session laws, as well as federal statutory mandates.

Trends and Issues Impacting the MHS Capital Budget

- *Asset Preservation.* Historic resources are like natural resources in that if lost they cannot be replaced. Absent a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The Society's 32 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.
- *Historic sites.* Historic sites are recognized by statute as important public resources worth preserving. The "Minnesota Historic Sites Act" (M.S. 138.661-138.669), first passed by the legislature in 1965, sets up the state historic sites network as a state responsibility, and confers upon the Society the control and responsibility for preserving, developing, interpreting, and maintaining the sites for public use and benefit.
- *Public Demand and Attendance.* The state historic sites network is in its fifth decade of heavy use by patrons. Since the early 1980s, as well as

more recently, when the Society’s budget was reduced as a result of a downturn in state resources, the upkeep and repair of the 135 structures at the 32 state historic sites have suffered. Operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 annual visitors for over a decade) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Renewed marketing efforts have helped with overall historic sites attendance. However, this increased use will also increase wear and tear on sites facilities.

found that 49 percent of U.S. adult travelers included a cultural, arts, or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey.

In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism. The Minnesota Office of Tourism estimates that tourism is a \$10 billion industry in Minnesota. Heritage tourism plays a significant part in this important element of our state’s economy. Minnesota’s Historic Sites Network draws 40 percent of its visitors from out-of-state.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

The Society estimates the total scope of its deferred maintenance/asset preservation/capital improvement need for the next six years to be approximately \$14.450 million, including restoration of facilities and updating and replacement of obsolete and worn out exhibits.

Historic Site Facilities

Since the enactment in 1965 of the state’s historic sites program, the Society has pursued a planned approach to acquiring, developing, interpreting, and preserving historic sites. The Society owns or administers a network of 32 sites, comprising 135 significant historical structures and contemporary buildings, totaling 793,000 square feet of interior space.

The very nature of 125 varied facilities, many of which are over 100 years old, makes it impossible to provide a single assessment of “physical condition, suitability and functionality” of the historic sites network, which includes many of the state’s oldest and most fragile structures.

The historic relevance and importance of the state’s historic sites coupled with their educational value cannot be disputed, but century old buildings are in need of varying but substantive levels of stabilization, restoration and preservation. Every component of the historic sites network is part of the capital iceberg. In constant need of cosmetic/surface attention (paint, windows, carpeting), many components of their infrastructure (roofs, foundations, support members, access and egress routes, utilities) are in

Historic Sites Attendance			
Fiscal Year		Fiscal Year	
1993	577,000	2003	608,842
1994	545,929	2004	628,464
1995	566,997	2005	706,751
1996	672,030	2006	673,391
1997	691,856	2007	748,391
1998	695,759	2008	690,553
1999	741,276	2009	635,554
2000	662,705	2010	574,391
2001	702,579	2011	562,574
2002	630,352		

- *The Changing Nature of Education.* Education is no longer seen solely as a classroom-based function. Now education will be less defined by formal structure; learning will be recognized as a life-long activity that will take place in many non-traditional settings. The state’s historic sites and the Minnesota History Center are places where citizens will learn about our common history. New technologies enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with a connection to the Internet to access the vast resources contained within the Society.
- *Heritage Tourism and Economic Impact.* Visiting historic sites is one of the primary reasons that tourists travel in Minnesota and across the nation. A recent survey by the Travel Industry Association of American

need of immediate attention. Without that attention, these historic resources will deteriorate beyond repair.

Preserving historic facilities that contain unique and expensive architectural features or time-specific construction techniques (Hill House copper gutters, log structures, capitol furnishings and artworks) require capital funds that are greater than the need of contemporary building, even as visitor centers built in the 1970s and 1980s are now in need of new roofs and improved or replaced HVAC systems.

Exhibits and Artifacts

In addition to the buildings and landscapes of the historic sites themselves, exhibits form the core of the educational program at historic sites. The steady stream of patrons who visit the historic sites takes its toll on structures, exhibits, audio-visual equipment and artifacts. Exhibits require periodic restoration and refurbishing to keep them presentable for public use. If they are not regularly refurbished, they become dirty, damaged, and unsightly. New technologies and contemporary design concepts have made older exhibits outdated and unappealing

Markers and Monuments

The overall condition of the 170 state markers and 29 monuments is fair. Markers require maintenance and upkeep including preservation, coating of bronze markers, casting of new markers, and foundation stabilization. Most urgently in need of ongoing maintenance and repair are the 29 state monuments; several of these large stone structures require tuck-pointing, replacement of granite blocks, and foundation stabilization. Sixty-five markers are at highway and interstate rest areas. Hundreds of thousands of people use these rest areas, and pause to read these markers. In this way, travelers from other states and countries, as well as citizens of Minnesota, learn about the state's rich historic heritage. Funding for monuments and markers is included in the asset preservation request.

Minnesota History Center

The 1992 opening of the History Center, with 427,000 square feet on nine acres of land in the Capitol Complex provided Minnesotans with an appropriate facility to showcase, preserve, and use the state's historic resources. Since opening, nearly three million individuals have visited the History Center.

The History Center provides state of the art museum exhibits, demonstrations, workshops, lectures, and seminars designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for over 100,000 school children each year are further enriched by hands-on activities in specially designed classrooms.

In the library, visitors enjoy access to the state's archives and to the manuscript, newspaper, audio-visual, map, art, and artifact collections. Environmentally controlled storage facilities enable staff to care for and preserve the collection of nearly two million artifacts (including 1.5 million archaeological artifacts and 260,000 historical artifacts). New information technologies have allowed the Society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 10,000 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction within the expansion space will be included in a future capital budget.

Sustainability

As a citizen of our community, the Society recognizes its responsibility to conserve our resources for the next generations. As an organization dedicated to preserving the past for the future, we have put this into practice in our daily work. In order to strengthen these efforts, the Society has established a "Green Team" to examine practices across the institution. One early result of this group's work is the Society's leadership in the effort to conserve energy -- the Society was recently cited by the Governor as a leader in energy conservation efforts in the Capitol Complex.

Specific to the Capital Budget, we put these priorities to work in our efforts to preserve the historic buildings of the historic sites network. It has been said that "The greenest building is the one that is already built" and the Society puts this goal to work in our efforts to preserve the state's most significant structures for future generations.

Agency Process Used to Arrive at These Capital Requests

The process the Society's management team used to develop these requests began with the identification of all appropriate needs by staff, including Historic Sites Division restoration and construction staff. A series of meetings was held with staff to further develop and refine this information including cost information. These needs were then put in priority order by the Society's management team and reviewed and approved by the Society's Executive Council.

Major Recent Capital Projects

In recent years, the Society has completed a number of significant projects with the use of state bond proceeds funds:

Asset Preservation projects at historic sites. Funding from 2006-2011 totaled \$14.365 million and supported roof replacement, monument conservation and building preservation projects at historic sites throughout Minnesota including the following: Alexander Ramsey House, Upper Sioux Agency, Mille Lacs Museum Visitor Center and Trading Post, Folsom House, Upper Sioux Agency, Comstock House as well as design for future projects.

Split Rock Lighthouse Historic Building Preservation. Project completed in 2008-09. Funding for this work provided through Asset Preservation state bond proceeds (\$1.1 million).

James J. Hill House Exterior Preservation of masonry, windows and exterior walls in 2009-2010. Funding for this work provided through Asset Preservation state bond proceeds (\$1.1 million).

Harkin Store Historic Site Exterior Preservation of building, landscape and access upgrade. Funding for this work provided through Asset Preservation state bond proceeds (\$362,000)

Fort Snelling Historic Site Projects to preserve historic structures and enhance visitor services included rehabilitation of Long Barracks and grounds, drainage and pathways, roof replacement, masonry, gatehouse and carpentry (2009-2012). Funding for this work provided through 2008 Asset

Preservation state bond proceeds (\$1.5 million) and state bond proceeds (\$3 million).

Historic Sites Asset Preservation**2012 STATE APPROPRIATION REQUEST:** \$7,331,000**AGENCY PROJECT PRIORITY:** 1 of 3**PROJECT LOCATION:** Statewide**Project At A Glance**

The Minnesota Historical Society (MHS) is requesting \$7.331 million for the preservation and restoration of historic structures, landscapes and building systems in the State Historic Sites Network and for monuments located statewide. This request is for work that is critical to the preservation and maintenance of these important state resources.

Project Description

Over the past three decades more than 15 million students, families, and tourists have visited the 135 landmark buildings, trails and museums of the Historic Sites Network. MHS is making this request its highest priority in order to keep these extraordinary properties open to the public now and for future generations. While most of the historic structures are now more than one hundred years old and holding up remarkably well, age and modern visitation do take their toll. While keeping pace with the impacts of visitor traffic and continuous aging of the historic structures is our chief concern, we also must keep up with changes in life/safety systems, environmental concerns, infrastructure upgrades and renovations necessary to support building use. The asset preservation investment for such a vast network of varied structures is an indispensable complement to the Society's repair and replacement funding in the operating budget.

In recognition of the integral part that these buildings and landscapes play in public education, the people of Minnesota have invested significantly in the State Historic Sites Network. Maintaining these resources is expensive. As non-renewable social and cultural resources, historic buildings require a high standard of care. The skills of specially qualified architects, engineers and contractors are required to assess, design and implement repairs,

maintenance, and systems improvements. The cost of high-quality materials increases every year. The investment is well rewarded by the educational benefits and public appreciation for preserving the state's precious heritage.

The Historic Sites Network also serves as a showcase for the principles and techniques of historic preservation, setting a standard for the state. These structures are learning resources used by students of Minnesota history, by students and practitioners of architecture, and by the traditional building trades. Minnesota continues to be a leader in the field of historic preservation.

The Society's Historic Properties Office is responsible for all 130 of the structures in the Historic Sites Network. Every year the staff typically manages five or six large projects totaling over \$1 million and dozens of small projects scattered across the state. Staff prioritizes work projects based upon long-range planning, building analysis, and structural conditions. Working in consultation with preservation architects and specialty engineers, cost estimates are prepared for appropriation requests.

Each of the projects named below are part of the State Historic Sites Network, as defined in M.S. Sec.138.661, and have strong local and regional support from the areas in which they are located. Local citizens, businesses, and support group members have assisted these sites with volunteer hours, in-kind contributions, and grass-roots leadership. Minnesotans are rightfully proud of the sites.

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

Historic Sites Asset Preservation

Inventory of Asset Preservation Needs for 2012

Statewide	HVAC Replacement & Energy Efficiency Improvements	\$ 750,000
Statewide	Masonry Preservation	500,000
Harkin Store	Residence Preservation & Stabilization	150,000
Historic Fort Snelling	Building 22 Rehabilitation & Renovation	350,000
Lindbergh House	Boyhood Home Interior, WPA Structure & Landscape Restoration	650,000
Historic Fort Snelling	Buildings 17 & 18 Exterior Masonry	850,000
Mill City Museum	Mill Ruins Courtyard Preservation	300,000
Split Rock Lighthouse	Historic Site Handicapped Accessibility	1,400,000
James J. Hill House	Interior Restoration of Gatehouse	347,000
Statewide	Monuments & Markers	150,000
Split Rock Lighthouse	Interpretive and Facilities Enhancements	1,400,000
Statewide	Design for Future Asset Preservation Projects	484,000
Total		\$7,331,000

Inventory of Asset Preservation Needs for 2014

Historic Forestville	Interior Restoration	250,000
James J. Hill House	Landscape & Site Feature Restoration	350,000
James J. Hill House	Attic Restoration	850,000
James J. Hill House	HVAC Upgrade	3,000,000
Statewide	Monuments & Markers	150,000
Statewide	Design for Future Asset Preservation Projects	229,000
Total		\$4,829,000

Inventory of Asset Preservation Needs for 2016

Fort Ridgely	Commissary Site Improvements	\$300,000
Historic Forestville	Historic Building Exterior Restoration	300,000
Ramsey House	Interior Restoration (plaster, paint, carpentry)	650,000
Lower Sioux Agency	Landscape Preservation	150,000
Folsom House	Landscape Preservation	150,000
Lac Qui Parle Mission	Landscape Preservation	150,000
Lac Qui Parle Mission	Exterior & Interior Preservation	200,000
Statewide	Monuments & Markers	150,000
Statewide	Design for Future Asset Preservation Projects	240,000
Total		\$2,290,000

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

Appropriations for asset preservation of the State Historic Sites Network have been made in every capital budget bill since 1990. In 2011 this area received \$1.9 million, in 2010 it received \$3.4 million; in 2009 it received \$2.165 million; in 2008 it received \$4 million; and in 2006 it received \$3 million.

Other Considerations

These asset preservation requests will allow the Society to maintain the State Historic Sites Network of structures and landscapes. In addition to the necessary work on historic structures, many of the modern visitor centers erected 20 to 30 years ago are now in need of renewal or are reaching the

Historic Sites Asset Preservation

end of their useful life. Increasingly, this list will include appropriation requests to replace worn out infrastructure, such as HVAC or septic systems, or to conduct assessments for future projects now visible on the horizon.

The capital budget is the primary source of funding for all of the preservation needs of these irreplaceable state resources.

The Society's current repair and replacement budgets are inadequate to meet asset preservation needs within the state's Historic Sites Network. A total of \$14.450 million is requested through the year 2016 (see tables). This figure will likely increase as additional problems are discovered in historic structures, the buildings increase in age, costs rise through inflation, and the required skills and materials become more and more difficult to find.

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Governor's Recommendations

The Governor recommends general obligation bonding of \$3.250 million for this request. Also included are budget planning estimates of \$3.250 million in 2014 and 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	16,565	7,331	4,829	2,290	31,015
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	16,565	7,331	4,829	2,290	31,015

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	16,565	7,331	4,829	2,290	31,015
State Funds Subtotal	16,565	7,331	4,829	2,290	31,015
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	16,565	7,331	4,829	2,290	31,015

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	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	7,331	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

Oliver Kelley Farm Revitalization

2012 STATE APPROPRIATION REQUEST: \$9,857,000

AGENCY PROJECT PRIORITY: 2 of 3

PROJECT LOCATION: Twin Cities Metro/ Elk River

Project At A Glance

This request provides for design completion and construction for the revitalization and renewal of the Oliver H. Kelley Farm Historic Site, including major renovation of the site's visitor center and other essential visitor services and site operations facilities. A 2008 capital budget appropriation has provided for the vital Pre-design and initial Design steps for this project. This request will fund completion of design and construction. The Minnesota Historical Society has also completed a Comprehensive Interpretive Planning process, Cultural Landscape Report, Audience Research, and Interpretive Program Visioning Report. These studies and reports will direct both the comprehensive physical revitalization and historic site's public educational programming for the next ten years. As a result of these processes, including extensive input from external stakeholders, the Kelley Farm story of Minnesota's agriculture from the pioneering period will expand to include farming, farm life, food and the vital impact of agriculture on our economy, environment and culture in the present and the future.

Project Description

Project History

Located on the east bank of the Mississippi River, the Oliver H. Kelley Farm was homesteaded by Kelley in 1849. He lived and farmed the site for the next twenty years. As a successful farmer he began to dabble in land development and politics. On a land speculation trip through the post-Civil War rural South, Kelley devised the idea to create a nationwide agricultural organization to assist farmers financially and socially as well as to help implement the most modern farming and marketing techniques available. In 1867, the Patrons of Husbandry, better known as the Grange, was founded. The national Grange organization later acquired the Kelley Farm property

and managed it until 1961 when it was donated to the Minnesota Historical Society. The site, 189 acres of farm fields, prairie and woods, became a National Historic Landmark in 1964. The Society operated the farm site on a limited basis until 1981, when it expanded public offerings with the construction of the site's Visitor Center and development of the agricultural living history program, including a source of heritage seeds and back-bred farm animals in support of the public educational program.

Project Overview

This long-range plan for the Kelley Farm includes the important story of agriculture in the state of Minnesota beyond the current "pioneering" period of farming. Telling the broader story, within a historical context, of the economic, social and environmental impacts on agriculture today and on into the future is vital to the state of Minnesota. Today, two percent of Minnesotans actually farm the land, yet agriculture and agricultural industries represent over 20 percent of the state's overall economy. In Minnesota's rapidly urbanizing society, it is vital that we understand and appreciate where our food comes from, how it is grown and processed and how central farming and agriculture is to our lives.

To better understand the importance of this story and to discover new ideas and methods to share the story of Minnesota's agricultural past, present and future, the Minnesota Historical Society launched a Comprehensive Interpretive Planning (CIP) process in the fall of 2006. Completed in 2007, the CIP successfully sought input from a wide range of external stakeholders. Experts from tourism, education, farm organizations, agricultural industries, state agencies including the Department of Agriculture, legislators and local and regional communities participated in forums, including a forum convened by the Commissioner of Agriculture, to help provide initial direction of the educational plans for the Kelley Farm. This public planning process, successfully used by the Minnesota Historical Society to revitalize the Forest History Center, will guide the current and future revitalization and public educational programming for the Kelley Farm for the next ten years.

In 2008, the legislature appropriated and the Governor approved a \$300,000 capital budget request for Pre-design and Design for the renovation of Kelley Farm. Those funds allowed the Society to move the revitalization project forward, strengthening the success of the CIP process and working more deeply with external stakeholders. In conjunction with the Pre-design and

Oliver Kelley Farm Revitalization

initial design process, the Society has completed extensive Audience Research, Interpretive Planning Visioning Report, and a Cultural Landscape Report. To date, these have supported the successful completion of the Kelley Farm Revitalization Pre-Design and Schematic Design process. The revitalization of the Kelley Farm will allow all Minnesotans to closely examine the compelling story of Minnesota's farming, agricultural, and food ways and their impact on our economy, culture and environment.

Impact on Agency Operating Budgets (Facilities Notes)

In planning for the revitalization of the Oliver Kelley Farm Historic Site, the Society has been mindful of the challenges that the state faces in this difficult fiscal environment. During the planning process, sustainability and cost minimization have been primary goals.

While the Kelley Farm revitalization project increases the space available for public use, operating costs have only increased slightly due to optimizing energy efficiency. Further, in applying lessons learned from recent historic sites projects, we have developed an operational model that can be adapted and scaled based on changing visitation patterns.

In summary, while the Society would wisely use and appreciate additional operating funding, which is shown within this request, we recognize current state fiscal challenges, and believe that much of the slightly increased operating costs for the Kelley Farm revitalization project could be absorbed through increased admissions and sales revenue as well as a flexible operating model.

Previous Appropriations for this Project

\$300,000 -- 2008 Capital Budget Appropriation for Pre-Design and Design for the Renovation of Oliver H. Kelley Farm visitor center and operations facilities.

Other Considerations

The Oliver H. Kelley Farm serves between 25,000 and 30,000 visitors a year, of which 40 percent are school children from throughout the state. While attendance is currently below the physical carrying capacity for the *entire*

farm site, these attendance levels vastly exceed the Visitor Center's capacity. Visitor amenities in the 1981 visitor center, such as restrooms and classrooms, are very inadequate. The prime motivation for this revitalization is to tell the complete and ever changing story of Minnesota's agricultural past, present and future. Given its prime location in the fast growing northwestern suburbs, an educational message of universal interest and planned marketing enhancements, the Society believes that visitation numbers can grow to approximately 50,000 following the planned revitalization completion date of 2013.

Project Contact Person

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	53	0	0	0	53
3. Design Fees	197	403	0	0	600
4. Project Management	50	328	0	0	378
5. Construction Costs	0	7,786	0	0	7,786
6. One Percent for Art	0	68	0	0	68
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	466	0	0	466
9. Inflation	0	806	0	0	806
TOTAL	300	9,857	0	0	10,157

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	300	9,857	0	0	10,157
State Funds Subtotal	300	9,857	0	0	10,157
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	300	9,857	0	0	10,157

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	162	272	434
Other Program Related Expenses	0	22	24	46
Building Operating Expenses	0	11	13	24
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	195	309	504
Revenue Offsets	0	<64>	<164>	<228>
TOTAL	0	131	145	276
Change in F.T.E. Personnel	0.0	2.4	4.8	7.2

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	9,857	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017

County and Local Historic Preservation Grants

2012 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 3 of 3

PROJECT LOCATION: Statewide

Project At A Glance

This project provides funding, on a competitive matching basis, for county and local historic preservation projects. This project will allow local communities to preserve their most significant historical resources.

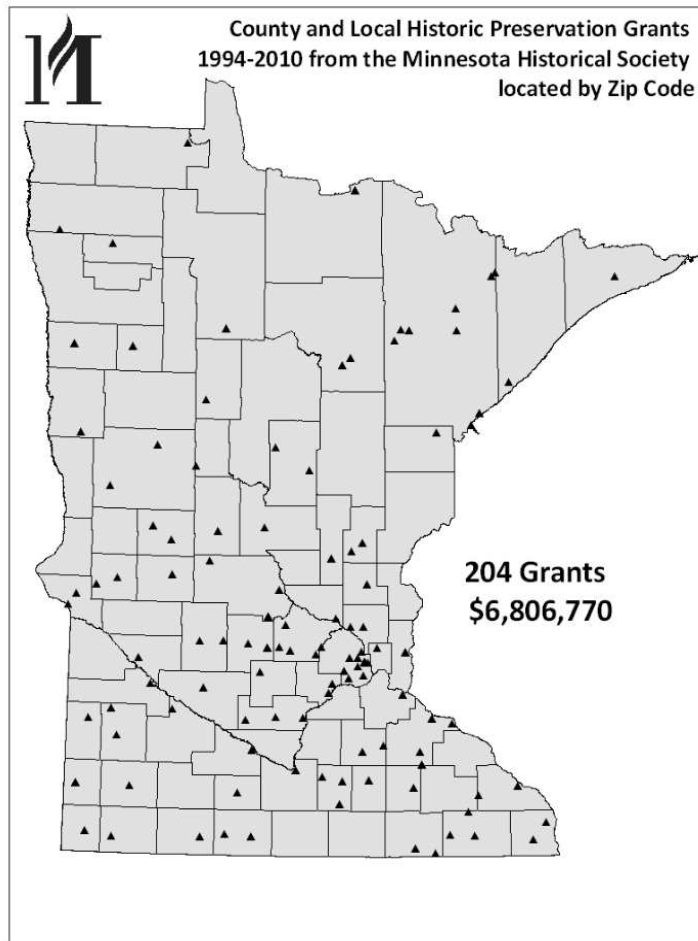
Project Description

Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. These properties are historically significant structures, with priority given to those that are listed on the National Register of Historic Places. This program is one of the most successful of its type, with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Since recipients of county and local preservation grants are required to fully match state funds, this project provides the best possible return on the state's investment. Funds appropriated between 1994 and 2010 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

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

Since 1969 more than 2,400 capital and operating grants have been awarded to qualified historical organizations in all 87 counties, resulting in the preservation of the evidence of Minnesota's past. In recent rounds of grants, 204 grants from the Society's capital bond-funded grant program have assisted in preserving and making accessible such projects as historic county courthouses (52 grants to 26 different courthouses); historic city halls (29 grants to 17 different city halls); and historic library buildings (20 grants to 16 different libraries). In addition, grants have helped to preserve publicly owned historic structures that provide a unique lens on our state's history. Types of historic structures preserved with grants funds include depots, senior and community centers, schools, bridges, theaters, park buildings, museums, water towers, and township halls. Specific examples include the Andrew Volstead House roof replacement (City of Granite Falls); the Olof Swensson House roof replacement (Chippewa County); the O.G. Anderson and Company Store restoration (City of Minneota); the Anna and Mikko Pyhala Farm Restoration project (Town of Embarrass); the Mahnomen City Hall Restoration; Winona Masonic Hall/Senior Center (City of Winona); the Rensselaer Hubbard House restoration (City of Mankato); Robbinsdale Branch Library restoration (City of Robbinsdale); and the Minneapolis Pioneers and Soldiers Memorial Cemetery Preservation.

County and Local Historic Preservation Grants



From the financial perspective, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, and 2010, appropriations totaling over \$7 million will leverage at least an equal amount in local match funding, as well as countless hours of volunteer effort. Additionally, this project helps to fulfill two goals identified in the Society's long-range strategic plan: serving larger audiences, and increasing its services outside the metropolitan area.

Other accomplishments include:

- Grants for historic preservation have stimulated local economies. Local matches used to implement projects have more than doubled the \$7 million in state funds. Tourists coming to visit these historic resources bring new dollars to Minnesota communities.
- Professional standards and expertise were increased among staff and volunteers at county and local historical organizations receiving grants because of the technical assistance that accompanies them.
- Many projects made possible by these grants enabled communities, most commonly through county and local governments and historical organizations, to reach out beyond their traditional constituencies and attract new audiences, including significant new volunteer activities.

In summary, this grants program has enabled many organizations throughout the state to preserve significant historic places and other priceless evidence of the past at very modest cost to the state.

Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will not impact operating budgets.

Previous Appropriations for this Project

Appropriations for this grant program were made in 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, and 2010. In 2010, this effort received \$1 million; in 2008 it received \$1.6 million; and in 2006, \$1 million.

Other Considerations

Against a backdrop of the economic downturn and heightened concern for the environment, historic preservation has a proven track record in stimulating local economies and revitalizing local communities, large and small. It has been said: "the greenest building is the one that is already built." Continuation of funding for this grant program leverages local resources and helps to preserve the built environment, thereby conserving the resources already put into these buildings and further the efforts to contribute to a sustainable future.

County and Local Historic Preservation Grants**Project Contact Person**

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Governor's Recommendations

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	5,000	1,500	1,500	1,500	9,500
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	5,000	1,500	1,500	1,500	9,500

CAPITAL FUNDING SOURCES	Prior Years	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
State Funds :					
G.O Bonds/State Bldgs	5,000	1,500	1,500	1,500	9,500
State Funds Subtotal	5,000	1,500	1,500	1,500	9,500
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	5,000	1,500	1,500	1,500	9,500

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2012-13	FY 2014-15	FY 2016-17	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	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.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2017