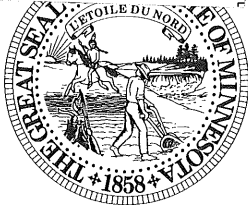




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Governor Arne Carlson

March, 1991

Debt Management

- Reaffirm Minnesota's long-standing debt management policies and debt capacity guidelines
- Eliminate recent practice of issuing debt and entering into long-term obligations outside 3% debt service guideline
- Maintain state's debt level within its capacity by restraining new capital commitments

Capital Budget Reform

- Implement a disciplined capital planning and budgeting process to reflect long-term priorities, provide for replacement of assets and incorporate rational technical, financial and policy review
- Adopt building standards, facilities data base, lease financing options, fair market rent asset management, Capital Asset Preservation and Repair Account (CAPRA), user financing and analysis of capital/operating budget impacts

Project Recommendations

- Review 1990 authorized projects; proceed with legal commitments and those with compelling needs (88% of total), and delay selected projects pending policy clarification and further review:

Continue as Scheduled	97	\$341.3
Delay	24	46.4
Total	121 projects	\$387.7 million

- Limit new capital projects to those with strong rationale to proceed now:

Maximum Effort School Loans	\$ 45.1
Wetlands/RIM Initiative	50.0
Health, Safety and Repair	18.2
Agency Relocations	14.5
Other New Projects	5.8
Total	\$133.5 million

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Capital Budget Recommendations

CAPITAL BUDGET RECOMMENDATIONS

MARCH, 1991

ERRATA

COVER PAGE

	<u>is</u>	<u>should be</u>
<i>Continue as Scheduled</i>	98	\$342.0
<i>Delay</i>	23	45.7

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New Projects (Chap. 3) appear on page 23, not page 22 as indicated.

1991 SESSION RECOMMENDATIONS

Page 8

23 projects totalling \$45.7 million, not 24 projects totalling \$46.4 million as indicated

PROJECTS TO CONTINUE ON SCHEDULE

Page 19

TCs	Willmar Auto Body Program	700,000	<i>Add</i>
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PROJECTS ON HOLD

Page 22

TCs	Willmar Auto Body Program	700,000	<i>Delete</i>
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NEW PROJECTS

Page 23

SUS Hazardous Material Abatement.

Amount Recommended should be \$1,680,000, not \$3,230,000 as indicated.

678019

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INTRODUCTION

In their 1992-93 Budget Proposal, Governor Carlson and Lieutenant Governor Dyrstad called for "a new beginning" for Minnesota. These 1991 capital budget recommendations reflect the same theme by reforming the state's capital planning and budgeting process. A more disciplined planning system is proposed to address long-term priorities, provide for the planned replacement of assets, and incorporate a rational technical and policy review of proposed investments.

Debt Management

Chapter 1 reaffirms the state's long-standing debt management policies and guidelines. The Governor supports the objectives of the administrative policies and recommends continuation of the 3% debt service guideline as a prudent and reasonable measure of the state's debt capacity.

The Governor proposes to eliminate the practice of issuing debt and entering into long-term obligations "outside" the capacity guidelines. The Governor has also recommended that a long term goal be established to maintain the state's debt level within its capacity.

As a result, these capital budget recommendations for 1991-93 limit the amount of new debt commitments and suggest the delay of selected projects. The Governor does not intend to recommend any substantial new bonding commitments until the 1994-95 biennium, at which time the capacity of the state to incur new debt has been restored.

Capital Budget Reform

The need for reform of the state's capital planning and budgeting process has been widely acknowledged. Various leaders have called for more discipline in Minnesota's debt issuance practices; most recently Governor Perpich's Task Force on State Buildings and the Joint Study on Capital Needs.

This capital budget uses the opportunity presented by the recommended delay in entering into major new bonding commitments to initiate a capital budget reform agenda. Chapter 2 outlines a policy under which future debt issuance is based on long range plans developed within a rational planning and prioritization process.

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Project Recommendations

Specific project recommendations are summarized in Chapter 3, and detailed in the appendix. The Governor has recommended proceeding with on-going projects for which legal commitments have already been made, and with those projects which have a compelling need.

Selected projects have been put on hold where there is a strong rationale for delaying construction commitments until administrative and legislative policy can be clarified.

CHAPTER 1. DEBT MANAGEMENT

The Governor and Legislature have traditionally adhered to various debt management policies and procedures in order to ensure adequate control of the state's debt. Governor Carlson reaffirms his support of these policies and guidelines, and intends to further clarify and enforce their application.

Debt Overview

In Minnesota, capital projects are recommended by the Governor and authorized by the Legislature and are usually financed by the sale of Minnesota general obligation bonds. These are bonds that are backed by a pledge of the full faith and credit of the state's taxpayers. This pledge requires that the state levy taxes to pay the debt service, which includes both principal and interest, on the bonds.

Outstanding Debt. The state currently has \$1.6 billion in general obligation bonds outstanding. The state will pay \$193 million in interest expense on this debt in the 1992-93 biennium. Principal and interest payments on these bonds are scheduled to be paid through August, 2010. The state constitution limits the longest maturity on these bonds to twenty years. About 81% of the bonds are supported by the general fund, with the remainder supported by other tax sources.

<u>Revenue Support</u>	<u>GO Bonds Millions</u>	<u>Outstanding Percent</u>
General Fund	\$1,302	81.4%
Cigarette Tax	101	6.3
Trunk Highway	66	4.1
Sports & Health Tax	26	1.6
IDF	49	3.1
Other	56	3.5
Total	<u>\$1,600</u>	<u>100.0%</u>

Bond Ratings. The state's bonds are reviewed by rating agencies and are assigned credit ratings. A credit rating is a designation of the quality of the bonds. Minnesota general obligation bonds are currently rated AA+ by Standard & Poor's Corporation and Fitch Investor's Service, and are rated Aa by Moodys Investor's Service. The higher the credit rating received by the state the lower interest costs for Minnesota's bonds. The highest credit rating is AAA.

Interest Rate Assumptions. The debt service appropriation is used to pay both principal and interest on the bonds. Lower interest rates are advantageous to the state's taxpayers, since they require less of the debt service appropriation to be used for interest payments and allow more to be applied to principal payments.

Higher interest rates have the opposite effect, which reduces the ability of the state to support as many projects with the same amount of revenue.

The actual interest rates on the state's bonds are determined by the market place on the day the bonds are sold. This capital budget assumes the following interest rates for planning purposes:

July, 1991	6.50%
July, 1992	7.00%
July, 1993	6.75%
July, 1994	6.00%

Debt Management Policy and Guidelines

The Minnesota Debt Management Policy was first established as part of the Governor's 1979 Capital Budget. The policy is administrative in nature, and is not in state law.

Objectives of the Policy. The state's Debt Management Policy has three objectives which the Governor continues to support:

- * To regain the state's AAA credit rating
- * To minimize state borrowing costs
- * To provide a reasonable financing mechanism within a prudent debt burden.

Guidelines. Three guidelines have been established to attain the objectives of the state's Debt Management Policy:

1. The first guideline limits the appropriations for general fund debt service to 3% of general fund non-dedicated revenues.
2. The second guideline limits the ratio of total general obligation debt to 2.5% of the total personal income of the state.
3. The third guideline limits the ratio of total assets of state agencies, state public corporations and the University of Minnesota to 3.5% of personal income of the state.

The ratios for these three guidelines are shown graphically beginning on Page 10.

These guidelines were established to provide policy makers with targets needed to attain the objectives of the Debt Management Policy. The first guideline has generally been the most constraining.

Review of the 3% Guideline

The Legislature has continued to recognize the 3% debt service guideline as an upper limit for debt service appropriations.

Recent Application of the Guideline. In recent years the Legislature has authorized hundreds of millions of dollars of new capital projects. To fund all these projects by the sale of general obligation bonds would have meant that the general fund debt service appropriation exceeded the 3% level.

Instead, new sources of revenue were dedicated to pay the debt service on these new bonds, and these new revenues were deposited into new accounting funds, rather than the general fund, which removed them from the calculations for determining the 3% guideline. This theoretically increased the "bonding capacity" for new capital projects without violating the 3% appropriation guideline. The new revenue sources that have been used are the cigarette tax, the sports and health club tax and the state lottery.

Future Application of the Guideline. The Governor believes that accounting for these new revenue sources outside the general fund is a financial gimmick which masks the true debt burden of the state. In order to more accurately portray Minnesota's debt position, he has directed the Commissioner of Finance to begin incorporating these other revenue sources in calculations of the 3% capacity guideline.

The Governor has recommended that the portion of the lottery proceeds which is used for debt service should be deposited in the general fund, and that the Infrastructure Development Fund should be abolished. In addition, the Governor has directed the Finance Commissioner to recognize all long-term obligations, including both debt and lease commitments, in calculations of the state's debt capacity.

Guideline Goals. The previous biennial budget recommendation for general fund debt service, calculated to include the cigarette tax, the sports and health club tax and the lottery proceeds, results in a percentage of general fund revenues appropriated for debt service in the 1992-93 biennium of 3.36% of general fund receipts. These recommendations will reduce the percentage to 3.04% for 1992-93.

The Governor's long-term goal is to maintain this ratio at the 3% level, and to prohibit the use of accounting gimmicks to avoid the discipline imposed by the guideline. This goal will be accomplished over time by restraining the growth in new commitments through capital budget reform which requires greater prioritization among competing projects.

Proposed Bond Sales

The Governor's capital budget recommendations include bond sales of \$200 million in July, 1991 and \$145 million in July, 1992. These bonds sales would provide financing for currently authorized capital projects and the new capital projects recommended for authorization in the 1991 Session.

Cash Flow Requirements. The amount of bonds sold each year to finance capital projects is based on the annual cash flow requirements for each project. Some projects, such as building repair, have a short-term construction period, and are fully financed in one year. Others, such as the construction of new buildings, take at least three years to build, and are consequently financed over that time period as funds are needed.

Therefore, the amount of bonds sold in any year and the resulting debt service requirements in the budget, not only depend on the total authorization, but also on the cash flow needs of the projects. In addition, the state constitution requires that the state make available in advance nineteen months of debt service on each new bond issue.

1991 Session Recommendations. A review of currently authorized projects was undertaken as a basis for 1991 capital budget recommendations. There are currently \$494 million in authorized capital projects remaining to be funded by the sale of general obligation bonds, including over \$300 million authorized in 1990.

The review resulted in a decision to delay selected projects authorized in 1990 where policy direction is not clear as a result of the Governor's 1992-93 Biennial Budget recommendations. 24 projects totalling \$46.4 million would temporarily be put on hold pending policy clarification. As detailed in Chapter 3, many of these projects are higher education proposals likely to be addressed by the Blue Ribbon Commission on Post-Secondary Education. Other projects would be impacted by human services institutional funding recommendations in the Governor's Budget.

In addition, the Governor has recommended that new bonding be limited to only those projects which have a compelling reason to proceed. This results in \$118.6 million in new bonding projects recommended for authorization by the 1991 Legislature.

Outlook for the 1992 Session. If all of the Governor's capital budget recommendations are enacted, the state will still slightly exceed the 3% guideline going into the 1992 Session. This suggests that there should not be a large bonding bill the second year of the biennium as was the case in 1990.

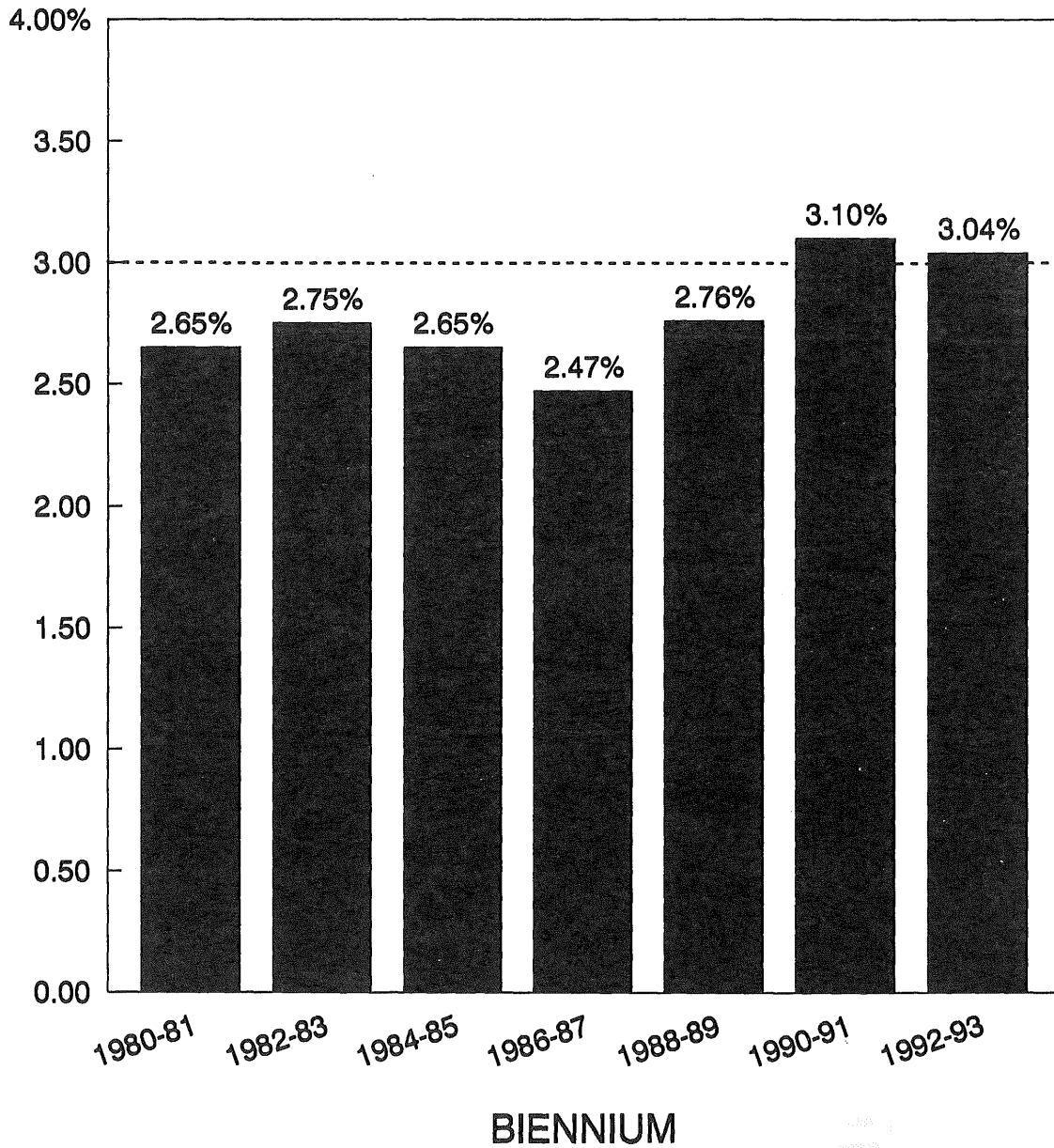
Accordingly, the Governor intends to instruct agencies and systems to limit their capital budget requests next year to those items that cannot be delayed for another year. That is, they will be required to meet the same "must do" standards that relate to the 1991 project recommendations, and that have been used in the past to categorize capital requests.

Outlook for the 1994-95 Biennium. New bonding capacity will be limited for the 1994-95 biennium. Under the 3% guideline, and assuming baseline estimates of general fund receipts and interest rates, additional capacity of about \$200 million is expected above the Governor's current recommendations. Follow-through on prior commitments, proceeding with those projects on hold, and any new bonding authorized in the 1992 Session would reduce this capacity.

This hiatus represents an opportunity for Minnesota to initiate essential capital budget reform. Better information and a more effective planning process should be in place before major decisions are required on new long-term capital commitments.

Debt Service as a Percentage of General Fund Non-Dedicated Revenues

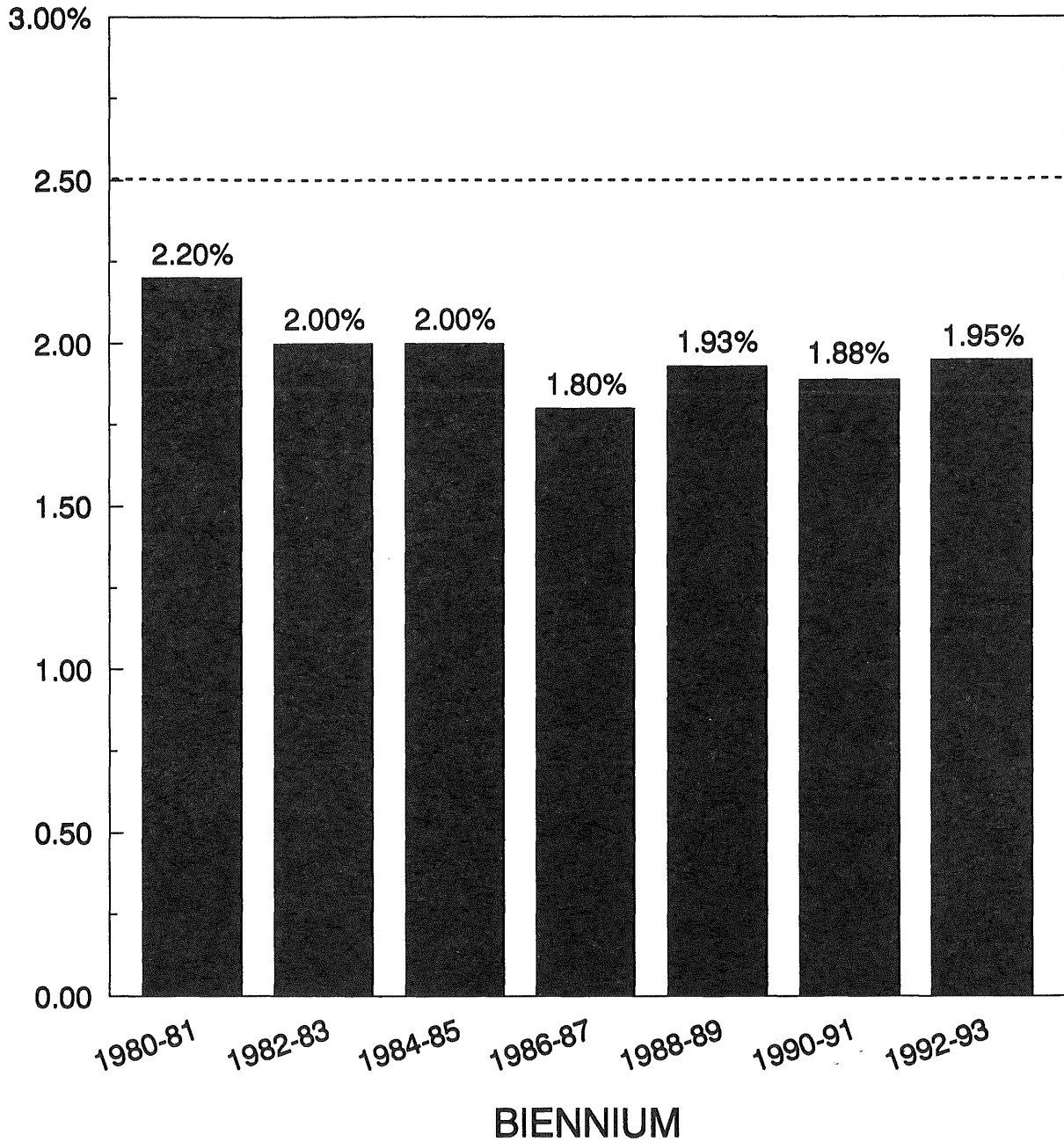
PERCENT



 Governor's Recommendation

General Obligation Debt as a Percentage of Personal Income

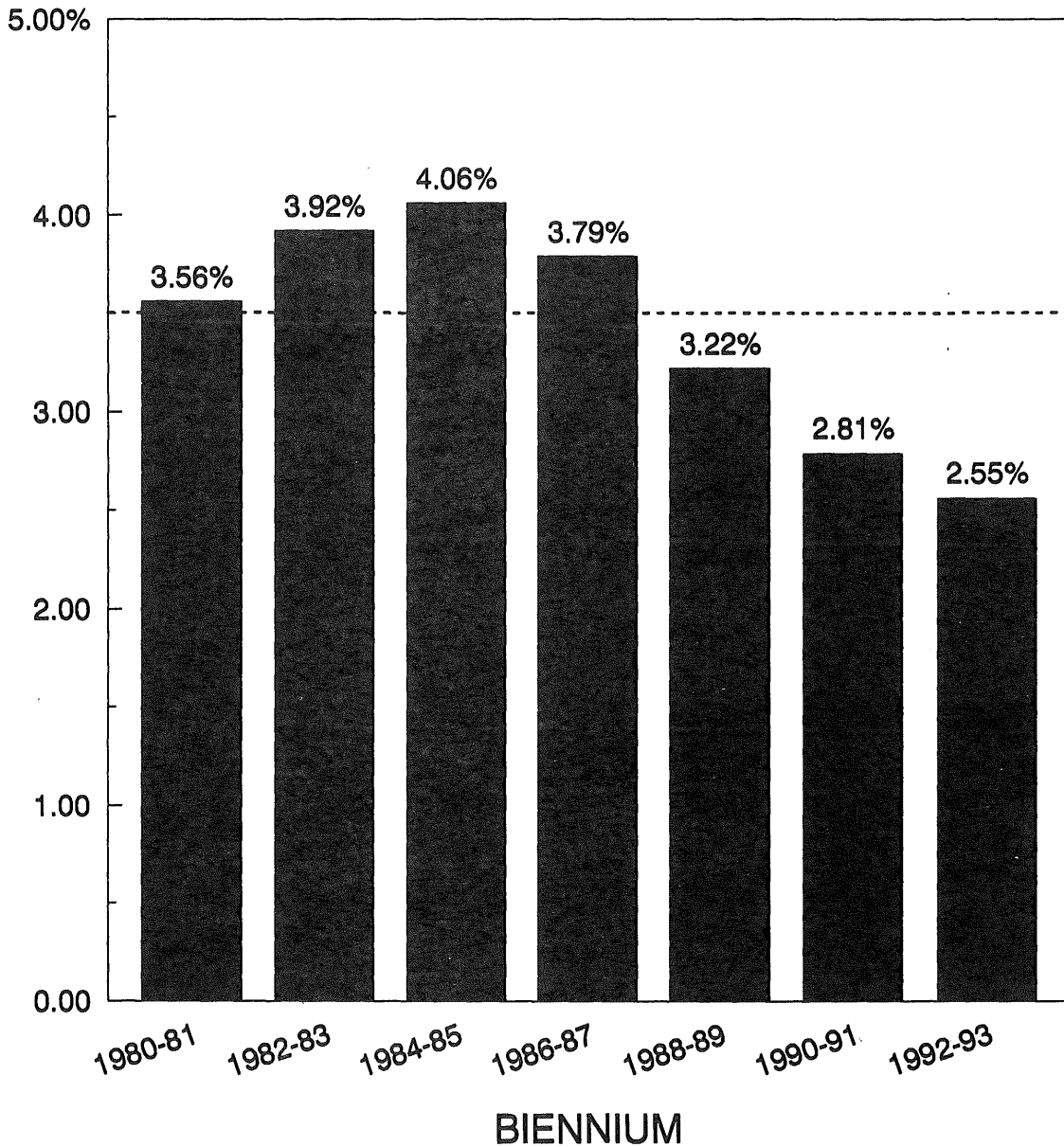
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Existing Authorizations

Total State Agency Revenue and G.O. Debt as a Percentage of Personal Income

PERCENT



CHAPTER 2. CAPITAL BUDGET REFORM

The need for reform of the state's capital planning and budgeting process has been widely acknowledged; most recently by Governor Perpich's Task Force on State Buildings and the Joint Study on Capital Needs, chaired by Senator Merriam. The Governor intends to ensure that future debt issuance will be based on long range plans developed within a rational planning and prioritization process, and that the state's capital assets will be more effectively and efficiently managed.

Administrative Policies and Procedures

In accordance with the recommendations of various bipartisan groups which have studied the state's capital planning and budgeting process, the Governor has directed the Departments of Administration and Finance to implement several new policies and procedures.

Building Standards. The study groups, as well as many state agencies, have stressed the need to establish standards for building classification, cost estimating, space utilization, design guidelines and site selection for renovation and new construction of buildings. The Department of Administration will create such standards with the objective of integrating them into all phases of capital budgeting.

Facilities Data Base. The 1990 bonding bill directed the Departments of Administration and Finance to create a data base on the condition and suitability of state occupied facilities. The first step will be the preparation of a comprehensive inventory of facilities that includes a classification system on the condition of major facilities. The data base will then be updated each biennium. When completed, it will be invaluable for analysis of capital budget requests and management of facilities.

Financing Building Acquisition. The state is currently limited in its options of acquiring space to either leasing or bonding for the construction of new structures or acquisition of existing buildings. Although the state does not bond for lease payments, these commitments are ongoing obligations which presently run at least five years. All financing approaches, including leasing, have some long-term debt capacity implications.

The state must apply its limited resources prudently, in order to minimize costs over the long term. The least expensive financing options should be identified, evaluated and implemented to achieve space acquisition objectives, while not adversely affecting other goals.

Greater flexibility in the marketplace is needed in financing the acquisition of buildings and space. If bonding is not feasible, nor desirable, alternative methods of acquiring space, such as sale/lease-back and lease with an option to purchase, should also be available.

The availability of more financing options does not compromise the integrity of the capital budgeting process, so long as all long-term obligations of the state are recognized as "debt" commitments, and count against the debt capacity of the state. The capital budget policy decisions should focus on whether space is needed, as measured against other competing capital budget requests, rather than the specific financing vehicle which should be used.

Certain changes in current law are needed to implement this recommendation. The five year limitation on leasing should be replaced with a longer term. The law should be amended to specifically allow lease purchase agreements when it can be demonstrated that such agreements are cost effective and otherwise in the best interest of the state.

The supportable cost analysis specified in the 1990 bonding bill is the appropriate method for comparing the cost of various financing alternatives over the life cycle of a facility. The Administration intends to incorporate this comparative analysis as an integral part of the capital budgeting process in the future.

Asset Management. The goal of managing the state's capital assets is to maximize the useful life of each facility. It is cost effective to properly maintain facilities because maintenance reduces the need for costly repairs and lengthens the life of the facility.

In order to increase accountability for the proper management of state facilities by responsible officials, the actual full cost of building and maintaining facilities should be displayed in operating budgets.

The way to accomplish this principle is to establish a fair market rent for all existing and proposed state facilities. This rent would be the "net" cost plus operating expenses; operating costs for state-owned buildings would not include property taxes. This means that the full value for the utilization of state-owned assets should be identified and budgeted.

Charging fair market rent will lead to more efficient use of space, establish equitable access to quality space, and improve and adequately maintain existing facilities. The rent receipts would be used for purposes of asset management, such as the maintenance of facilities.

Asset Preservation Account. Last year the Legislature created the Capital Asset Preservation and Repair Account (CAPRA) and appropriated \$2.5 million to fund the account. CAPRA is intended for state physical plant unanticipated emergen-

cies, life safety issues, hazardous substances, and miscellaneous repairs and replacements to existing buildings that preserve their structural integrity.

CAPRA centralized responsibility for analyzing the requests and disbursing the funds in the Department of Administration. Guidelines and criteria have been established by which agency requests are evaluated and projects prioritized to receive the limited funds appropriated. Since the program was initiated in FY 91, twelve agencies received application information, and eight submitted 97 applications totaling \$11,800,000. CAPRA was a good step in the right direction that should be continued and expanded.

Higher education agencies were initially excluded from CAPRA since they received separate funding. Since the CAPRA concept involves the prioritization of limited funds on a statewide basis, future consideration should be given to including post-secondary institutions in the CAPRA program.

While CAPRA was a step in the right direction, it should be considered an interim step until the fair market rent concept is fully implemented. As the fair market process builds up reserves, repairs should be funded from this source, with only a small contingency account maintained separately for extreme and totally unanticipated emergencies.

User Financing. In his 1990 capital budget recommendations, Governor Perpich emphasized the need to instill more discipline between spending on debt service versus spending in the short term for service delivery. He specifically recommended that higher education facilities be financed from base budgets, rather than via a transfer of the required debt service payments from the general fund. The Legislature partially implemented this recommendation by requiring each higher education system to cover one-third of the debt service cost of capital facilities at campuses under the control of the system.

Governor Carlson concurs in the need to promote discipline wherever feasible by requiring agencies to make choices between funding programs in their operating budgets and or for debt service. The Governor's proposal to eliminate the Infrastructure Development Fund continues the policy of higher education partial debt service payments.

Consideration of user participation in debt financing will be an integral part of future capital budget reviews. As a modest example, a \$350,000 potato inspection facility requested by the Department of Agriculture is recommended for approval contingent upon a 100% coverage of debt service payments from a dedicated account in the Special Revenue Fund.

It is not a gimmick to exclude debt service payments from the 3% guideline if they are financed from base budgets, such as the higher education share, or from dedicated receipts. Such payments are not an obligation of the non-dedicated receipts deposited in the general fund. User financing is a legitimate way to

increase the size of capital budgets without undermining the state's debt management policy.

Operating and Capital Budget Impacts. There is a consensus that not enough attention has been paid to the interplay between the operating budget and the capital budget. The recent Report of the Joint Legislative Study on Capital Needs, recommends that the Department of Finance provide an estimate of program cost impacts and efficiencies associated with the approval of any project. The Administration intends to address this need through the following measures:

- * Improve the analysis of the impact on the operating budget inherent in any capital budget request.
- * Include an analysis of the impact on capital needs associated with operating budget requests for funds and personnel.
- * Include an estimate of changes in physical plant expenditures in projections of baseline expenditures.
- * Introduce a base adjustment category dealing with changes in physical plant expenditures in future biennial budgets.

Capital Budget Process

The Governor intends to apply the reforms discussed above to future capital budgets transmitted to the Legislature. In addition, many of the new policies and procedures will be of value in reviewing parts of the operating budget.

Capital Budget Instructions. Future capital budget instructions and forms sent to agencies making capital budget requests will be jointly prepared by the Departments of Administration and Finance. They will incorporate the above reforms so that reviewers can evaluate requests in terms of the new standards.

Facility Review. The data base on the condition and suitability of facilities will be used to prioritize projects within and across agencies. The data base will also be used to assess the need for repair and replacement appropriations in the operating budget and the comparative urgency of need by agency.

Prioritization of Projects. Capital budget requests from agencies will be submitted to both the Departments of Administration and Finance. The two agencies will jointly prioritize requests and present recommendations to the Governor for consideration. Administration will concentrate on engineering aspects of the request and Finance on programmatic need and financing capacity.

Long-Range Capital Plan. Much greater attention will be devoted to long range capital planning. Administration and Finance will prepare a long range plan each

biennium for presentation to the Legislature, beginning with the 1992 Session. At a minimum the plan will address the following topics:

- * long term agency capital needs in priority order
- * projection of bonding capacity under the debt management guidelines
- * analysis and projection of physical plant expenditures
- * report on the condition and trend of facilities in the building inventory
- * report on space occupied by state agencies and recommendations on ownership versus lease of space

Implementation of Capital Budget Reform

Certain parts of the reform agenda can be implemented by executive action alone. For example, joint review of capital recommendations and preparation of capital budget documents by Administration and Finance is outlined in this document, and will be undertaken.

The preparation of standards and the creation of a comprehensive data base, however, cannot be done without additional resources. The Department of Administration needs additional dollars and personnel to achieve successful implementation of these reforms. Accordingly, the Governor has included a modest request for an additional appropriation. Such a recommendation under the current fiscal condition reflects the high priority the Governor ascribes to this effort.

Implementation of the capital budget reform package incorporates all of the recommendations made by the Report of the Joint Legislative Study on Capital Needs, and most of the suggestions made by the Perpich Task Force on State Buildings, as they relate to the Executive Branch. The Governor urges the Legislative leadership to make a similar commitment to the recommendations that pertain to the Legislature.

CHAPTER 3. PROJECT RECOMMENDATIONS

Capital project recommendations are provided for new projects identified in the 1992-93 Budget, as well as additional capital needs. Recommendations based on the review of current authorizations are also specified.

1992-93 Budget Recommendations

The Governor's biennial budget, released on February 20, 1991, included the following recommendations that are capital in nature. They are referenced here to provide a complete listing of capital budget items:

Maximum Effort School Loans. The Governor recommended \$45,065,000 in bonding authority for maximum effort loans for the six school districts that received legislative approval without funding in the 1990 bonding bill:

District No 115	Cass Lake
District No 533	Dover-Eyota
District No 192	Farmington
District No 345	New London-Spicer
District No 682	Roseau
District No 748	Sartell

This recommendation included \$9,646,000 for debt service due in the 1992-93 biennium for these and previously authorized loans. Additional information on these projects is available in the Education Finance Volume of the Governor's Budget, Pages 150-51 and the implementing bill, SF 466 (HF 462) Article 5, Section 4, Page 60.

MnDOT Duluth Headquarters Building. The Governor recommended a direct appropriation from the Trunk Highway Fund of \$955,000 to complete construction and remodeling of the MnDot district headquarters building in Duluth. This additional amount is necessary to meet the low bid for the project, which exceeded the \$3,900,000 appropriated for the project in 1989. Additional information is available from the Infrastructure and Regulation Volume of the Governor's Budget, Page 323.

Wetlands/RIM. The Governor recommended a \$50 million Wetlands/RIM bonding authorization spread over several years. The specific provisions of this recommendation and associated water appropriations fees have been incorporated in House File 1. This proposal includes \$25 million for the BWSR for the acquisition of conservation easements on type 2 wetlands, and for wetland restoration. An additional \$25 million is provided for the Reinvest in Minnesota (RIM) program, of which \$10 million is for the RIM conservation reserve program, and the remaining \$15 million for the following activities in the DNR:

Fish habitat acquisition	\$450,000
Wildlife habitat acquisition	1,500,000
Scientific and Natural Areas	600,000
Wildlife habitat enhancement	2,300,000
Fish hatchery improvements	1,200,000
Fish habitat enhancement	2,300,000
Grassland/Brushland enhancement	1,000,000
Prairie Bank	1,130,000
Critical Habitat Match	4,500,000
	<u>\$15,000,000</u>

The debt service requirement for this recommendation is included in the overall debt service estimate in the Governor's budget

Review of the 1990 Bonding Bill

The Governor directed the commissioners of Finance and Administration to put a hold on incurring new obligations that would result in the need to sell bonds for projects that were authorized in the 1990 bonding bill, pending his review of capital budget issues. The forecasted deficit in the general fund and projections of debt service payments well in excess of the 3% guideline prompted this review. As a result of the review, recommendations are provided to either continue or delay projects.

Projects to Continue on Schedule. It is the Governor's recommendation that the following projects should proceed without delay. In each case, there is either a legal commitment or other strong reason to proceed. The hold on these projects has been removed.

<u>Agency</u>	<u>Description of Project</u>	<u>Amount Authorized</u>
TCs	Systemwide Capital Improvements	\$3,300,000
TCs	Dakota County Driving Program	939,000
TCs	Duluth Exterior Wall Stabilization	520,000
TCs	Hibbing Site Plan	500,000
TCs	Land Acquisition	400,000
TCs	Thief River Falls Airplane Hanger	2,338,000
TCs	Winona Aviation Center	4,666,000
CCS	Austin Working Drawings	440,000
CCS	Brainerd Renovation and Construction	5,148,000
CCS	Cambridge Working Drawings	400,000
CCS	Fergus Falls Construction & Remodeling	3,429,000
CCC	Fond du Lac Center	6,990,000
CCS	Lakewood Renovation and Construction	3,500,000
CCS	Hibbing Athletic Facility	500,000
CCS	Inver Hills Repair of Fire Damage	1,954,000

CCS	Willmar Renovation & Construction	3,393,000
CCS	University Center at Rochester	17,000,000
CCS	Systemwide Capital Improvements	5,000,000
CCS	Systemwide Land Acquisition	750,000
SUS	Bemidji Heating Plant Rehabilitation	3,990,000
SUS	Bemidji Emergency Generator	870,000
SUS	Mankato Heating Plant Rehabilitation	3,720,000
SUS	Mankato Addition to Trafton Hall	7,000,000
SUS	Metropolitan Admin & Student Center	13,000,000
SUS	Moorhead Classroom Building	3,600,000
SUS	Southwest State Rec. Sports Building	6,300,000
SUS	Systemwide Library Planning	200,000
SUS	Systemwide Capital Improvements	2,515,000
SUS	Systemwide Land Acquisitions	1,750,000
UM	Twin Cities Biological Sciences	16,500,000
UM	Twin Cities Rec. Sports Building	6,000,000
UM	Twin Cities Wilson Library Remodeling	2,080,000
UM	Twin Cities Vet Diagnostic Lab Addition	7,900,000
UM	Twin Cities Ferguson Hall Perf Hall	6,700,000
UM	Twin Cities Integrated Waste Facility	7,500,000
UM	Morris Addition to Student Center	4,000,000
UM	UMD College Campus Center	10,000,000
UM	UMD - Expand & Renovate NRRI	2,500,000
UM	Systemwide Health and Safety	1,500,000
UM	Systemwide Ag Experiment Stations	1,800,000
MDE	Academy for Deaf and Blind	343,000
MDE	Purchase Arts School in Golden Valley	4,250,000
MDE	Maximum School Effort Loan Program	23,000,000
Corr	Faribault Correction Facility Conversion	2,706,000
Corr	Faribault roads, walks reconfiguration	537,000
Corr	Lino Lakes Expansion Q Building	500,000
Corr	Stillwater Locks Replacement	594,000
Corr	Shakopee Design for Expansion	300,000
Corr	Lino Lakes Emergency Power Generator	318,000
Corr	Lino Lakes Medium Security Cottages	6,000,000
Corr	Lino Lakes Connect City Water/Sewer	955,000
Corr	Red Wing Hot Water Lines	402,000
Corr	St Cloud Replacement of Steam Lines	224,000
Corr	Systemwide Repairs and Replacement	500,000
DHS	Design of Regional Treatment Centers	5,735,000
DHS	Systemwide Heating and Air Conditioning	500,000
DHS	Systemwide Licensure & Accreditation Needs	450,000
DHS	Water Line to Cambridge RTC	400,000
DHS	Ah-Gwah-Ching Dietary & Kitchen Upgrade	774,000
MnDOT	Federal Aid Demonstration Match	5,600,000
MnDOT	Local Bridge Replacement	5,600,000
PubSafe	Remodel BCA Building	545,000

MHS	State History Center Construction	2,300,000
MHS	Split Rock Lighthouse Repair	125,000
MHS	Meighen Store Restoration	100,000
MHS	St Anthony Falls	100,000
DOA	Asset Preservation Account	2,500,000
DOA	Centennial Building Remodeling	8,000,000
DOA	Ford Building Ventilation	150,000
DOA	Itasca Center Project	100,000
DOA	Judicial Center	2,900,000
DOA	Plan to Remodel State Capitol	300,000
DOA	Health Dept Lab Remodeling	1,376,000
CAAPB	Roy Wilkins Memorial	300,000
DNR	State Forestry Land Acquisition	500,000
DNR	Betterment of State Parks	3,000,000
DNR	Acquire & Better State Trails	3,500,000
DNR	Reinvest in Minnesota	3,000,000
DNR	Public Water Access Sites	700,000
DNR	Flood Plain Management	3,200,000
DNR	Repair Lake Bronson Dam	300,000
DNR	Field Offices Renovation & Consolidaton	1,000,000
DNR	Underground Storage Tank Replacement	250,000
OWM	Waste Management Grants	7,000,000
DTED	Mpls Convention Center Facilities	500,000
DTED	Local Recreation Grants	2,000,000
DTED	Metropolitan Open Space Grants	5,000,000
MilAff	Camp Ripley Educ Center Design	200,000
HFA	Transitional Housing Grants	1,500,000
PFA	State Independent Grants Program	15,354,000
PFA	State Match to Revolving Loans	15,600,000
PCA	Combined Sewer Overflow Program	23,700,000
PCA	Litigation Settlements	250,000
PCA	Administrative Costs	925,000
PCA	Supplemental Grant Adjustments	2,350,000
BWSR	RIM Reserve Program	750,000
BWSR	Wellner-Hageman Dam	1,645,000

Projects on Hold. The Governor has directed that the following projects be continued on hold. Governor Carlson is not recommending that the appropriations be cancelled. In each case, there is a reason for delaying construction commitments. In several cases, higher education projects are potentially related to recommendations of the Blue Ribbon Commission on Higher Education which will examine such issues as regionalization, restructuring or system merger. Several other projects are related to policy issues currently under discussion in the human services area. Finally, because of limitations in current bonding capacity, the Governor believes that certain projects should be reconsidered in the 1992 session. After clarification of pending policy issues, the Governor will either

proceed with the project in question or make a further recommendation on their status to the 1992 Legislature.

<u>Agency</u>	<u>Description of Project</u>	<u>Amount Authorized</u>
TCs	Alexandria Truck Mechanics Building	\$ 870,000
TCs	Anoka Classroom and Parking Lot	3,500,000
TCs	Detroit Lakes Classrooms & Telecom Center	4,429,000
TCs	East Grand Forks Classrooms & Labs	2,000,000
TCs	Southwestern TC Facilities	1,200,000
TCs	Willmar Auto Body Program	700,000
CCS	Rainy River Classrooms & Labs	1,400,000
CCS	Vermillion Classrooms & Shops	1,050,000
CCS	Worthington Classrooms & Labs	1,500,000
UM	Crookston Ag Operations Center	4,410,000
UM	Crookston AURI Labs	590,000
MDE	Science and Math School	200,000
DHS	Brainerd Mental Health Beds	1,500,000
DHS	SOCS for DD Patients	5,230,000
DHS	SOCS for Mentally Ill Patients	1,000,000
DHS	Skilled Nursing Facilities	9,300,000
DNR	WaterBank Program	1,200,000
DNR	Int'l Wolf Center	1,200,000
DNR	Lac Qui Parle Visitor's Center	100,000
IAC	Battle Point Historic Site	50,000
MHS	Labor History Center	550,000
MHS	Red Lake Tribal Info Center	300,000
MASC	Holmenkollen Ski Jump	2,500,000
MASC	Giant's Ridge Shooting Sports Center	2,500,000

Veterans Home Board. Seven projects requested by the Veterans Home Board were authorized in the 1990 bonding bill (Chapter 610, Section 9). In each case, the amount appropriated was for 35% of the estimated project cost, with a stipulation that the agency not proceed with any project until it secured the balance of the project funding from federal sources. The federal money has not been obtained, so it is not possible to begin the projects.

The Governor recommends that the 35% constraint be removed and that the agency be given the authority to use the \$1,750,000 appropriated to complete any of the projects authorized according to the agency's determination of priority. The agency will have to rerequest any of the projects that cannot be financed within the existing appropriation.

New Projects

With the state's current financial condition, it is obviously not appropriate to propose a large number of new proposals for bonding authority. The Governor has endorsed the capital budget instructions of the previous Administration which directed agencies to limit capital budget requests to projects that cannot wait until the 1992 Session for action.

For each of the new recommended projects, the Governor concurs with the agency that specific adverse circumstances will occur if the project is delayed. Project detail sheets describing each project and the rationale for the recommendation are included in the Appendix.

<u>Agency</u>	<u>Description of Project</u>	<u>Amount Recommended</u>
TCs	Systemwide Life Safety Projects	\$1,393,000
CCS	Systemwide Life Safety Projects	\$3,035,000
SUS	Moorhead Heating Plant	3,600,000
SUS	Mankato Utility Tunnel Upgrade	1,340,000
SUS	Hazardous Materials Abatement	3,230,000
DOA	Parking Lot Security	961,000
DOA	Capitol Area Land Purchase	2,000,000
DOA	Capital Asset Preservation Account	5,000,000
DOA	Agency Relocation Expenses	14,469,000*
DOA	Plan for Capital Square Replacement	400,000
DOA	Capital Reform Implementation	700,000*
DNR	Underground Tank Replacement	250,000
MHS	State History Center Exhibits	1,400,000
VHB	Building 6 Renovations	895,000

* to be financed by a direct appropriation from the General Fund.

Potato Inspection Facility. The Department of Agriculture submitted a request for \$350,000 to replace two potato inspection facilities located in Crookston and East Grand Forks with one integrated facility in East Grand Forks. This request would not have met the test for inclusion in the 1991 Capital Budget if the department had not offered to pay the debt service expense from "user" resources. The Governor recommends the project conditional upon an agreement that the agency will pay 100% of the debt service from a dedicated account.

APPENDIX. PROJECT DESCRIPTIONS

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: State Board of Technical Colleges

Facility: System-wide

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? _____

Project Title: System-wide Life Safety Projects

Project Description:

Life safety projects including PCB removal; asbestos removal; fuel tank removal, replacement and modification; and serious code compliance issues are contained herein.

Project Impact: These several projects will contribute significantly to moving the Technical College System towards code compliance in those areas that are of greatest need and will enhance greatly our attempt to present education in a safe environment.

<u>Type of Request</u>	<u>Project Category</u>
<input type="checkbox"/> New Construction	<input type="checkbox"/> Facility Safety/Integrity
<input type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg./Oper. Efficiency
<input checked="" type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage. _____
 New Assignable Square Footage _____
 Remodeled Square Footage. _____
 Demolished Square Footage _____
 Net Change in Square Footage. _____

CHANGES IN OPERATING COSTS

Change in Compensation. _____
 Change in Complement. _____
 Change in Building Expense. _____
 Change in Other Expense _____

PROJECT COSTS

Land Acquisition
 New Construction
 Remodeling
 Code Compliance
 Construction Contingency
 Site Work
 Design Fees
 Building Equipment
 Art Work (1%)
 Other Project Cost

TOTAL PROJECT COST

TOTAL REQUEST \$2,774

Data Prepared By: Robert M. Madson

GOVERNOR'S RECOMMENDATION: \$1,393

The Governor recommends that the agency further prioritize the projects requested within the funding level recommended.

Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota Community Colleges Facility: Systemwide Emergency Repair and Replacement

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? 1990

Project Title: Systemwide Capital Improvements

Project Description:

Systemwide funding for urgent health/life safety needs and critical maintenance requirements.

- Life safety and code compliance
- Handicap access
- Mechanical systems maintenance and air quality improvements
- Electrical systems maintenance and emergency lighting

Project Impact:

This project will satisfy needs or shortfalls in the following areas:

- Work necessary to safeguard investment in physical plant.
- Sprinkler and other life safety work needed to protect building inhabitants. In addition, several campuses are operating under variances approved by code officials. Those variances were allowed with the understanding that high priority would be given to these requests.

Life Safety

- Anoka-Ramsey
 - Sprinkler System Required by local fire marshall - agreement made in 1985 that variance approved provided that sprinkler system be installed within five-years or by 1990. Design in progress.
 - Science Building Venting Poor ventilation has caused safety concern to faculty. Tests indicate that system is 50% efficient.
 - Handicap Access Provide additional door openers, handicap restrooms, door revisions and ramped sidewalks.
- Hibbing
 - Fire Alarm System Required by local fire marshall.
 - Photo Lab Venting and Access Poor ventilation and no handicap accessibility.
 - Art Classroom Venting Provide adequate ventilation for art chemicals.
- Itasca
 - Handicap Access Two handicap entrances were eliminated during last phase of construction.
 - Various Code Upgrades Complete fire alarm system loop, stair railing revisions.
- Lakewood
 - Sprinkler System Provide protection to building occupants.

Type of Request	Project Category
<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input checked="" type="checkbox"/> Bldg. Improvement	<input checked="" type="checkbox"/> Bldg./Oper. Efficiency
<input checked="" type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	0
New Assignable Square Footage	0
Remodeled Square Footage	0
Demolished Square Footage	0
Net Change in Square Footage	0

CHANGES IN OPERATING COSTS

Change in Compensation	0
Change in Complement	0
Change in Building Expense	0
Change in Other Expense	0

PROJECT COSTS

Land Acquisition	0
New Construction	0
Remodeling	0
Code Compliance	2,945
Construction Contingency	0
Site Work	0
Design Fees	0
Building Equipment	0
Art Work (1%)	0
Other Project Cost	1,245

TOTAL PROJECT COST 4,190

TOTAL FOR THIS REQUEST ONLY. 4,190

Data Prepared By: Dan Brennan, Director of Facilities

GOVERNOR'S RECOMMENDATION: \$3,035

The Governor recommends that the agency further prioritize the projects requested within the funding level recommended.

Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota Community Colleges

Facility: Systemwide Emergency Repair and Replacement

- o Mesabi
Emergency Lighting With Generator Provide dependable emergency lighting in case of power failure.
- o North Hennepin
Sprinkler System Provide protection to building occupants.
- o Rainy River
Parking Lot Lights Provide additional lighting for safety.
- o Rochester
Emergency Lighting With Generator Provide dependable emergency lighting in case of power failure.
- o Worthington
Energy Management Upgrade Upgrade of current system to increase energy efficiency.

Special Situations

- o Anoka-Ramsey
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
- o Austin
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
- o Fergus Falls
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
- o Inver Hills
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
- o North Hennepin
Heating Plant Improvements Aging and inefficient heating plant requires replacement -evaluation being conducted.
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
New Water Main Widening of street north of campus provides an opportunity to increase water main size at reduced cost.
- o Normandale
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
Pave North Lot City of Bloomington agreement requires paving of new north parking lot, currently gravel.
- o Rainy River
Heating Plant Improvements Upgrading of inefficient heating plant.
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
- o Rochester
Energy Management Upgrade Upgrade of current system to increase energy efficiency.
- o Willmar
Energy Management Upgrade Upgrade of current system to increase energy efficiency.

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota State University System

Facility: Moorhead State University

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? 1990

Project Title: Heating Plant: mechanical and electrical upgrade

Project Description:

Rehabilitate Heating Plant to remedy equipment and operating problems. To restore the heating system to reliable operating condition and enable it to meet future steam demand requires both mechanical and electrical rehabilitation as detailed in a recently completed engineering study:

A. Mechanical Construction

1. Boiler replacement
2. Deaerator
3. Condensate system
4. Domestic water/service piping modifications
5. Water softener
6. Fuel oil system
7. Combustion air intake
8. Flowmeters
9. Feedwater system
10. Boiler repair

B. Electrical Construction

1. Heating Plant
 - a. Demolition
 - b. New service
 - c. Transformer
 - d. 15 KV conductors/modifications
 - e. Branch circuit modifications
 - f. Uninterruptible power supply
2. Maintenance Building
 - a. New service
 - b. Branch circuit modifications
3. Emergency Generator
 - a. Demolition
 - b. New emergency generator
 - c. New transfer switch
 - d. Branch circuit modifications
 - e. New underground fuel tank
 - f. New housing (350 gross square feet addition to Heating Plant)

<u>Type of Request</u>	<u>Project Category</u>
<input checked="" type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input checked="" type="checkbox"/> Bldg. Improvement	<input checked="" type="checkbox"/> Bldg./Oper. Efficiency
<input type="checkbox"/> Code Compliance	<input checked="" type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	350
New Assignable Square Footage	300
Remodeled Square Footage	13,833
Demolished Square Footage	-0-
Net Change in Square Footage	350

CHANGES IN OPERATING COSTS

Change in Compensation	-0-
Change in Complement	-0-
Change in Building Expense	-0-
Change in Other Expense	-0-
Net Change in Operating Cost	-0-

PROJECT COSTS

Land Acquisition	-0-
New Construction	28
Remodeling	2,990
Code Compliance	-0-
Construction Contingency	215
Site Work	-0-
Design Fees	367
Building Equipment	-0-
Art Work (1%)	-0-
Other Project Cost	-0-

TOTAL PROJECT COST 3,600

TOTAL FOR THIS REQUEST ONLY 3,600

Data Prepared By: David Hardin (296-6624)

GOVERNOR'S RECOMMENDATION: \$3,600

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation
 Taxable Bonds Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL (Contd.)
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota State University System

Project Title: Heating Plant: mechanical and electrical upgrade

Agency Priority: 1

Project Impact:

A comprehensive engineering examination was conducted during May and September of all plant equipment and steam distribution systems to determine present condition and operating problems, and to identify needed improvements and additions. Equipment and operating problems found by the engineering consultants are summarized as follows:

Boilers and accessories

- Flow meters are old, inaccurate, and should be replaced.
- Blow down system piping and tank are in extremely poor condition and should be replaced.
- The combustion air intake is too small; the pre-heat coil has frozen numerous times and is unrepairable.
- The feed water regulation valve and feed water piping for boiler no. 1 are not adequately sized for total capacity of the boiler and should be replaced.
- Overfiring of boiler no. 2 has caused extensive damage to the boiler casing and refractory. Boiler no. 2 should be replaced.
- Boiler no. 3 combustion air heater is inoperable; the burner and burner front should be replaced.

Deaerators

- Original deaerator is in extremely poor condition; has been used 8 days in the past 14 years.
- The other deaerator is undersized, has caused boiler feed pump section piping to become deteriorated to the point of now needing total replacement.

Boiler feed pumps

- Piping arrangements do not allow flexibility required for operating multiple boilers without manual changeover.

Domestic water and water softener

- When there is a break or shutdown of the cold water supply, the Heating Plant has to shut down until temporary hoses can be hooked up to another building on campus.
- The water softener does not have adequate capacity, is old (1960), and requires extensive maintenance to keep in operation.

Condensate system

- Condensate piping is extremely pitted and numerous leaks have occurred. The distribution manifold has numerous leaks in its piping.
- Condensate transfer pumps do not have sufficient capacity to meet plant peak load.

- The temperature control valves are inoperable.

Fuel oil system

- Existing fuel oil pumps do not have sufficient capacity to meet plant peak load.
- Fuel oil piping has had numerous leaks and should be replaced.

Emergency generators

- Emergency generator is not adequately sized to operate the required equipment to meet the plant peak load during an emergency.

Plan electrical service

- The addition over time of electrical loads in the heating plant and maintenance building have resulted in both transformers operating at or above capacity during the heating season.

At peak demand, the steam system now operates at maximum capacity; additional loads, and 2 are now in construction/planning (bookstore addition and new classroom building), will create additional steam demand which the current system is not expected to meet.

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota State University System

Facility: Mankato State University

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? _____

Project Title: Utility tunnel upgrade and extension

Project Description:

Remove approximately 1,100 feet of existing utility tunnel steam system piping and replace with larger diameter pipe. Extend existing utility tunnel and related steam system piping approximately 280 feet to serve the Trafton Science Center Addition currently being designed. Includes new tunnel lighting and some minor electrical upgrades.

Project Impact:

This project will provide a new 10" steam line and related appropriately sized condensate lines to replace the existing 8" and 6" steam lines and their respective condensate lines. The project also includes \$86,000 for asbestos abatement of the of the existing steam and condensate lines which must be done prior to the start of construction; and \$200,000 for domestic hot water heaters to serve affected buildings while the steam lines are being replaced.

The current capacity of the steam distribution system is limited by the size of the high pressure steam lines. The line leaving the Heating Plant is 10" in diameter, reduces to 8", and then to 6" as it is routed through the campus. Engineering calculations show the current system has limited capacity, and during cold weather peaks is operating at the margin in terms of maintaining building temperatures at Performing Arts, Nelson, Trafton, and Wissink. These calculations indicate that the Trafton Addition will load the system beyond the margin and building temperatures at Performing Arts, Nelson, Trafton, and Wissink will drop during cold weather peaks.

<u>Type of Request</u>	<u>Project Category</u>
<input checked="" type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input checked="" type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg./Oper. Efficiency
<input type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	-0-
New Assignable Square Footage	-0-
Remodeled Square Footage	-0-
Demolished Square Footage	-0-
Net Change in Square Footage	-0-

CHANGES IN OPERATING COSTS

Change in Compensation	-0-
Change in Complement	-0-
Change in Building Expense	-0-
Change in Other Expense	-0-
Net Change in Operating Cost	-0-

PROJECT COSTS

Land Acquisition	-0-
New Construction	308
Remodeling	627
Code Compliance	-0-
Construction Contingency	52
Site Work	-0-
Design Fees	87
Building Equipment	-0-
Art Work (1%)	-0-
Other Project Cost	266

TOTAL PROJECT COST 1,340

TOTAL FOR THIS REQUEST ONLY 1,340

Data Prepared By: David Hardin (296-6624)

GOVERNOR'S RECOMMENDATION: \$1,340

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota State University System

Facility: Facility Systemwide

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? _____

Project Title: Hazardous materials abatement

Project Description:

Abate areas identified in MSUS asbestos survey that have asbestos with a high potential for disturbance, and abate less hazardous asbestos areas (also identified in that survey) so that remodeling and reroofing projects can proceed without delay.

Remove PCB transformers and high voltage switches; install new dry type transformers and switches.

Estimated allocation is:

Asbestos	\$2,790,000
PCB's	<u>440,000</u>
Total	\$3,230,000

Project Impact:

Removal of asbestos-containing materials is necessary to ensure an asbestos-free environment for students, faculty, staff, and the general public. If asbestos material remains exposed and subject to disturbance, fiber release can occur as a result of even minor contact. Once asbestos is loose in the air, a hazard exists to the health of all persons in the area. Asbestos must be removed prior to remodeling. Water soaked asbestos, such as that from a pipe or roof leak, requires prompt abatement.

Removal of PCB fluids is necessary to avoid health and operations risks related to transformer fires and leaks. The funding of \$440,000 will complete the System's PCB abatement.

MSUBR.3a
 3/12/91 3:45pm jms

<u>Type of Request</u>	<u>Project Category</u>
<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input checked="" type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg./Oper. Efficiency
<input type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	<u>-0-</u>
New Assignable Square Footage	<u>-0-</u>
Remodeled Square Footage	<u>-0-</u>
Demolished Square Footage	<u>-0-</u>
Net Change in Square Footage	<u>-0-</u>

CHANGES IN OPERATING COSTS

Change in Compensation	<u>-0-</u>
Change in Complement	<u>-0-</u>
Change in Building Expense	<u>-0-</u>
Change in Other Expense	<u>-0-</u>
Net Change in Operating Cost	<u>-0-</u>

PROJECT COSTS

Land Acquisition	<u>-0-</u>
New Construction	<u>2,940</u>
Remodeling	<u>-0-</u>
Code Compliance	<u>-0-</u>
Construction Contingency	<u>-0-</u>
Site Work	<u>-0-</u>
Design Fees	<u>290</u>
Building Equipment	<u>-0-</u>
Art Work (1%)	<u>-0-</u>
Other Project Cost	<u>-0-</u>

TOTAL PROJECT COST 3,230

TOTAL FOR THIS REQUEST ONLY 3,230

Data Prepared By: David Hardin (296-6624)

GOVERNOR'S RECOMMENDATION: \$1,680

The Governor recommends that the agency further prioritize the projects requested within the funding level recommended.

Funding Source: Direct Appropriation
 Taxable Bonds Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Administration, Department of Facility: Capitol Complex

Agency Priority: 1 Biennium Requested: 1992-1993

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? 1990

Project Title: Lighting and Security Improvements - Parking

Project Description:

To provide and improve the lighting and electronic surveillance for all Capitol complex parking facilities and grounds to meet updated regulations.

In 1989, the City of St. Paul adopted a new ordinance stating all public parking facilities (ramps and surface lots) must have updated security measures by no later than January 1, 1991.

That same year, a survey was conducted which clearly pointed out the majority of parking facilities in the Capitol complex would not meet the newly adopted standards. In addition to the lighting requirements, it was determined that electronic surveillance equipment is needed at each parking facility either in the form of voice monitors, remote television cameras, or both. These would be monitored on 24-hour surveillance equipment by Capitol Security.

In 1990, an Interagency Security Task Force report noted additional areas of concern, both within and adjacent to the Capitol grounds. These primarily are landscaped areas, the paths from buildings to and from the parking lots, and transit stops.

Included is the installation of 'rapid start' emergency lighting. Current code requires this type of emergency lighting in parking ramps in the event of a power outage. This replaces the "delayed restrike time" of gaseous lights that are in the Administration and Centennial ramps.

These improvements are necessary to meet regulations, for the safety and well being of all who use the parking facilities and grounds and to ultimately make the Capitol area a more secure place for all individuals.

Project Impact:

The need to provide safe and secure facilities in the Capitol complex for employees is an ongoing concern. Tragic crimes in recent years prompted the state to enhance security measures in its operations. Some advances have been made, but many concerns remain that must be addressed. Although the Capitol complex itself has a relatively low crime rate, in 1989, 2 homicides, 50 rapes, 297 robberies, and 287 aggravated assaults were reported in the immediate surrounding area.

Type of Request	Project Category
<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg/Oper Efficiency
<input checked="" type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage.	_____
New Assignable Square Footage	_____
Remodeled Square Footage.	_____
Demolished Square Footage	_____
Net Change in Square Footage.	_____

CHANGES IN OPERATING COSTS

Change in Compensation.	\$ _____
Change in Complement.	_____
Change in Building Expense.	\$ _____
Change in Other Expense	\$ _____
Net Change in Operating Cost.	\$ _____

PROJECT COSTS

Land Acquisition.	\$ _____
New Construction.	\$ <u>911</u>
Remodeling.	\$ _____
Code Compliance	\$ _____
Construction Contingency.	\$ <u>1</u>
Site Work	\$ _____
Design Fees	\$ <u>45</u>
Building Equipment.	\$ _____
Art Work (1%)	\$ _____
Other Project Cost. .(Inspection)	\$ <u>5</u>

TOTAL PROJECT COST \$ 962

TOTAL FOR THIS REQUEST ONLY. \$ 962

Data Prepared By: _____

GOVERNOR'S RECOMMENDATION: \$962

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds X

AGENCY: Administration, Department of

AGENCY PURPOSE: (CONTINUATION)

At present, the Capitol area has deficient lighting levels and monitoring equipment for the protection of individuals. In most instances, the surface parking lots are not illuminated and rely on city streets lights. In 1989, through the use of maintenance funds, the existing interior parking ramp walls were painted 'white' to meet the new regulations, however, additional funds are needed to incorporate the remaining features.

As recently as summer 1990, an unfortunate incident occurred in the Administration parking ramp. It is imperative that adequate lighting and surveillance equipment is installed before a more serious crime is committed.

This request would implement a program to correct the present deficiencies and comply with present day adopted standards.

BUILDING REQUEST
1989-91 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Administration, Department of Facility: Capitol Area

Agency Priority: 2 Biennium Requested: 1992-1993

Prior Commitment: No X Yes Laws 1985, Ch 15, Sec 3 \$ 700.0

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? 1990, 1987

Project Title: Land Acquisition

Project Description:

To acquire certain nonstate-owned properties in or near the Capitol complex, that would be a good investment for the state to purchase such as properties in the East Capitol Area.

Privately-owned properties, especially those located within the geographic boundaries defined in M.S. 15.50, Subd. 2 (a), are of interest to the state when they become available for purchase. Their proximity to the Capitol and grounds make it essential that the state be able to negotiate and purchase those properties which are important to the long-range development and improvement of the Capitol complex.

34 Currently funds are inadequate for the state to enter into preliminary negotiations for possible property acquisitions or in a position to compete with developers. With the knowledge that the state is looking at various options to meet state agency space needs, developers are eager to purchase property or obtain purchase options on property close to the Capitol complex. This is in hopes of building a building for the state to lease or possibly purchase.

Project Impact:

Negotiations for and/or purchase of select properties will allow the state to control the land use and ensure compatibility with their proximity to the Capitol complex. Sites for future construction of state-owned buildings could thus be ensured.

The state is unable to enter into "good-faith" negotiations no matter how desirable the property, if there is a lack of funds to support the negotiations or to make a commitment.

Type of Request	Project Category
<u> </u> New Construction	<u> </u> Facility Safety/Integrity
<u> </u> Bldg. Improvement	<u> </u> Bldg/Oper Efficiency
<u> </u> Code Compliance	<u> </u> Program Enhancement
<u> </u> Demolition	

SQUARE FOOTAGE

New Gross Square Footage.	<u>Unknown</u>
New Assignable Square Footage	<u>Unknown</u>
Remodeled Square Footage.	<u>Unknown</u>
Demolished Square Footage	<u>Unknown</u>
Net Change in Square Footage.	<u>Unknown</u>

CHANGES IN OPERATING COSTS

Change in Compensation.	\$ <u>Unknown</u>
Change in Complement.	<u>Unknown</u>
Change in Building Expense.	\$ <u>Unknown</u>
Change in Other Expense	\$ <u>Unknown</u>
Net Change in Operating Cost.	\$ <u>Unknown</u>

PROJECT COSTS

Land Acquisition.	\$ <u>2,000</u>
New Construction.	\$ _____
Remodeling.	\$ _____
Code Compliance	\$ _____
Construction Contingency.	\$ _____
Site Work	\$ _____
Design Fees	\$ _____
Building Equipment.	\$ _____
Art Work (1%)	\$ _____
Other Project Cost.	\$ _____

TOTAL PROJECT COST \$ 2,000

TOTAL FOR THIS REQUEST ONLY. \$ 2,000

Data Prepared By:

GOVERNOR'S RECOMMENDATION: \$2,000

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation
 Taxable Bonds Tax Exempt Bonds X

BUILDING REQUEST
1989-91 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Administration, Department of Facility: Statewide
 Agency Priority: 3 Biennium Requested: 1992-1993
 Prior Commitment: ___ No X Yes Laws 1990, Ch 610, Sec 18(a) \$2,500.0
 Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____
 Previously Requested: X No ___ Yes When? _____
 Project Title: Capital Asset Preservation and Replacement Account

Project Description:

To continue the Capital Asset Preservation and Replacement Account (CAPRA) appropriation which was initiated by the 1990 Legislature.

The CAPRA fund is intended for addressing state physical plant needs in response to unanticipated emergencies, life safety issues, hazardous substances, and miscellaneous repairs and replacements to existing buildings that preserve their structural integrity.

³⁵ The Department of Administration has the responsibility for administering this statewide program. The guidelines and criteria have been established by which agency requests will be evaluated and projects prioritized to receive the limited funds appropriated.

This new program was initiated during F.Y. 1991. Twelve agencies received application information. Eight agencies submitted 97 applications totalling \$11,800,000.00. Higher Education Agencies were not included in this application process since they individually received similar funding. If they are to be included, this appropriation request should be increased proportionally, according to their budgetary requests for these types of projects.

This request for funds is based on the applications received from state agencies and the ability of the Division of State Building Construction to administer this new program without additional staff.

Project Impact:

It is vital that funds are appropriated each biennium to carry out the intent of Minnesota Statutes, section 16A.632.

This account removes routine, relatively modest project requests that would otherwise be requested in the Capital Budget process, and allows the legislature to devote their attention to evaluating major capital projects. The account gives the state the ability to respond immediately when an emergency situation arises either by stabilizing or correcting it. The ability to take preventive action benefits the state by forestalling larger capital expenditures in the future.

Type of Request	Project Category
___ New Construction	<u>X</u> Facility Safety/Integrity
<u>X</u> Bldg. Improvement	<u>X</u> Bldg/Oper Efficiency
<u>X</u> Code Compliance	___ Program Enhancement
___ Demolition	

SQUARE FOOTAGE

New Gross Square Footage.	_____
New Assignable Square Footage	_____
Remodeled Square Footage.	_____
Demolished Square Footage	_____
Net Change in Square Footage.	_____

CHANGES IN OPERATING COSTS

Change in Compensation.	\$ _____
Change in Complement.	_____
Change in Building Expense.	\$ _____
Change in Other Expense	\$ _____
Net Change in Operating Cost.	\$ _____

PROJECT COSTS

Land Acquisition.	\$ _____
New Construction.	\$ _____
Rehabilitation.	\$ <u>5,000</u>
Code Compliance	\$ _____
Construction Contingency.	\$ _____
Site Work	\$ _____
Design Fees	\$ _____
Building Equipment.	\$ _____
Art Work (1%)	\$ _____
Other Project Cost. (Code Review)	\$ _____

TOTAL PROJECT COST	\$ <u>5,000</u>
TOTAL FOR THIS REQUEST ONLY.	\$ <u>5,000</u>

Data Prepared By:

GOVERNOR'S RECOMMENDATION: \$5,000

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation ___
 Taxable Bonds ___ Tax Exempt Bonds X

AGENCY: Administration, Department of

AGENCY PURPOSE: (CONTINUATION)

Program Impact: (Continued)

Central Stores and Travel Management: The state-owned building occupied by Central Stores and Travel Management located on the corner of Robert Street and East 12th Street requires extensive structural repair as well as exterior and interior remodeling. The garage floors have been shored up through the use of emergency funds in order to continue operations. Since the parcel on which the building is located is a potential site for the construction of a new state-owned office building and extensive renovation of the building is needed, it contributes to the appropriateness of relocating the current occupants. A recent detailed 1991 structural analysis report cites the building in a progressive structural deficient state.

In addition, the Central Stores operation does not have the proper climate controls necessary for the storing of office supplies. Proper temperature controls are especially critical for paper that is used in electronic equipment.

Resource Recovery: Increased legislative mandates has placed a greater emphasis on recycling. As a result this operation currently does not have appropriate space to store recycables or prepare them for market and the recycling program is less comprehensive than desired.

Micrographics/Records Center: This operation is currently located on the 6th and 7th floors of a building in downtown St. Paul. This is less than ideal conditions for these types of operations. Specialized environmental conditions are needed and record centers are usually located at street level or below. There is also a concern for the safety of those who work in the building.

2. Attorney General: The Law Library vacated the third floor of the state-owned Ford Building and moved into the new Judicial Building in August of 1990. Due to a lack of remodeling and move funds, the space remains vacant. If the Print Communications Division vacates their current space in the Ford Building, the Office of the Attorney General will utilize that space and the vacant space on the third floor of the building. Relocating the Office of the Attorney General to the Ford Building provides space for three divisions now located in nonstate-owned space, alleviates overcrowded conditions in other areas of the Ford Building and provides space for a library. This relocation would also generate rental income required to operate the Ford Building.
3. Pollution Control Agency, Hazardous Waste Division: The Department of Employee Relations will relocate from 520 Lafayette Park to the Centennial Building in spring 1991. The space vacated will be used by the Hazardous

Waste Division of the Pollution Control Agency. Funding is required to relocate this division from St. Paul's Energy Park to the 520 Lafayette Road Building, thus consolidating and colocating the entire department.

4. Public Utilities Commission: Additional funding is needed for relocating the Public Utilities Commission out of the American Center Building. Upon space programming for the agency, it was determined that additional square footage was required. The additional funding requested is for the associated rent differential.
5. Minnesota Historical Society: Funding is needed to relocate the Minnesota Historical Society to the new History Center from the state-owned buildings located at 690 Cedar Street and 1500 Mississippi Street, the Hill House Historic Site, and the nonstate-owned building located at 616 Pierce Butler Road.

DEPARTMENT OF ADMINISTRATION
 1991 CAPITAL BUDGET - AGENCY RELOCATION FUND

<u>AGENCY</u>	<u>TENTATIVE MOVE DATE</u>	<u>FURN/EQUIP MOVE</u>	<u>TELECOMM MOVE</u>	<u>COMPUTER MOVE</u>	<u>RENT DIFFERENCE</u>	<u>TOTAL</u>
Pollution Control	Spring 1991	10.0	21.5	8.5	--	40.0
Public Utilities	Fall 1991	--	--	--	103.8 (20 mos.)	103.8
Attorney General	Spring 1993	14.0	47.4	--	--	61.4
Historical Society	Winter 1991	2,350.0	400.0	--	8,888.2 (18 mos.)	11,638.2
					<u>TRANSITION COSTS</u>	
Administration:						
Print Communications	Winter 1992	85.0	17.5	23.2	726.0 (18 mos.)	851.7
Central Stores	Winter 1992	7.6	2.0	--	176.2 (18 mos.)	185.8
Resource Recovery	Winter 1992	.5	.5	--	94.8 (18 mos.)	95.8
Records Center	Winter 1992	36.0	.5	--	14.6 (18 mos.)	51.1
Micrographics	Winter 1992	5.0	2.5	--	49.2 (18 mos.)	56.7
Travel Management	Winter 1992	209.0	5.0	--	290.1 (18 mos.)	504.1
Shared Space					191.9 (18 mos.)	191.9
Total		343.1	28.0	23.2	1,542.8	1,937.1
Subtotal		2,717.1	496.9	31.7	10,534.8	13,780.5
					Contingency (5%)	689.0
					TOTAL	14,469.5

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- Draft 1 - 11/07/90
- Draft 2 - 11/09/90
- Draft 3 - 12/19/90
- Draft 4 - 01/04/91
- Draft 5 - 02/25/91
- Draft 6 - 03/08/91

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Administration, Department of Facility: Education Building

Agency Priority: 5 Biennium Requested: 1992-1993

Prior Commitment: X No ___ Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: X No ___ Yes When? _____

Project Title: Plan New Education Building

<u>Type of Request</u>	<u>Project Category</u>
<u>X</u> New Construction	___ Facility Safety/Integrity
___ Bldg. Improvement	<u>X</u> Bldg/Oper Efficiency
___ Code Compliance	___ Program Enhancement
___ Demolition	

SQUARE FOOTAGE

New Gross Square Footage. _____

New Assignable Square Footage _____

Remodeled Square Footage _____

Demolished Square Footage _____

Net Change in Square Footage. _____

CHANGES IN OPERATING COSTS

Change in Compensation. \$ _____

Change in Complement. _____

Change in Building Expense. \$ _____

Change in Other Expense \$ _____

Net Change in Operating Cost. \$ _____

PROJECT COSTS

Land Acquisition. \$ _____

New Construction. \$ _____

Remodeling. \$ _____

Code Compliance \$ _____

Construction Contingency. \$ _____

Site Work \$ _____

Design Fees \$ 400

Building Equipment. \$ _____

Art Work (1%) \$ _____

Other Project Cost. \$ _____

TOTAL PROJECT COST \$ 400

TOTAL FOR THIS REQUEST ONLY. \$ 400

Project Description:

Planning funds through the schematic phase are needed for a comprehensive study to locate all of the educational agencies in a new facility. The agencies that are proposed for relocation into a new building are: Department of Education, Vocational Technical College, Community College, State University System, and the Higher Education Coordinating Board. This building would contain about 250-300,000 sq.ft. of space to accommodate the needs of these agencies.

No specific location for the building has been made, however, an overview of possible locations in the Capitol area was completed in 1989 and published for review. Also the 1989 legislature appropriated planning funds to the Capitol Area Architectural and Planning Board (CAAPB) to do site selection for future construction of state office buildings in the Capitol area. The CAAPB site assessment study dated December 1990 indentified several sites in the East Capitol Area for future construction.

Currently, the majority of these agencies are housed in the Capitol Square Building. However, the State University System is in nonstate-owned leased space at 555 Park Street, St. Paul and it will be necessary to move the Higher Education Coordinating Board from the Capitol Square Building to nonstate-owned leased space in order to adequately meet the space needs of the other agencies in the building.

Project Impact:

The state's emphasis on educational programs and resultant growth in programs and staff has increased the office space needs of these agencies. In order to meet this increased demand, it is necessary to move the Higher Education Coordinating Board from the Capitol Square Building into leased space to prevent fragmenting other agency operations.

A new building will allow these agencies to collocate their operations which is in accordance with the state's policy to consolidate and collocate state agency operations for improved operating efficiency and service provided to the public.

Data Prepared By: _____

GOVERNOR'S RECOMMENDATION: \$400

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds X

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AGENCY: Administration, Department of

AGENCY PURPOSE: (CONTINUATION)

Program Description:

The sheer quantities confirm this is not a short-term project but one that must receive a long-term commitment. The initial commitment to begin implementation, however, requires funding to integrate existing resources and produce a Capital Asset Management System. It includes funds for three professional and one clerical staff to develop a program through the review and refinement of objectives, identification of resources, building of strategies through analysis, creating and testing of working models, scheduling programs, and identification of resources required to implement and maintain the system.

Program Impact:

The results of this initial commitment will provide a framework for an integrated infrastructure management system. Included is the establishment of a comprehensive capital budget process and development of a data base of building classification standards. It will also include time and cost projections for the continuation of this program.

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Natural Resources, Department of

Facility:

Prior Commitment: No Yes Laws 1990, Ch 610, Sec 20 \$ 250,000

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? 1990

Project Title: Underground Storage Tanks

Project Description:

The department requests an additional appropriation of \$250,000 to continue removal of underground storage tanks in compliance with Environmental Protection Agency regulations.

Project Impact:

EPA regulations lay out a 10-year timetable between 1988 and 1998 for the removal or safeguarding of underground fuel storage tanks. The timetable contains different deadlines for the removal of the tanks based on the age of each tank. At the beginning of the process, the department had a total of 175 tanks requiring approximately \$1.5 million to remove and replace.

To maintain the schedule, the department must remove 76 tanks before 12-31-91. Existing operating budget funds, plus the \$250,000 bonding authorization from the 1990 session will enable the removal of 42 of this total. An additional \$250,000 will be required to enable removal of the remaining 34 tanks.

RATIONALE:

It is prudent environmental protection policy for the state to facilitate the removal of these underground fuel storage tanks. Furthermore, failure to comply with the regulatory removal timetable could result in fines being levied.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an additional authorization of \$250,000 for the removal and replacement of underground fuel storage tanks required by 12-31-91. The department will have to wait until the 1992 session to request funds sufficient to complete the removal of the remaining tanks.

<u>Type of Request</u>	<u>Project Category</u>
<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg./Oper. Efficiency
<input checked="" type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	<u>N/A</u>
New Assignable Square Footage	<u> </u>
Remodeled Square Footage	<u> </u>
Demolished Square Footage	<u> </u>
Net Change in Square Footage	<u> </u>

CHANGES IN OPERATING COSTS

Change in Compensation	<u> </u>
Change in Complement	<u> </u>
Change in Building Expense	<u> </u>
Change in Other Expense	<u> </u>

PROJECT COSTS

Land Acquisition	<u> </u>
New Construction	<u> </u>
Remodeling	<u> </u>
Code Compliance	<u>250</u>
Construction Contingency	<u> </u>
Site Work	<u> </u>
Design Fees	<u> </u>
Building Equipment	<u> </u>
Art Work (1%)	<u> </u>
Other Project Cost	<u> </u>

TOTAL PROJECT COST 250

TOTAL FOR THIS REQUEST ONLY 250

Data Prepared By: _____

GOVERNOR'S RECOMMENDATION: \$250

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation
 Taxable Bonds Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Minnesota Veterans Homes Board Facility: Minnesota Veterans Home - Minneapolis

Prior Commitment: No Yes Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s) Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes When? _____

Project Title: Building 6 Renovations

Project Description: Building 6 was built in 1905 and continues to serve its original housing function, with current Minnesota Board and Care Home licensure for 122 beds. It is a 63,000 square foot, 3-story building which contributes to the recently designated Minnesota Veterans Home National Historic District. The building houses residents, provides office space for resident support services, and offers social and recreational areas for resident use. The requested renovation monies would allow for continued use of the Building 6 facility, and would protect an important historic resource.

For the past several years, regulatory agencies including the Minnesota Historical Society, the United States Veterans Affairs Department, and the Minnesota Departments of Health and Public Safety have expressed growing concerns about the condition of the building. The latter 2 agencies have indicated their intentions to decertify the building for resident use if significant upgrading is not accomplished immediately.

Health Department surveys have noted conditions which pose a threat to residents' well-being and limit their use of the building areas. Current State Fire Marshal's orders mandate a partial evacuation of the building until improved fire exits are provided.

Project Impact: The proposed renovations are required by Minnesota Fire Safety and Health Codes to allow resident and staff use of all floors of the building. These projects to assure life safety and secure the building envelope will provide a safer and healthier environment for residents and will be the first steps toward a more complete renovation of the building's interior systems, which will be requested again in the next capital budget request. The interior systems needing upgrading are the electrical and mechanical systems.

Building renovations will also begin to meet the legislative mandate of 1987 which called for protection of the historic resources of the campus.

If the proposed upgrading does not occur, residents will be forced to vacate this building as a result of loss of licensure. If the building is decertified through the federal system, it is unlikely that the Home could regain use of the 122 beds for future domiciliary use, and a loss of per diem and private maintenance charges would occur. The building is a link between other campus facilities; if closed, it would continue to impact the campus infrastructure and budget without providing benefits to the campus and its residents.

The Board of Directors feels strongly that this project should be funded. If this request for funding is not acted on within this session it effectively closes building 6 and reduces the campus capacity by 122 beds.

<u>Type of Request</u>	<u>Project Category</u>
<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Facility Safety/Integrity
<input type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg./Oper. Efficiency
<input checked="" type="checkbox"/> Code Compliance	<input type="checkbox"/> Program Enhancement
<input type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	_____
New Assignable Square Footage	_____
Remodeled Square Footage	_____
Demolished Square Footage	_____
Net Change in Square Footage	_____

CHANGES IN OPERATING COSTS

Change in Compensation	_____
Change in Complement	_____
Change in Building Expense	_____
Change in Other Expense	_____

PROJECT COSTS

Land Acquisition	_____
New Construction	_____
Remodeling	_____
Code Compliance	811
Construction Contingency	_____
Site Work	_____
Design Fees	84
Building Equipment	_____
Art Work (1%)	_____
Other Project Cost	_____

TOTAL PROJECT COST 895

TOTAL FOR THIS REQUEST ONLY 895

Data Prepared By: J. Seelhammer

GOVERNOR'S RECOMMENDATION: \$895

The Governor concurs with the agency's request.

Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds

BUILDING REQUEST
1992-93 CAPITAL BUDGET SIX-YEAR PLAN - PROJECT DETAIL
DOLLARS IN THOUSANDS (137,522 = 138)

Agency: Agriculture

Facility: East Grand Forks Potato Inspection Facility

Prior Commitment: No Yes

Laws _____, Ch _____, Sec _____ \$ _____

Additional Prior Commitment(s)

Laws _____, Ch _____, Sec _____ \$ _____

Previously Requested: No Yes

When? 1990

Project Title: New Building

Project Description:

This request on behalf of the Plant Industry Division of the Department of Agriculture is to provide a new facility in East Grand Forks to replace and consolidate their 2 facilities located in Crookston and East Grand Forks.

The program would demolish an existing warehouse facility in East Grand Forks on an existing parcel of property and construct an office/laboratory/warehouse facility on the same land.

The facility would provide 5,500 square feet with approximately half utilized as office and laboratory space with the remainder utilized as a drive through warehouse. The exterior site would be regraded for proper drainage, provide parking for 15 cars and include site improvements such as landscaping and lighting.

The office/laboratory/meeting/reception/laboratory/records room/inspectors room would have full HVAC with the potential for future expansion in the laboratory and record storage room.

Project Impact:

The completed facility would collocate the potato inspection programs into 1 building in East Grand Forks, where both can function more effectively, provide increased service and maintain close proximity to related components of the industry. Since the present staff now utilize both facilities there would be no staffing problem caused by the consolidation. Inspection fees are being increased proportionately to cover the cost of the project. Field inspection fees for certification will be increased \$1.00 per acre. Grade inspection fees for washed and processing potatoes will be increased \$0.01 per hundred weight. Combined, these fee increases will generate approximately \$60,000 in additional annual revenue which will be earmarked for this project. Fees for these activities are set by the commissioner and credited to a Fruit and Vegetable Inspection Fund and Seed Potato Inspection Fund, both of which are dedicated accounts.

<u>Type of Request</u>	<u>Project Category</u>
<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Facility Safety/Integrity
<input type="checkbox"/> Bldg. Improvement	<input type="checkbox"/> Bldg./Oper. Efficiency
<input type="checkbox"/> Code Compliance	<input checked="" type="checkbox"/> Program Enhancement
<input checked="" type="checkbox"/> Demolition	

SQUARE FOOTAGE

New Gross Square Footage	<u>5,500</u>
New Assignable Square Footage	<u>5,000</u>
Remodeled Square Footage	
Demolished Square Footage	<u>3,700</u>
Net Change in Square Footage	<u>1,800</u>

CHANGES IN OPERATING COSTS

Change in Compensation	_____
Change in Complement	_____
Change in Building Expense	_____
Change in Other Expense	_____

PROJECT COSTS

Land Acquisition	_____
New Construction	<u>236</u>
Remodeling	_____
Code Compliance	_____
Construction Contingency	<u>9</u>
Site Work	<u>32</u>
Design Fees	<u>22</u>
Building Equipment	<u>46</u>
Art Work (1%)	_____
Other Project Cost	<u>5</u>

TOTAL PROJECT COST 350

TOTAL FOR THIS REQUEST ONLY 350

Data Prepared By: Richard T. Zink, Ph.D., 296-7509

GOVERNOR'S RECOMMENDATION: \$350

The Governor concurs with the agency's request subject to the agency's agreement to pay all of the Debt Service payments.


Funding Source: Direct Appropriation _____
 Taxable Bonds _____ Tax Exempt Bonds

HJ 2053 .M6 C36 1991

Capital budget
recommendations

HJ 2053 .M6 C36 1991

Capital budget
recommendations

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