



January 16, 2018

Sen. David Senjem, Chair
Senate Capital Investment Committee

Rep. Dean Urdahl, Chair
House Capital Investment Committee

Sen. Julie Rosen, Chair
Senate Finance Committee

Rep. Jim Knoblach, Chair
House Ways and Means Committee

Dear Members of the Minnesota Legislature:

I am pleased to present Governor Dayton's 2018 Strategic Capital Budget. This budget makes investments across the state to ensure critical state facilities and local infrastructure are well-maintained. It invests in our world-class higher education institutions, takes care of the assets we already have, prioritizes economic development, and provides essential state investment in communities across the state. The Governor's recommendations total \$1.5 billion in general fund supported debt including general obligation bonds and appropriation bonds. This investment will leverage an additional \$570 million in federal, local, and private funds to provide over \$2 billion in investment in Minnesota's capital infrastructure.

Included in the Governor's Strategic Capital Budget are all the final capital budget requests submitted by state agencies and political subdivisions for consideration during the 2018 legislative session. Since the preliminary submittal in July, Minnesota Management and Budget (MMB) has worked with state agencies and local units of government to develop additional project information and refine cost estimates. Requests now total \$3.3 billion, including \$2.5 billion in state agency requests and \$831 million in requests from local units of government. These requests as well as the Governor's recommendations are posted on MMB's website at <https://mn.gov/mmb/budget/capital-budget/current/>.

If you need additional information or assistance, please contact Liz Connor of my staff at 651-201-8041. I look forward to working with you on the Capital Budget during the 2018 Legislative Session.

Sincerely,

A handwritten signature in black ink, appearing to read 'Myron Frans'.

Myron Frans, Commissioner

Cc: Sen. Paul Gazelka
Rep. Kurt Daudt
Sen. Tom Bakk
Rep. Melissa Hortman
Eric Nauman
Bill Marx

Casey Muhm
Andrew Lee
Stephanie James
Deborah Dyson
Joanna Dornfeld
Erin Campbell

Brennan Furness
Merone Melekin
Margaret Kelly
Jennifer Hassemer
Alisha Cowell
Liz Connor

Governor's 2018 Capital Budget Recommendation

\$ in millions

Includes General Fund Supported Bonds Only

	2018 Governor's Recommendation	
Investing in World-Class Colleges & Universities	542	
Minnesota State	243	
University of Minnesota	299	
Maintaining and Improving State Infrastructure	998	
Local Water Infrastructure	167	
Housing Infrastructure	115	
Preserving State Assets	458	
Other State and Local Infrastructure	238	
Total	1,540	Grand Total Higher Education, State Agencies & Infrastructure

Gov Rec: All Funding Sources	
General Obligation Bonds	1,430
MHFA Appropriation Bonds	100
UMN Clinical Research Appropriation Bonds	10
General Fund Cash	-
Subtotal: General Fund-Supported Debt	1,540
Trunk Highway Bonds	40
MN State User Financing	31
Rural Finance Authority User Financing	20

Addendum:

Local Government Requests (all sources)	858
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2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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STATE AGENCY PROJECTS

Administration

Centennial Office Building Repair and Renovation	
General Obligation Bonds	3,165

The Governor recommends \$3.165 million for design costs to renovate the Centennial Office Building. The design will address infrastructure systems, envelope improvements, programming needs and renovation.

Capitol Complex Monument Repairs	
General Obligation Bonds	3,200

The Governor recommends \$3.2 million to make critical repairs monuments and memorials on the capitol complex. This project will provide stone and joint repairs, statue and plaque refinishing, landscape renovation and other repairs necessary to restore these monuments.

CAPRA (Capital Asset Preservation and Replacement Account)	
General Obligation Bonds	5,000

The Governor recommends \$5 million to fund the Capital Asset Preservation and Replacement Account (CAPRA). This account is for emergency repairs and unanticipated hazardous material abatement needs for state owned facilities.

General Obligation Bonds	11,365
Administration Total:	11,365

Agriculture

MDA MDH Laboratory Building Infrastructure Improvements and Renovation	
General Obligation Bonds	19,901

The Governor recommends \$19.901 million in general obligation bonds to make mechanical, architectural, and electrical improvements to correct safety, energy, and operational efficiency issues at the joint Minnesota Department of Agriculture (MDA) and Minnesota Department of Health (MDH) Laboratory. Funding will ensure the building and its various systems will perform as originally designed and provide a stable environment for laboratory testing.

Rural Finance Authority Loans	
GO Bonds-User Financing	20,000

The Governor recommends \$35 million in user-financed bonds for the Rural Finance Authority (RFA) loan programs. The RFA partners with agricultural lenders to provide low-cost financing to farmers on terms and conditions not otherwise available from other credit sources. The RFA portion of the loan is carried at a reduced interest rate to improve the cash flow of eligible farmers.

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

	Funding Source	Recommendation Amount
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Agriculture

	General Obligation Bonds	19,901
	GO Bonds-User Financing	20,000
Agriculture Total:		39,901

Amateur Sports Commission

National Sports Center

	General Obligation Bonds	2,500
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The Governor recommends \$2.5 million to demolish and reconstruct a maintenance building at the National Sports Center in Blaine. The maintenance facility is used to store equipment and supplies needed to operate the 600 acre campus.

NSC Asset Preservation

	General Obligation Bonds	1,497
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The Governor recommends \$1.497 million for asset preservation for projects at the National Sports Center (NSC) in Blaine. These projects are intended to ensure the safety and health of participants and staff using the stadium and indoor ice arena. The National Sports Center has an estimated \$38.4 million in deferred maintenance needs.

	General Obligation Bonds	3,997
Amateur Sports Commission Total:		3,997

Corrections

Asset Preservation

	General Obligation Bonds	40,000
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The Governor recommends \$40 million for asset preservation to repair and renew Minnesota prisons. Projects will address safety hazard and code compliance issues, emergency power/egress lighting upgrades, preservation of building exteriors and interiors, perimeter security systems replacement/upgrades, tuck pointing, roof replacement, window and door replacement, and other similar issues. The Department's total deferred maintenance needs are estimated at \$571 million.

Lino Lakes Building E Renovation

	General Obligation Bonds	5,200
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The Governor recommends \$5.2 million to renovate an existing empty building at the Lino Lakes facility to a 60 prison bed housing unit. This project will provide additional bed space for male offenders and will alleviate the existing housing shortage the Department is facing.

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Corrections

Willow River Expansion for Challenge Incarceration Program

General Obligation Bonds	1,700
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The Governor recommends \$1.7 million to design, construct, renovate, furnish and equip new and existing buildings at the Willow River Correctional Facility to increase the program capacity for the Challenge Incarceration Program (CIP) by 45 beds for adult male offenders. This project will provide additional bed space for male offenders and will alleviate the existing housing shortage the Department is facing.

Saint Cloud Plumbing and Ventilation Upgrades

General Obligation Bonds	16,200
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The Governor recommends \$16.2 million to update the plumbing and ventilation systems in three living units at the St. Cloud facility. These upgrades are required to replace deteriorated plumbing systems and to improve existing ventilation systems to meet current code compliance requirements and to fund city water and sewer infrastructure upgrades.

General Obligation Bonds	63,100
Corrections Total:	63,100

Education

ISD 38 (Red Lake) Facility Projects

General Obligation Bonds	14,492
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The Governor recommends \$14.492 million for predesign, design, renovation and construction at the Red Lake Elementary School and Early Childhood Center as part of the Maximum Effort School Loan program. The project includes construction of a secure corridor that will connect these two buildings. The corridor will add six new classrooms to the buildings and will house the main entrance, allowing easier public access and increased building security. The project also includes renovations of classroom space and computer labs and expansion of the cafeteria space.

Library Construction Grants

General Obligation Bonds	2,500
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The Governor recommends \$2.5 million for the Library Construction competitive grant program. This program enables public libraries receiving funding to improve access and meet ADA compliance standards by removing architectural barriers and replacing deficient facilities

General Obligation Bonds	16,992
Education Total:	16,992

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Employment and Economic Development

Transportation Economic Development Infrastructure Program (TEDI)

General Obligation Bonds	5,000
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The Governor recommends \$5 million for the Transportation Economic Development Infrastructure (TEDI) program. TEDI is a statewide, competitive grant program that provides communities up to 70% of road and public infrastructure project costs to support economic development and create jobs. The program is administered as a partnership between the Department of Employment and Economic Development and the Minnesota Department of Transportation.

General Obligation Bonds	5,000
Employment and Economic Development Total:	5,000

Historical Society

Historic Fort Snelling Revitalization Project

General Obligation Bonds	30,000
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The Governor recommends \$30 million to demolish the deteriorating underground Historic Fort Snelling Visitors Center and to renovate the Calvary Barracks building to serve as the new Visitors Center, in time for the Fort's bicentennial in 2020. This funding will be matched with \$12 million in private donations to complete the project.

Historic Sites Asset Preservation

General Obligation Bonds	10,388
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The Governor recommends \$10.388 million for preservation and restoration of historic structures, landscapes, and building systems in the State Historic Sites Network and for monuments located statewide. Projects are prioritized based on long range planning, building analysis, and structural conditions. The Society has an estimated \$62.2 million in deferred maintenance needs.

General Obligation Bonds	40,388
Historical Society Total:	40,388

Housing Finance

Housing Infrastructure Bonds

Appropriation Bonds	100,000
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The Governor recommends authorizing the Minnesota Housing Finance Agency to sell \$100 million in Housing Infrastructure Bonds and recommends a corresponding appropriation of up to \$8 million annually from the general fund for 20 years to pay the debt service on the bonds. Funds are awarded statewide on a competitive basis to private for-profit and non-profit developers. Funds will be used to

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Housing Finance

Housing Infrastructure Bonds

preserve federally subsidized rental housing; to acquire, rehabilitate, or construct permanent supportive housing; or to acquire land that will be held in community land trusts for single family home ownership. The Governor also recommends expanding the eligible uses of Housing Infrastructure Bonds to include senior housing.

Public Housing Rehabilitation

General Obligation Bonds	15,000
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The Governor recommends \$15 million for the Public Housing Rehabilitation program to preserve existing public housing and keep it decent, safe, and healthy for its low income residents. Funds are awarded statewide on a competitive basis to local public housing authorities.

General Obligation Bonds	15,000
Appropriation Bonds	100,000
Housing Finance Total:	115,000

Human Services

MSOP St. Peter Phase II

General Obligation Bonds	16,196
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The Governor recommends \$16.196 million to remodel more than 63,000 square feet of existing space on the St. Peter campus. Renovations will increase capacity of MSOP's Community Preparation Services (CPS) by 50 beds, allowing DHS to comply with court-ordered transfers of clients out of the secure perimeter and additional clients to participate in reintegration programming.

St. Peter Dietary Building HVAC and Electrical Replacement

General Obligation Bonds	2,200
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The Governor recommends \$2.2 million to replace the heating, ventilation and air conditioning (HVAC) equipment in the Dietary Building on the St. Peter Campus. Replacement of the HVAC system will improve working conditions and the health/safety of state employees that prepare approximately 2,000 meals per day for 650 clients at the Minnesota Security Hospital and Minnesota Sex Offender Program.

Anoka Roof and HVAC Replacement

General Obligation Bonds	6,750
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The Governor recommends \$6.75 million for the asset preservation needs specific to the Anoka Metro Regional Treatment Center (AMRTC). Funding will replace roofs and stop water infiltration, replace the HVAC and life/safety systems, and add new heating units in buildings on the campus.

Asset Preservation

General Obligation Bonds	18,619
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2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Human Services

Asset Preservation

The Governor recommends \$18.619 million for asset preservation needs at facilities in the Department's State Operated Services and the Minnesota Sex Offender Program to ensure they are functional, safe and in good repair. The Department's total deferred maintenance needs are estimated to be around \$137 million.

Anoka Admissions Redesign

General Obligation Bonds	5,790
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The Governor recommends \$5.790 million to design and remodel vacant space at Anoka Metro Regional Treatment Center (AMRTC) for evaluation of new patients with mental illness. This specialized admissions unit will enable clinical staff to determine placement in the most appropriate residential treatment services. It will also contain a small crisis unit within its footprint that provides specialized accommodations for patients whose behavior impacts other patients in the main living areas.

MSOP Secure Assisted Housing

General Obligation Bonds	13,882
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The Governor recommends \$13.882 million to design and construct two 12,000 square foot community-based residential treatment facilities for the Minnesota Sex Offender Program (MSOP), which would serve as less restrictive alternatives to the secure MSOP facilities. The new facilities will serve clients who are suited for treatment in Less Restrictive Alternatives but with medical conditions that require an assisted living level of care.

General Obligation Bonds	63,437
Human Services Total:	63,437

Iron Range Resources and Rehabilitation

Water Line Replacement

General Obligation Bonds	1,900
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The Governor recommends \$1.9 million to replace a deteriorating water line at Giants Ridge that is more than 30 years old.

General Obligation Bonds	1,900
Iron Range Resources and Rehabilitation Total:	1,900

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

	Funding Source	Recommendation Amount
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Management and Budget

Bond Sale Expenses

	General Obligation Bonds	1,478
	Trunk Highway Bonds	40
	Project Total:	1,518

The Governor recommends \$1.518 million to cover expenses associated with the bond sales necessary to fund the projects included in his 2018 capital budget recommendation.

	General Obligation Bonds	1,478
	Trunk Highway Bonds	40
Management and Budget Total:		1,518

Metropolitan Council

Heywood II Bus Garage

	General Obligation Bonds	50,000
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The Governor recommends \$50 million to build a 360,000 square foot bus garage in Minneapolis. The garage would provide storage for 185 buses and space for maintenance, operations and administrative functions.

Busway, Bus Guideway and Express Bus Development Program

	General Obligation Bonds	50,000
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The Governor recommends \$50 million for design, environmental work, acquisition right of way, engineering, and construction along regional express bus and busway corridors.

Inflow and Infiltration Grant Program

	General Obligation Bonds	5,000
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The Governor recommends \$5 million for grants to municipalities for public infrastructure improvements to reduce inflow and infiltration into local and regional wastewater collection systems.

	General Obligation Bonds	105,000
Metropolitan Council Total:		105,000

Military Affairs

St. Cloud Readiness Center

	General Obligation Bonds	4,450
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The Governor recommends \$4.45 million to renovate and expand the St. Cloud Readiness Center. The

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

	Funding Source	Recommendation Amount
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Military Affairs

St. Cloud Readiness Center

renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force. This request also includes expanding the facility by 1500 square feet for additional classroom and administrative space.

Wadena Readiness Center

	General Obligation Bonds	2,157
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The Governor recommends \$2.157 million to renovate the Wadena Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.

Brainerd Readiness Center

	General Obligation Bonds	4,143
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The Governor recommends \$4.143 million to renovate the Brainerd Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.

Grand Rapids Readiness Center

	General Obligation Bonds	2,126
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The Governor recommends \$2.126 million to renovate the Grand Rapids Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.

Rosemount Readiness Center

	General Obligation Bonds	10,507
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The Governor recommends \$10.507 million to renovate the Rosemount Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.

Fergus Falls Readiness Center

	General Obligation Bonds	2,195
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The Governor recommends \$2.195 million to renovate the Grand Rapids Readiness Center. The renovations include installing modern HVAC systems, upgrading life/safety systems, reconfiguring the space to meet current needs, increasing energy efficiency, and upgrading the facility to serve a dual gender force.

	General Obligation Bonds	25,578
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2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Military Affairs

Military Affairs Total:	25,578
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Minnesota State

Higher Education Asset Preservation and Replacement

General Obligation Bonds	180,000
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The Governor recommends \$180 million for Higher Education Asset Preservation and Replacement (HEAPR). HEAPR funds are used to maximize and extend the life Minnesota State buildings. Renovations and maintenance funded through HEAPR ensure the health safety and well-being of building occupants and extend the useful life of existing facilities. Minnesota State's total deferred maintenance needs are estimated to be around \$913 million.

Bemidji State University - Academic Learning Center (Hagg Sauer Replacement) Design, Demolition, Renovation, and Construction

General Obligation Bonds	15,083
GO Bonds-MnState User Financing	7,429
Project Total:	22,512

The Governor recommends \$22.512 million to replace Hagg-Sauer Hall with a new smaller classroom building and to renovate underused space in five other campus buildings. The Hagg-Sauer building has not been renovated in over 40 years and this project would reduce deferred maintenance on the campus by \$9 million.

Rochester Community and Technical College - Memorial and Plaza Halls Demolition, Design, Demolition, Renovation, and Construction

General Obligation Bonds	15,312
GO Bonds-MnState User Financing	7,541
Project Total:	22,853

The Governor recommends \$22.853 million to remove outdated classroom and office space, and renovate and expand existing academic buildings. The result will be more efficient space adaptable to current learning strategies. This project would remove \$5.2 million in deferred maintenance.

Minnesota State University, Mankato - Clinical Sciences Phase 2, Renovation

General Obligation Bonds	4,341
GO Bonds-MnState User Financing	2,137
Project Total:	6,478

The Governor recommends \$6.478 million to renovate three different buildings at Minnesota State, Mankato. The project re-purposes space recently vacated by programs that moved into the new Clinical Sciences building, which was funded in 2014 and opened in January 2017. These renovations will improve campus efficiencies, provide for flexible classrooms and a collaborative learning lab, and

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

	Recommendation Amount
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Minnesota State

Minnesota State University, Mankato - Clinical Sciences Phase 2, Renovation

complete a 2% renewable energy initiative for solar panels at the Clinical Sciences building.

Anoka-Ramsey Community College - Nursing and Business, Design

General Obligation Bonds	381
GO Bonds-MnState User Financing	188
Project Total:	569

The Governor recommends \$569 thousand to complete schematic designs and design development to modernize and expand nursing classrooms and labs at Anoka-Ramsey Community College, and to renovate general classroom space within the existing footprint of the Business/Nursing building on the Coon Rapids campus.

Century College - Applied Technology Center, East Campus, Design and Renovation

General Obligation Bonds	4,263
GO Bonds-MnState User Financing	2,099
Project Total:	6,362

The Governor recommends \$6.362 million to renovate and expand the Engineering and Applied Technology Center. The nearby welding laboratory will also be upgraded to more closely meet the needs of the Applied Technology and Mechatronics programs.

Normandale Community College - Classroom and Student Services, Design and Renovation

General Obligation Bonds	8,466
GO Bonds-MnState User Financing	4,170
Project Total:	12,636

The Governor recommends \$12.636 million for design and renovation of classroom and student services at Normandale Community College. Funding will complete the design of the entire project and completion of Phase 1. The first phase of the project will renovate 5 classrooms in the College Services building, reorganize student support services, and construct site improvements to address ADA compliance and storm water management. Completion of Phase 1 renovations would eliminate \$2.8 million in deferred maintenance. When both phases are complete, more than \$10.2 million in deferred maintenance will be eliminated.

Minnesota State University Moorhead - Weld Hall, Design

General Obligation Bonds	421
GO Bonds-MnState User Financing	207
Project Total:	628

The Governor recommends \$628 thousand to design Phase 1 of the Weld Hall renovation project at Minnesota State University Moorhead. The design will address significant deferred maintenance, improve teaching, and rightsize classrooms. This project will eliminate \$8.3 million in deferred maintenance.

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

	Funding Source	Recommendation Amount
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Minnesota State

Inver Hills Community College - Technology and Business Center, Design

	General Obligation Bonds	468
	GO Bonds-MnState User Financing	230
	Project Total:	698

The Governor recommends \$698 thousand to design the renovation of the Business Building and to construct a connection to Heritage Hall at the Inver Hills Community College. This design increases classroom sizes and will co-locate nearly all of the Science, Technology, Engineering and Math academic programs on campus. This project will eliminate \$6.5 million in deferred maintenance.

Riverland Community College - Transportation, Trade and Industrial Education Center, Design, Construction, and Renovation

	General Obligation Bonds	6,782
	GO Bonds-MnState User Financing	3,340
	Project Total:	10,122

The Governor recommends \$10.122 million to renovate and repurpose space for the Auto Service and Diesel Technology programs. These changes will increase capacity and co-locate similar career and technical offerings. Over \$1.8 million in deferred maintenance will be eliminated.

Baccalaureate Expansion, Design and Renovation

	General Obligation Bonds	2,861
	GO Bonds-MnState User Financing	1,409
	Project Total:	4,270

The Governor recommends \$4.27 million to design and renovate three metro area campuses: Minneapolis Community and Technical College, Normandale Community College, and North Hennepin Community College. This project is Phase 1 of a multi-phase project to meet the demographic and workforce need for more adults to obtain bachelor's degrees.

Fond du Lac Tribal and Community College - Maajiigi (Start to Grow), Design and Renovation

	General Obligation Bonds	775
	GO Bonds-MnState User Financing	382
	Project Total:	1,157

The Governor recommends \$1.157 million to renovate classrooms and offices used by the Elementary Teacher Education program and the Environmental institute. It also includes funding to outfit the existing kitchen facilities at Fond du Lac Tribal and Community College.

Saint Paul College - Academic Excellence, Design

	General Obligation Bonds	667
	GO Bonds-MnState User Financing	328
	Project Total:	995

The Governor recommends \$995 thousand to design the renovation of classroom space on the St. Paul

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Minnesota State

Saint Paul College - Academic Excellence, Design

College campus. This project design will address outdated classrooms and labs for Science, Technology, Engineering, and Math (STEM) classes, liberal arts and workforce trade programs, the need for a new Food Service and Culinary food preparation demonstration and service areas, and the consolidation of Student Services near the college's main entrance. This project will address \$6.3 million in deferred maintenance.

Northland Community and Technical College - Effective Teaching and Learning Labs, Design and Renovation

General Obligation Bonds	1,625
GO Bonds-MnState User Financing	800
Project Total:	2,425

The Governor recommends \$2.425 million to renovate classroom and lab spaces to meet the needs of four health and human services programs and the computer networking program. This project will also remove \$994 thousand in deferred maintenance.

Vermilion Community College - Classroom Building, Design and Renovation

General Obligation Bonds	1,574
GO Bonds-MnState User Financing	775
Project Total:	2,349

The Governor recommends \$2.349 million for Vermilion Community College to design and renovate six general purpose classrooms within the Classroom Building and the College Center. The project creates flexible adaptive learning environments, increases technological capabilities, renovates two sets of restrooms, adjacent corridors and lobby areas, creates a new entryway, and replaces the Classroom Building roof. This project will eliminate \$1.1 million in deferred maintenance.

Central Lakes College - Student Services and Academic Support, Design

General Obligation Bonds	305
GO Bonds-MnState User Financing	150
Project Total:	455

The Governor recommends \$455 thousand to design the renovation of the Student Services and Academic Support spaces, as well as the physical education and athletic facilities on the Central Lakes College campus. This project eliminates \$1.9 million in deferred maintenance.

General Obligation Bonds	243,324
GO Bonds-MnState User Financing	31,185
Minnesota State Total:	274,509

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Minnesota Zoo

Revitalize the Zoo

General Obligation Bonds	21,000
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The Governor recommends \$21 million to renew the Minnesota Zoo's exhibits, enhance animal welfare, and improve the guest experience. This recommendation is part of a 10-year plan that prioritizes repurposing the monorail infrastructure into a treetop trail and revitalizing the nocturnal exhibit in the center of the Tropics Trail making the campus more user-friendly to a broader demographic.

Asset Preservation

General Obligation Bonds	13,750
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The Governor recommends \$13.75 million for asset preservation at the Minnesota Zoo. The zoo plans to prioritize upgrading the Tropics Trail aviary mesh and skylights, restructuring the moose exhibit, replacing of the mechanical and life-support systems, and replacing unsafe bridges and railings. These upgrades will improve safety, enhance the customer experience, and improve animal welfare. The zoo's total deferred maintenance needs are about \$32 million.

General Obligation Bonds	34,750
Minnesota Zoo Total:	34,750

Natural Resources

Natural Resources Asset Preservation

General Obligation Bonds	130,000
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The Governor recommends \$130 million to maintain the Department's existing buildings, roads, trails, water accesses, bridges, recreational facilities, and utilities. The Department estimates this recommendation will partially cover preservation of its \$3 billion worth of capital assets that would require \$150 million per year to fully maintain.

Natural Resources Betterment of Buildings

General Obligation Bonds	10,000
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The Governor recommends \$10 million to upgrade the Department's offices, state park sanitation buildings, and fish hatcheries. The funds will improve and replace buildings, construct storage buildings, and design projects for future capital budget requests. The proposal prioritizes projects near Bemidji, Spicer, New London, Hibbing, International Falls, Worthington, and Cloquet.

Improving Accessibility to State Parks and Recreation Areas

General Obligation Bonds	10,000
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The Governor recommends \$10 million to upgrade several existing state parks to improve accessibility and meet standards set by the Americans with Disabilities Act. The renovations could include visitor centers, day use facilities, shower buildings, vault toilets, sidewalks, parking areas and selected trails.

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Natural Resources

Flood Hazard Mitigation Grant Assistance Program

General Obligation Bonds	20,000
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The Governor recommends \$20 million for grants to cities, counties, and watershed districts to install, upgrade, or repair pumping stations, levees, flood impoundments, and other flood mitigation structures. The grants will reduce flood risks in Afton, Austin, Golden Valley, Halstad, Montevideo, Moorhead, Rushford, the Roseau River Watershed, and the Bois de Sioux Watershed.

Dam Safety Repair, Reconstruction or Removal

General Obligation Bonds	1,000
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The Governor recommends \$1 million for the repair, reconstruction, or removal of dams, and for response to dam safety emergencies. Minnesota's dam infrastructure consists of nearly 800 publicly-owned dams. This funding is intended to ensure their structural integrity and prevent public safety hazards.

General Obligation Bonds	171,000
Natural Resources Total:	171,000

Perpich Center for Arts Education

Asset Preservation

General Obligation Bonds	4,000
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The Governor recommends \$4 million for asset preservation to address the majority of the Perpich Center's nearly \$7 million deferred maintenance backlog. This funding will maintain, repair, and replace various building systems such as boilers, plumbing, chillers, and elevators.

General Obligation Bonds	4,000
Perpich Center for Arts Education Total:	4,000

Pollution Control

Waste Disposal Engineering Closed Landfill Program

General Obligation Bonds	6,000
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The Governor recommends \$6 million to complete clean up of a leaking hazardous waste pit located in the City of Andover. Clean up is needed to protect groundwater from additional contamination and prevent gas and vapor intrusion to residential homes and businesses.

Freeway Closed Landfill Program

General Obligation Bonds	52,763
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2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Pollution Control

Freeway Closed Landfill Program

The Governor recommends \$52.763 million to protect groundwater by either covering or relocating waste from the Freeway Dump adjacent to the Freeway Landfill in Burnsville. The project will protect public resources, including the Minnesota River, and the drinking water supply for Burnsville and Savage.

Organics Infrastructure Capital Assistance Program

General Obligation Bonds	5,000
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The Governor recommends \$5 million for a Capital Assistance Program project to build or expand compost facilities statewide through a competitive application process.

General Obligation Bonds	63,763
Pollution Control Total:	63,763

Public Facilities Authority

Water Infrastructure Initiative: State Match for Federal Grants to State Revolving Loan Programs

General Obligation Bonds	25,000
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The Governor recommends \$25 million to match an estimated \$85 million in federal funds and to increase lending capacity in the Clean Water and Drinking Water Revolving Funds. State and federal funds are used with loan repayments and Public Facilities Authority revenue bonds to provide low-interest loans to communities for clean water and drinking water infrastructure projects statewide. Eligible projects are prioritized based on environmental and public health criteria.

Water Infrastructure Initiative: Water Infrastructure Funding Program

General Obligation Bonds	80,000
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The Governor recommends \$80 million for the Water Infrastructure Funding (WIF) program which provides supplemental assistance grants to communities that meet affordability criteria and receive Public Facilities Authority loans or water financing from the U.S. Department of Agriculture's Rural Development program. These grants help communities build clean water and drinking water infrastructure projects while keeping costs affordable for residents.

Water Infrastructure Initiative: Point Source Implementation Grants Program

General Obligation Bonds	62,000
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The Governor recommends \$62 million for the Point Source Implementation Grants (PSIG) program which provides grants to communities to help pay for water treatment plant upgrades to address water quality restoration and protection goals. These grants help communities construct wastewater, stormwater, and drinking water treatment projects when the Pollution Control Agency determines that higher levels of treatment are necessary to meet water quality goals.

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

	Funding Source	Recommendation Amount
Public Facilities Authority		
	General Obligation Bonds	167,000
Public Facilities Authority Total:		167,000

State Academies

Minnesota State Academies Safety and Security Building Corridor Education Facility Renovation		
	General Obligation Bonds	5,300

The Governor recommends \$5.3 million to fund the construction of a safety corridor on the MN State Academy for the Deaf campus. The security corridor would create a single entrance which would control student, staff, and public access to three school buildings. This request also includes pre-design, design, and renovation for the two of the impacted buildings, Smith and Quinn Halls.

Asset Preservation

	General Obligation Bonds	4,520
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The Governor recommends \$4.52 million in asset preservation funds to maintain and preserve buildings on the two campuses of the State Academy for the Blind and the State Academy for the Deaf.

MSA Dorm Renovations

	General Obligation Bonds	2,592
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The Governor recommends \$2.592 million to design and renovate the Kramer, Brandeen, and Rode dormitories on the MN State Academy for the Blind (MSAB) Campus. Dorm renovations would modernize living spaces to better meet the social, emotional and cultural needs of students. The project will also address life/safety and accessibility issues.

Minnesota State Academies Track Project

	General Obligation Bonds	800
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The Governor recommends \$800 thousand to construct a running track to be used by students at both Academies. The track will provide greater athletic opportunities available to students with disabilities, particularly blind or visually-impaired students.

	General Obligation Bonds	13,212
State Academies Total:		13,212

Transportation

Stone Arch Bridge

	General Obligation Bonds	12,968
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The Governor recommends \$12.968 million for inspection, scoping, final design, and construction repairs for the deteriorating Stone Arch Bridge in Minneapolis.

2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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Transportation

Facilities Capital Improvement Program

Trunk Highway Bonds	40,000
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The Governor recommends \$40 million for the Facilities Capital Improvement Program for costs associated with design, renovation, and construction at seven MnDOT facilities across the state. The program will provide a systemic approach to maintaining, renovating, and replacing MnDOT buildings.

General Obligation Bonds	12,968
Trunk Highway Bonds	40,000
Transportation Total:	52,968

University Of Minnesota

Higher Education Asset Preservation and Replacement (HEAPR)

General Obligation Bonds	250,000
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The Governor recommends \$250 million in Higher Education Asset Preservation and Replacement (HEAPR) funds. Renovations and maintenance funded through HEAPR ensure the health, safety and well-being of building occupants and extend the useful life of existing facilities. The University's total deferred maintenance needs are estimated to be just under \$2 billion.

Greater MN Academic Renewal

General Obligation Bonds	10,533
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The Governor recommends \$10.533 million to predesign, design, renovate, furnish and equip classrooms, instructional labs and student collaboration spaces on the Crookston, Duluth, and Morris campuses. Newly finished student spaces will meet emerging campus needs and facilitate instruction.

Pillsbury Hall Capital Renewal

General Obligation Bonds	24,000
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The Governor recommends \$24 million to design, renovate, furnish, and equip historic Pillsbury Hall (1887) on the Minneapolis campus. Funding will renew and modernize the building by replacing obsolete science facilities with flexible teaching, learning, and research spaces to serve over 6,000 students.

Glensheen Capital Renewal

General Obligation Bonds	4,000
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The Governor recommends \$4 million for predesign, design, and renovation of deteriorating structures and building systems at Glensheen historic estate in Duluth. The University will raise \$4 million in non-University funds to match the state investment.

Clinical Research Facility

Appropriation Bonds	10,000
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2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source	Recommendation Amount
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University Of Minnesota

Clinical Research Facility

The Governor recommends \$10 million for design, site preparation, and preconstruction of a clinical research facility on the Twin Cities campus. The new facility will provide a connection between patients, health profession education, collaborative practice, clinical research, healthcare providers and the biomedical industry.

General Obligation Bonds	288,533
Appropriation Bonds	10,000
University Of Minnesota Total:	298,533

Veterans Affairs

Asset Preservation

General Obligation Bonds	13,124
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The Governor recommends \$13.124 million for asset preservation. The funds will be used for renovation and upgrades across the five veteran homes and Little Falls cemetery. The department has an estimated \$38.1 million in deferred maintenance needs.

General Obligation Bonds	13,124
Veterans Affairs Total:	13,124

Water and Soil Resources

Reinvest in Minnesota - CREP

General Obligation Bonds	30,000
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The Governor recommends \$30 million for the Minnesota Conservation Reserve Enhancement Program (CREP) to acquire permanent easements to improve water quality and wildlife habitat in the west central and southern agricultural regions of the state. The federal government will match \$2.30 for each state dollar of this program.

Local Government Roads Wetland Replacement

General Obligation Bonds	5,000
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The Governor recommends \$5 million to support replacing wetlands drained or filled by local government road construction projects with wetlands elsewhere in the state. This program helps meet the "no net loss" requirements in state and federal regulations.

General Obligation Bonds	35,000
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2018 Governor's Capital Budget Recommendations

(\$ in thousands)

Funding Source Recommendation
Amount

Water and Soil Resources

Water and Soil Resources Total:	35,000
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State Agency Projects Financing by Funding Source

General Obligation Bonds	1,419,810
GO Bonds-User Financing	20,000
GO Bonds-MnState User Financing	31,185
Appropriation Bonds	110,000
Trunk Highway Bonds	40,040
State Agency Total	1,621,035

LOCAL GOVERNMENT PROJECTS

Wabasha, City of

Wabasha Rivertown Resurgence

General Obligation Bonds 10,190

The Governor recommends \$10.19 million for an expansion of the National Eagle Center (NEC) and improvements to the riverfront infrastructure. The NEC expansion will accommodate the acquisition of new live eagles, expand exhibit space, and increase educational program capacity. Infrastructure improvements at the riverfront will enhance the large vessel landing areas and increase overall public access.

General Obligation Bonds	10,190
Wabasha, City of Total	10,190

Local Government Projects Financing by Funding Source

General Obligation Bonds	10,190
Local Government Total	10,190

All Projects Financing by Funding Source

General Obligation Bonds	1,430,000
GO Bonds-User Financing	20,000
GO Bonds-MnState User Financing	31,185
Appropriation Bonds	110,000
Trunk Highway Bonds	40,040
STATE AGENCY AND LOCAL GOVERNMENT GRAND TOTAL:	1,631,225