

Minnesota Historical Society	Project Funding Summary
	(\$ in Thousands)

Project Title	Agency Priority	Funding Source	Agency Request			Governor's Rec	Governor's Planning Estimates	
			2014	2016	2018	2014	2016	2018
Oliver Kelley Farm Historic Site Visitor Center	1	GO	\$10,562	\$0	\$0	\$0	\$0	\$0
Historic Sites Asset Preservation	2	GO	6,820	4,600	3,247	2,500	2,500	2,500
Historic Fort Snelling Pre-Design	3	GO	500	33,800	0	500	33,800	0
Minnesota History Center Pre-Design	4	GO	500	16,701	16,700	0	0	0
County & Local Historic Preservation Grants	5	GO	1,500	1,500	1,500	0	0	0
Split Rock Lighthouse Facility Enhancements		GO	0	200	2,000	0	0	0

Project Total	\$19,882	\$56,801	\$23,447	\$3,000	\$36,300	\$2,500
General Obligation Bonding (GO)	\$19,882	\$56,801	\$23,447	\$3,000	\$36,300	\$2,500

Funding Sources:	GF = General Fund	THF = Trunk Highway Fund	OTH = Other Funding Sources
	GO = General Obligation Bonds	THB = Trunk Highway Fund Bonding	UF = User Financed Bonding

Mission

The Minnesota Historical Society uses the power of history to transform lives by preserving and sharing evidence and stories of our state's past.

The Minnesota Historical Society's full Mission, Vision and Values statements can be found at: <http://www.mnhs.org/about/mission/index.html>

Statewide Outcome(s)

Historical Society supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context

As an educational organization, since its founding in 1849, the Minnesota Historical Society has served learners of all ages, including schoolchildren, seniors, families with children, scholars and tourists. The Society delivers Minnesota history in a variety of methods, including museum exhibits, historic sites, public programs, publications, and on-line resources.

The Society fulfills its statutory responsibility to preserve the state's most significant historic structures through its work with the statutorily defined Historic Sites Network. This responsibility is supported by preservation and facility improvements at historic sites, funded by the capital budget.

By telling the stories of our state's past, our goal is to create community for all Minnesotans, whether new arrivals, or citizens whose families have been in Minnesota for generations. We support the goal of having a well-informed citizenry that understands how people and events of the past have shaped the Minnesota of today.

All Minnesotans are potential customers – today, our primary customer groups are schoolchildren, families with children, seniors and tourists. We serve nearly one million in-person customers each year and in the most recent fiscal year, hosted 2,353,720 “unique visitors” online.

Strategies

Over the next several years, the Society will focus its work to align with the following strategic priorities:

- The Society is engaged in partnerships that leverage historical resources and educational expertise to *make a difference in the lives of more Minnesota youth*, with special focus on underachieving students.
- The Society is continuously *engaged with communities of color and American Indian nations*, and the diversity of Minnesotans is reflected in the Society's collections, programs, staffing and governance.
- The Society is deeply engaged in *cultivating meaningful relationships with adult audiences* as lifelong learners, members, donors, volunteers and supporters.
- The Society is successfully addressing the major preservation and interpretive needs of its historic sites and museums, with special focus on the *Oliver Kelley Farm and Fort Snelling*.
- The Society *develops and shares great content that informs, engages, and inspires*. All content is produced with a deep knowledge of the constituency that cares deeply about the subject, is edited, rich in metadata, packaged for optimal consumption, and sustained for relevance as long as possible.
- The Society develops and manages its resources to ensure the *long-term sustainability* of the programs it provides in service to the people

of Minnesota. It provides good stewardship of all resources - financial, human capital, facilities and collections.

A full listing of the Society's functions and departments can be found at: <http://www.mnhs.org> and further information on the Society's financial information and programs can be found at: <http://www.mnhs.org/about/publications/index.html>

Measuring Success

As part of its strategic planning process, the Society will use the six strategic priority areas described above as the starting point for work plan development and specific measurement for each department for the upcoming and subsequent fiscal years. Departments will describe how their ongoing work will fit in with the strategic priority areas and quantify results that help to fulfill these priorities. Each department will report quarterly on progress made toward these goals.

At A Glance: Minnesota Historical Society - Strategic Plan 2012-2017

Over the past year, the Society's board, staff and stakeholders have worked to develop a path to the future of Minnesota's history. The result of this strategic planning process has been the development of an updated mission statement, revised statements of vision and values and the following strategic priority areas:

- Educational Achievement
- Lifelong Learning
- Sustainability and Stewardship
- Diversity and Inclusiveness
- Historic Sites and Museums (focus on Historic Fort Snelling & the Oliver H. Kelley Farm)
- Content Development

Additional information about the Strategic Plan elements can be found at: <http://www.mnhs.org/about/mission/>

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

The Minnesota Historical Society (the Society) is the oldest educational and cultural institution in the state, having been chartered by the first legislature of the Minnesota Territory in 1849.

The Society is governed by an executive council of 30 members responsible for establishing major policies and monitoring the quality of its programs and services. The council also performs duties mandated under Minnesota Statutes, Chapter 138 and various session laws, as well as federal statutory mandates.

The Minnesota Historical Society serves the people of Minnesota by following its mission statement:

Using the Power of History to Transform Lives:
Preserving > Sharing > Connecting

Trends and Issues Impacting the MHS Capital Budget:

The Minnesota Historical Society is responsible for facilities statewide, including the Minnesota History Center and historic sites. As state-mandated educational facilities, it is important that the State of Minnesota prioritize taking care of its own assets in the capital budget process. The MHS works to preserve educational / historical properties through Asset Preservation requests, as well as through requests to enhance existing facilities. The following trends describe the context of the Society's work to preserve and present history to Minnesotans and visitors from near and far.

Strategic Priorities

In its recently adopted Strategic Plan, one of the six strategic focus areas is to address the facilities and interpretive needs of historic sites and museums. This is reflected in this Capital Budget request, particularly through the Oliver H. Kelley Historic Site request, as well as the Historic Fort Snelling and History Center pre-design requests. In addition, another of the six strategic priority areas is Sustainability and Stewardship. For this priority area, the Society will manage its resources, including historic structures and more modern facilities, to ensure long-term viability of these irreplaceable resources.

Heritage Tourism and Economic Impact

Visiting historic sites is one of the primary reasons that tourists travel in Minnesota and across the nation. A recent survey by the Travel Industry Association of America found that 49 percent of U.S. adult travelers included a cultural, arts or historic activity to their travels, and of these activities, visiting a historic community or building was the most popular cultural activity listed on the survey. In addition to the educational benefits of heritage tourism, communities across the state experience economic benefits from tourism, including the significant number of visitors to historic sites and museums who are from out of state. The Minnesota Office of Tourism estimates that tourism is an \$11 billion industry in Minnesota. Heritage

tourism plays a significant part in this important element of our state's economy.

Asset Preservation

Historic resources are like natural resources in that if lost they cannot be replaced. Without a carefully planned capital investment strategy, Minnesota's historic resources will not survive to be enjoyed by future generations. The Society's 31 historic sites include land, trails, buildings, infrastructure, and exhibits; they are textbook examples of the problems associated with the "capital iceberg" of unmet facilities needs. The factors contributing to the iceberg are magnified in the sites network, not only because of age, but because of the long-term environmental effects on construction materials and techniques used at the time these structures were built.

Historic Sites

Historic sites are recognized by statute as important public resources worth preserving. The "Minnesota Historic Sites Act" (M.S 138.661-138.669), first passed by the legislature in 1965, sets up the state historic sites network as a state responsibility, and confers upon the Society the control and responsibility for preserving, developing, interpreting, and maintaining the sites for public use and benefit.

Public Demand and Attendance

The state historic sites network is in its fifth decade of heavy use by patrons. Over successive budget challenges in recent years, the upkeep and repair of the 141 structures at the 31 state historic sites have suffered. Operating budget appropriations for repair and replacement have helped with facilities needs, but the historic sites network still has unmet needs. Limited financial resources have forced the deferral of important restoration activities. Heavy public use (averaging over 600,000 annual visitors for over a decade) coupled with ongoing environmental factors have created visible and substantive wear and tear on the structures within the state historic sites system. Asset preservation appropriations have helped with larger preservation projects, but regular and periodic maintenance has suffered.

The Changing Nature of Education

Education is no longer solely a classroom-based function for young people. Now and in the future, education will be less defined by formal structure; learning will be recognized as a lifelong activity that will take place in many non-traditional settings. The state's historic sites and the Minnesota History Center are places where citizens will learn about our common history. New technologies enable individuals and institutions including state agencies, other museums, schools, libraries, and anyone with an Internet connection to access the vast resources contained within the Society. This expanded role of lifelong learning and a focus on academic achievement for all will demand facilities to adequately serve these needs.

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

The Society estimates the total scope of its deferred maintenance/ asset preservation/ capital improvement need for the next six years to be approximately \$16.017 million for Asset Preservation needs as well as an additional \$78 million in future facilities requests over the six year planning period.

Historic Site Facilities

Since the enactment in 1965 of the state's historic sites program, the Society has pursued a planned approach to acquiring, developing, interpreting, and preserving historic sites. The Society owns or administers a network of 31 sites, comprising 141 significant historical structures and contemporary buildings, totaling 793,000 square feet of interior space. The very nature of 141 varied facilities, many of which are over 100 years old, makes it impossible to provide a single assessment of "physical condition, suitability and functionality" of the historic sites network.

The historic relevance and importance of the state's historic sites coupled with their educational value cannot be disputed, but century old buildings are in need of a range of substantive levels of stabilization, restoration and preservation. Every component of the historic sites network is part of the capital iceberg. Some components of the historic sites network are in constant need of cosmetic and surface attention, which may range from paint and carpeting to window repair; while other components may require immediate structural repair, such as roofs, foundations, support members,

egress routes and utility access. Without that attention, these historic resources will deteriorate beyond repair. Preserving historic facilities that contain unique and expensive architectural features or period-specific construction techniques (Hill House copper gutters, log structures, capitol furnishings and artworks) require capital funds that are greater than the need of contemporary building, even as visitor centers built in the 1970s and 1980s are now in need of new roofs and improved or replaced HVAC systems.

Exhibits

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

Markers and Monuments

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

Minnesota History Center

The 1992 opening of the History Center, with 483,300 square feet on nine acres of land in the Capitol Complex, provided Minnesotans with a facility to showcase, preserve, and use the state's historic resources. Since opening, over four million individuals have visited the History Center.

The History Center provides state of the art museum exhibits, workshops, lectures, and seminars designed for visitors of all ages and diverse interests. A broad range of educational and entertaining programs tells the story of Minnesota's people from earliest times to the present. Programs for over 100,000 school children each year are further enriched by hands-on activities in specially designed classrooms. In the library, visitors enjoy access to the state's archives and to the manuscript, newspaper, audio-visual, map, art, and artifact collections. Environmentally controlled storage facilities enable staff to care for and preserve the collection of over three million artifacts (including 2.5 million archaeological artifacts and 260,000 historical artifacts). New information technologies have allowed the Society to make its resources accessible to those not able to visit the History Center and to other institutions including more than 400 county and local historical organizations throughout the state.

While the History Center contains large amounts of storage space, additional space will be needed in the near future. The need for additional space was envisioned in the building's original design – a 9,500 square foot unfinished expansion space was constructed within the History Center's walls. A request for construction to address collections space and visitor services needs will be included in a future capital budget; the Society is currently undertaking planning to determine space needs and opportunities.

Sustainability

As a citizen of our community, the Society recognizes its responsibility to conserve our resources for the next generations. As an organization dedicated to preserving the past for the future, we have put this into practice in our daily work. In order to strengthen these efforts, the Society has established a sustainability program, called "More for the Mission," that examines energy, water, and waste practices across the institution. Over 50 projects have been planned or implemented that will reduce our greenhouse gas emissions by 18%. This includes early leadership in energy conservation -- the Society was recently cited by the Governor as a leader in energy conservation efforts in the Capitol Complex. Specific to the Capital Budget, we put these priorities to work in our efforts to preserve the historic buildings of the historic sites network. It has been said that "The greenest building is the one that is already built" and the Society puts this goal to work in our efforts to preserve the state's most significant structures for future generations.

Agency Process Used to Arrive at These Capital Requests

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

Major Recent Capital Projects

Asset Preservation funding from 2006-2012 totaled \$16.865 million and supported preservation projects at Historic Sites & Museums throughout Minnesota: Alexander Ramsey House, Upper Sioux Agency, Historic Fort Snelling, James J. Hill House, Lac Qui Parle, Mille Lacs Indian Museum, Folsom House, Comstock House as well as design for future projects. Most recently, in 2012-2013, the resurfacing of pathways and important drainage improvements at Historic Fort Snelling was completed as well as stabilization of Mill City Museum's Ruin's Courtyard north ruin wall. Major reroofing projects took place for Historic Fort Snelling's Buildings 17 & 18 and for Elevator #1 of the Washburn Crosby A Mill. Numerous state monuments underwent conservation treatment including Acton Monument, Defenders State Monument, and the Fort Ridgely State Monument.

An appropriation of \$300,000 in 2008 supported pre design and design for renovation of the Oliver H. Kelley Farm Historic Site.

Oliver Kelley Farm Historic Site Visitor Center

2014 STATE APPROPRIATION REQUEST: \$10,562,000

AGENCY PROJECT PRIORITY: 1 of 5

Project At A Glance

This request provides for design completion and construction of the Oliver H. Kelley Farm Historic Site Visitor Center including major renovation of the site's visitor center and other essential visitor services and site operations facilities. A 2008 capital budget appropriation has provided for the pre-design and initial design steps for this project. This request will fund completion of design and construction.

The Minnesota Historical Society has completed a Comprehensive Interpretive Planning process, Cultural Landscape Report, Audience Research, and Interpretive Program Visioning Report. These studies and reports will direct both the comprehensive physical revitalization and historic site's public educational programming for the next ten years. As a result of these processes, including extensive input from external stakeholders, the story of Minnesota's agriculture from the pioneering period will expand to include modern farming, farm life, food and the vital impact of agriculture on our economy, environment and culture for our present and future generations of Minnesotans.

The project will create a LEED-certified building that will use energy at current cost levels (for a larger building), and has been designed with operational flexibility and revenue potential to support any additional operating costs.

Project Description

The Project The Oliver Kelley Farm Historic Site project consists of a LEED-certified renovated visitor center, and support buildings, including a maintenance building, picnic shelter and additional programmatic buildings. The Oliver Kelley Historic Site will then give all Minnesotans an opportunity to

experience the compelling story of Minnesota's farming, agricultural, and food ways and their impact on our economy, culture and environment.

Background Located on the east bank of the Mississippi River, the Oliver H. Kelley Farm was homesteaded by Kelley in 1849. He lived and farmed the site for the next twenty years. Kelley devised the idea to create a nationwide agricultural organization to assist farmers financially and socially as well as to help implement the most modern farming and marketing techniques available. In 1867, the Patrons of Husbandry, better known as The Grange, was founded. The national Grange organization later acquired the Kelley Farm property and managed it until 1961 when it was donated to the Minnesota Historical Society. The site, 189 acres of farm fields, prairie and woods, became a National Historic Landmark in 1964. The Society operated the farm site on a limited basis until construction of the site's Visitor Center in 1981, when it also developed the current living history program of an 1860s era farmstead.

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

To better understand the importance of Minnesota's agricultural past, present and future, the Minnesota Historical Society launched a Comprehensive Interpretive Planning (CIP) process (completed in 2007). Experts from tourism, education, farm organizations, agricultural industries, state agencies including the Department of Agriculture, legislators and local and regional communities participated in forums, including a forum convened by the Commissioner of Agriculture, to help provide initial direction of the educational plans for the Kelley Farm. This public planning process identified the need for this activity, and is a guide to the current and future revitalization and public educational programming for the Oliver Kelley Farm Historic Site Visitor Center.

Oliver Kelley Farm Historic Site Visitor Center

In 2008, the legislature appropriated and the Governor approved a \$300,000 capital budget request for pre-design and design for the Kelley Farm Visitor Center. Those funds allowed the Society to move the project forward, and work more deeply with external stakeholders. In conjunction with the Pre-design and initial design process, the Society has completed extensive Audience Research, Interpretive Planning Visioning Report, and a Cultural Landscape Report. To date, these have supported the successful completion of the pre-design and schematic design process.

Impact on Agency Operating Budgets (Facilities Notes)

In planning for the Oliver Kelley Farm Visitor Center, the Society has been mindful of the challenges that the state faces in this fiscal environment. During the planning process, sustainability and cost minimization have been primary goals. While the Visitor Center and support buildings increase the space available for public use, operating costs have only increased slightly due to optimizing energy efficiency. Further, in applying lessons learned from recent historic sites projects, we have developed an operational model that can be adapted and scaled based on changing visitation patterns. In summary, while the Society would wisely use and appreciate additional operating funding, which is shown within this request, we recognize current state fiscal challenges, and believe that the slightly increased operating costs for the Visitor Center could be absorbed through increased earned revenue as well as a flexible operating model.

Previous Appropriations for this Project

\$300,000 -- 2008 Capital Budget Appropriation for pre-design and design for the Oliver Kelley Farm Visitor Center and operations facilities.

Other Considerations

Today, the site serves between 25,000 and 30,000 visitors a year, of which 40 percent are school children from throughout the state. While attendance is currently below the physical carrying capacity for the entire farm site, these attendance levels vastly exceed the Visitor Center's capacity. Visitor amenities in the 1981 visitor center, such as restrooms and classrooms, are very inadequate. The prime motivation for the Oliver Kelley Farm Historic Site Visitor Center is to tell the complete and ever changing story of

Minnesota's agricultural past, present and future. Given its prime location in the fast growing northwestern suburbs with ready access to 3 million residents, and an educational message of universal interest and planned marketing enhancements, the Society believes that visitation numbers can grow to approximately 50,000 following the project's completion date.

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	300	0	0	0	300
3. Design Fees	0	565	0	0	565
4. Project Management	0	764	0	0	764
5. Construction Costs	0	7,593	0	0	7,593
6. One Percent for Art	0	68	0	0	68
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	603	0	0	603
9. Inflation	0	969	0	0	969
TOTAL	300	10,562	0	0	10,862

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	300	10,562	0	0	10,862
State Funds Subtotal	300	10,562	0	0	10,862
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	300	10,562	0	0	10,862

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	162	272	434
Other Program Related Expenses	0	22	24	46
Building Operating Expenses	0	11	13	24
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	195	309	504
Revenue Offsets	0	0	0	0
TOTAL	0	195	309	504
Change in F.T.E. Personnel	0.0	2.4	4.8	7.2

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	10,562	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
Yes	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

Historic Sites Asset Preservation

2014 STATE APPROPRIATION REQUEST: \$6,820,000

AGENCY PROJECT PRIORITY: 2 of 5

Project At A Glance

The Minnesota Historical Society (MHS) is requesting \$ 6.82 million for the preservation and restoration of historic structures, landscapes and building systems in the State Historic Sites Network and for monuments located statewide. This request is for work that is critical to the preservation and maintenance of these important historic resources, which are a state responsibility in Minnesota Statutes 138.661. Preservation of historic structures, by definition, meets the state's goal of funding sustainable, high-performance buildings, since historic structures preserve previous energy and financial investments.

Project Description

Over the past three decades more than 21 million students, families, and tourists have visited the 141 landmark buildings, trails and museums of the State Historic Sites Network. MHS is committed to keeping these extraordinary properties open and accessible to the public now and for future generations. Although most of the historic structures are now more than one hundred years old and holding up remarkably well, age and modern visitation do take their toll. While keeping pace with the impacts of visitor traffic and continuous aging of the historic structures is always one of our chief concerns, we also must keep up with changes in life/safety systems, environmental issues, security, infrastructure upgrades and renovations necessary to support building use. In addition to the necessary work on historic structures, many of the modern visitor centers erected 20 to 30 years ago are now in need of renewal or are reaching the end of their useful life. The asset preservation investment for such a vast network of varied structures is an indispensable complement to the Society's repair and replacement funding in the operating budget.

In recognition of the integral part that these buildings and landscapes play in public education, the people of Minnesota have invested significantly in the State Historic Sites Network. Maintaining these resources is expensive, but it is a good cost-benefit ratio for the people of Minnesota and the nearly 600,000 visitors each year. As non-renewable social and cultural resources, historic buildings require a high standard of care. The skills of specially qualified architects, engineers and contractors are required to assess, design and implement repairs, maintenance, and systems improvements. The cost of high-quality materials increases every year. The investment is well rewarded by the educational benefits and public appreciation for preserving the state's precious heritage.

The Historic Sites Network also serves as a showcase for the principles and techniques of historic preservation, setting a standard for the state. These structures are learning resources used by students of Minnesota history, by students and practitioners of architecture, and by the traditional building trades. Preservation of historic structures, by definition, meets the state's goal of funding sustainable, high-performance buildings, since historic structures preserve previous energy and financial investments. It has been said that "the greenest building is the one that is already built."

The Society's Historic Properties Office is responsible for all 141 of the structures in the Historic Sites Network. Every year the staff typically manages five or six large projects totaling over \$1 million and dozens of small projects scattered across the state. Staff prioritizes work projects based upon long-range planning, building analysis, and structural conditions. Working in consultation with preservation architects and specialty engineers, cost estimates are prepared for appropriation requests. Each of the projects named below are part of the State Historic Sites Network, as defined in Minnesota Statutes, 138.661, and have strong local and regional support from the areas in which they are located. Local citizens, businesses, and support group members have assisted these sites with volunteer hours, in-kind contributions, and grass-roots leadership. Minnesotans are rightfully proud of the sites.

The historic buildings, artifacts, and landscapes within the State Historic Sites Network are of national and state significance. They fulfill the mission given by the Territorial Legislature to the Society to collect and preserve evidence of human culture in the state, and to teach Minnesota history in all

Historic Sites Asset Preservation

its academic, technological, and social diversity. Failure to maintain these cultural treasures will result in irreversible loss of material and intellectual culture.

2014 Asset Preservation

Historic Fort Snelling	Buildings 17 & 18 Exterior Rehabilitation	\$1,600,000
Historic Forestville	Exterior Rehabilitation	\$500,000
Mill City Museum	Mill Ruins Preservation	\$750,000
Oliver Kelley Farm	Farmhouse Interior Restorations	\$250,000
Folsom House	Preservation & Rehabilitation	\$300,000
Mayo House	Exterior Preservation	\$200,000
Marine Mill	Ruin Stabilization and Trail Rehabilitation	\$500,000
Historic Fort Snelling	Buildings 17 & 18 Interior Stabilization	\$2,000,000
Statewide	Statewide-Design for Future Asset Preservation Projects	\$570,000
Statewide	Statewide – Monuments and Markers	\$150,000
TOTAL		6,820,000

2016 Asset Preservation

Statewide	Statewide Fire and Security Systems Replacements	\$500,000
James J. Hill House	House-Energy Efficient Air Conditioning	\$3,000,000
Folsom House	Site Landscape Preservation	\$150,000
Ramsey House	House-Interior Restoration	\$250,000
Statewide	Statewide - Trail and Interpretive Marker Replacement	\$150,000
Statewide	Statewide - Design for Future Asset Preservation Projects	\$400,000
Statewide	Statewide - Monuments and Markers	\$150,000
TOTAL		\$4,600,000

Historic Sites Asset Preservation

2018 Asset Preservation

Split Rock Lighthouse	Site Facilities and Enhancements	\$1,400,000
Lac Qui Parle	Drainage mitigation, Trail and Interpretive Marker Replacement	\$150,000
James J. Hill House	Site Landscape Preservation & Site Feature Restoration	\$350,000
James J. Hill House	Gatehouse Restoration	\$347,000
Historic Forestville	Interior Restorations	\$250,000
Lac Qui Parle	Landscape Preservation	\$150,000
Lower Sioux Agency	Landscape Preservation	\$150,000
Statewide	Statewide - Design for Future Asset Preservation Projects	\$300,000
Statewide	Statewide - Monuments and Markers	\$150,000
TOTAL		\$3,247,000

Impact on Agency Operating Budgets (Facilities Notes)

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

Previous Appropriations for this Project

Appropriations for asset preservation of the state Historic Sites Network have been made in nearly every capital budget bill since 1990. In 2012, this activity received \$2.5 million, in 2011 it received \$1.9 million, in 2010 it received \$3.4 million; in 2009 it received \$2.165 million; and in 2008 it received \$4 million.

Other Considerations

These asset preservation requests allow the Society to maintain the State Historic Sites Network of structures and landscapes for the educational benefit of Minnesotans. The capital budget is the primary and traditional source of funding for all of the preservation needs of these irreplaceable state resources, since the Society's current repair and replacement budgets (through the operating budget) are inadequate in size and scale to meet asset preservation needs within the state's Historic Site Network.

A six-year total of \$14.667 million is requested through the year 2018 (see tables). This figure will likely increase as additional challenges are discovered in historic structures, the buildings increase in age, costs rise through inflation, and the required skills and materials become more and more difficult to find.

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Governor's Recommendation

The Governor recommends general obligation bonding of \$2.5 million for this request. Also included are budget estimates of \$2.5 million for each of the planning periods in 2016 and 2018.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	13,965	6,820	4,600	3,247	28,632
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	13,965	6,820	4,600	3,247	28,632

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	13,965	6,820	4,600	3,247	28,632
State Funds Subtotal	13,965	6,820	4,600	3,247	28,632
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	13,965	6,820	4,600	3,247	28,632

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	6,820	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

Historic Fort Snelling Pre-Design

2014 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 3 of 5

Project At A Glance

This request provides for pre-design for facilities to support visitor services and history programs at Historic Fort Snelling. The goal of the project is to improve public service, interpretation and operations at this National Historic Landmark in order to increase access, services and use of current assets. Previous studies have examined building condition and space assessments; reuse studies; audience and program analysis. Pre-design will use these findings in the master plan to further explore and determine locations for development, identify facilities, project scope, cost and schedule. This work will prepare Historic Fort Snelling for a comprehensive development project, to better serve visitors, which will be requested in 2016.

Project Description

Building upon solid preservation work through asset preservation appropriations and lessons learned through previous planning efforts, this project will position Historic Fort Snelling to reach its potential as a cornerstone cultural location in Minnesota. Visitor amenities and services will be brought up to modern standards, and the programs will connect today's Minnesotans with landmark moments in the nation's history in new and relevant ways. Fort Snelling will once again set the standard for bringing the past to life while it capitalizes on the preservation legacy left to us by previous generations.

That vision is hindered by persistent physical problems at the site. The 30 year-old underground visitor center continues to age poorly, and the time has come to determine once and for all whether critical visitor services should remain there or should be moved into one or more of the historic buildings on the site. This center is uninviting to the visitor, and has suffered from water infiltration over much of its lifetime. Furthermore, programmatic spaces throughout the historic fort are in need of modernization or completion.

Building upon current assets, comprehensive audience research and identified program needs, the master plan will guide this pre-design project toward development of the Fort Snelling complex into a vibrant visitor experience worthy of its role in the state.

The pre-design phase of this project will help further define the scope and scale of further building renovation work, exhibit replacement, and platforms for more innovative programs. Examples of this include: creating a new initial visitor contact experience that has amenities, orientation, and program support expected by 21st century visitors; finding programmatic and/or business partners to help us fully use all of the historic structures at the site to their fullest potential; creation of a new large-scale signature exhibit/media piece in the commissary building within the historic fort, as well as support exhibits throughout the rest of the site.

Project Background Fort Snelling is an integral part of Minnesota, and it holds a place in the collective memory of the state's people. From its location at the center of the Dakota homeland, to its government role in managing the development of the state itself, to its place in the memory of WWII veterans in the mid-20th century, it has a deep and complex history that resonates with almost every Minnesotan. It carries the meeting of many worlds over many centuries, and offers the opportunity to explore and understand our place in those and today's worlds.

Historic Fort Snelling is Minnesota's first National Historic Landmark, the highest designation given to historic places by the federal government. This recognizes the site's key role in the nation's development as well as the state of Minnesota. The original fort site was restored and opened to the public in 1965, and a visitor center was completed in 1983.

While the site continues to serve 85,000 visitors each year, it is not reaching its full potential due to limited facilities and decades-old exhibits. Much work has been done in recent years to begin this process of reinvestment and renewal. The physical infrastructure of the historic buildings is now in good to excellent shape, thanks to consistent state investments in asset preservation over the past eight years. We now have new roofs, better infrastructure, and a solid base from which to work. Additional asset preservation funds are requested in that portion of the capital budget to continue this important work on preservation of historic structures within the site.

Historic Fort Snelling Pre-Design

In recent years, MHS has also made great strides in development of the interpretive program at the site. After a comprehensive study of both visitors and non-visitors to the site, we now have an excellent grasp of what Minnesotans want and need from Historic Fort Snelling. There is widespread appreciation for what we are doing now, but also a hunger for more stories to be told, more amenities to improve a visit, more orientation and wayfinding. In response to public demand and desires, we are changing the interpretive program incrementally year by year, within the abilities of the current facilities. Broader stories are now told. These include the Dakota Indian history at the site, such as their history here before contact with Europeans; the era of treaties and statehood, and the U.S.-Dakota War of 1862. The fascinating history of African-Americans in early Minnesota is now coming to light for Minnesotans, as they learn about the existence of slavery in this free territory, and how Dred and Harriet Scott's time at Fort Snelling became one of the sparks for the Civil War. A more modern story that is unknown to most Minnesotans is the story of Japanese language interpreters who worked at Fort Snelling during WWII. But more dramatic investment is needed for all of this history to be properly handled.

Impact on Agency Operating Budgets (Facilities Notes)

The pre-design process will have no impact on the operating budget, and it is unknown at this point what the ultimate project impact will be. However, similar to other work we have done in recent years, including the Kelley Farm project, the planning assumption is that operating cost increases should be minimized as much as possible, and any unavoidable increases should be covered with earned revenue rather than state appropriations.

Previous Appropriations for this Project

While there have been numerous concepts and proposals for making Historic Fort Snelling a more popular destination, recent appropriations have focused on the preservation of historic structures at the site, in preparation for an enhanced visitor destination and to take care of basic preservation responsibilities. Work funded by these appropriations include reroofing most of the buildings in the historic fort, rehabilitation of the Long Barracks to include HVAC mechanicals, electrical, plumbing and gas, restored extensive carpentry and masonry throughout the historic fort including the half moon battery, round tower and significant portions of the fort's wall, replacement of

the roofs on buildings 17 & 18 and rebuilding storm sewer/drainage and pathways throughout the historic fort.

Other Considerations

At its peak in the 1970s, the site served over 150,000 visitors annually. While competition is ever fiercer for people's leisure time, the site enjoys a 99% awareness rate of all Minnesotans and has a central location within minutes of the airport and therefore tourists from around the world. As a result, the numbers from forty years ago should be a bare minimum base to build up from if the site's full potential is realized.

Significant momentum is also building on development projects at the Upper Post of Fort Snelling, adjacent to the historic fort: A base camp facility has been built by the regional Boy Scout organization; a charter school is in progress; light rail has driven development in the area of the Whipple Building; and places like the Minnesota Air and Space Museum are working hard to get established. All of this is finally creating a sense of synergy that is making the broader Fort Snelling area a full-fledged destination for all sorts of activities. An attractive and functional Historic Fort Snelling should and will be the hub of this activity.

Project Contact Person

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Governor Recommendation

The Governor recommends general obligation bonding of \$500 thousand for this request. Also included is the budget planning estimate of \$33.8 million in 2016.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	500	0	0	500
3. Design Fees	0	0	3,400	0	3,400
4. Project Management	0	0	0	0	0
5. Construction Costs	3,000	0	24,350	0	27,350
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	6,050	0	6,050
TOTAL	3,000	500	33,800	0	37,300

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,000	500	33,800	0	37,300
State Funds Subtotal	3,000	500	33,800	0	37,300
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	3,000	500	33,800	0	37,300

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

Minnesota History Center Pre-Design

2014 STATE APPROPRIATION REQUEST: \$500,000

AGENCY PROJECT PRIORITY: 4 of 5

Project At A Glance

This request provides for pre-design for the redevelopment of the Minnesota History Center, the public investment in which will ultimately expand the public service, use and longevity of this property. Pre-design will identify the requirements of all architectural spaces, equipment, and special needs (collections needs, visitor services, parking, telecommunications, and security) outlined in the master plan and to be included in the eventual design for renewal of the facility. This work will prepare the Minnesota History Center for comprehensive development that will be requested in 2016.

Project Description

As the Minnesota Historical Society (MHS) approaches the 25th anniversary of the opening of the History Center, and looks to the next 25 years of public service in the building, this milestone presents an opportunity to review the needs for updating the building, for addressing collections storage needs and for public programming needs. At the time of construction of the History Center, an “expansion space” of approximately 9,500 square feet was built into the footprint of the building. That unfinished space lacks fire and security systems by design, but now presents an opportunity for collections storage expansion or other program uses. The MHS is now taking this opportunity to evaluate that unfinished space, along with other History Center space and programming needs, with the goal of optimizing the use of this magnificent public asset. This pre-design request will provide the resources to allow the MHS to prepare for a comprehensive package of building updates and enhancements, to be requested in 2016.

Background The Minnesota Historical Society is a dynamic and widely recognized educational organization that is a trusted resource for state history. It is highly valued for its historical resources, educational impact, service, advocacy and leadership. The vision of the MHS is to maximize the

power of personal and community stories and shared history to enrich and transform lives.

The Minnesota History Center is a 483,300 square foot structure that opened in 1992 and sits on 10 acres in St. Paul’s Capitol Complex area. Adjoining the main facility are two parking lots; a small service lot at the rear loading dock area and a 310-vehicle parking lot at one of the building’s two public entrances. Home to an interactive museum with both permanent and changing exhibits, the History Center has an annual visitation of 250,000. The building hosts concerts, lectures, family days and other special events throughout the year. It is also home to the Society’s library and archives, a research destination for schoolchildren, family historians and academics. Two retail stores flank the first floor main lobby in addition to a public restaurant.

There are numerous meeting spaces, conference rooms and classrooms in addition to staff offices on five of the building’s six floors (two, underground). More than half of the Society’s 715, full and part-time staff work in the History Center.

Tied to the mission, and part of the long-range plan for the Minnesota History Center, is bringing state-of-the-art services and programs to Minnesota citizens and visitors from throughout the world in the 21st century. When the History Center was completed 21 years ago, it represented the best of all museum facilities, but today it lacks adequate collections storage, public spaces, fire detection, security and technological capacity. The goal of the project is to increase operational capacity, sustainability and efficiencies in order to meet current public service, educational programming and building needs. Building condition and space assessments, and an analysis of program and operational functions, will identify specific goals within a master plan. These will guide pre-design in defining facilities expansion, project scope, cost and schedule. This work will prepare the Minnesota History Center for comprehensive development that will be requested in 2016.

Impact on Agency Operating Budgets (Facilities Notes)

The pre-design process will have no impact on the operating budget, and it is unknown at this point what the ultimate project impact will be. However, similar to other work we have done in recent years, the planning assumption

Minnesota History Center Pre-Design

is that operating cost increases should be minimized as much as possible, and any unavoidable increases should be covered with earned revenue rather than state appropriations.

Previous Appropriations for this Project

The major appropriation for construction of the Minnesota History Center was made in 1987, with no significant Capital Budget appropriations since that time. Some structural updates and improvements, such as roof replacement and window repair and replacement, have been made in cooperation with the Department of Administration's Plant Management Division, and have been made largely with operating dollars.

Other Considerations

The Minnesota Historical Society / History Center is a leader in energy conservation and sustainability among buildings in the Capitol Complex, as well as within the larger group of state organizations. Early conservation initiatives have significantly improved energy usage at the History Center. From its status as the highest energy consumer on the Capitol Complex in 2005, the History Center reduced energy use by 50% within a six year period. These improvements targeted controls systems and equipment repairs and upgrades; however, the initiatives go beyond building improvements to engaging employees' practices and activities in order to create a sustainable organization. The History Center is now recognized as one of the leaders in energy conservation among Capitol Complex buildings, and the organization's sustainability efforts have been featured as case studies in a number of national publications, including the most recent version of *The Green Museum: A Primer on Environmental Practice* by Sarah Brophy and Elizabeth Wylie. Recognizing that sustainability is a long-range effort, the Minnesota Historical Society is currently examining further options for energy, water, and resource conservation projects and practices at the History Center. Sustainability has been and will continue to be a central focus for the next twenty-five years of public service at the History Center.

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	500	0	0	500
3. Design Fees	0	0	1,700	1,700	3,400
4. Project Management	0	0	0	0	0
5. Construction Costs	0	0	12,453	11,246	23,699
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	2,548	3,754	6,302
TOTAL	0	500	16,701	16,700	33,901

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	0	500	16,701	16,700	33,901
State Funds Subtotal	0	500	16,701	16,700	33,901
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	0	500	16,701	16,700	33,901

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

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

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
Yes	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
Yes	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
Yes	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
No	MS 16A.695 (4): Program Funding Review Required (by granting agency)
No	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019

County & Local Historic Preservation Grants

2014 STATE APPROPRIATION REQUEST: \$1,500,000

AGENCY PROJECT PRIORITY: 5 of 5

Project At A Glance

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

Project Description

Grant-in-aid funds are made available on a local match basis to preserve historic assets owned by public entities. These properties are historically significant structures, with priority given to those that are listed on the National Register of Historic Places. This program is one of the most successful of its type, with relatively small amounts of money leveraging vast sums of local funding and volunteer efforts. Since recipients of county and local preservation grants are required to fully match state funds, this project provides the best possible return on the state's investment. Funds appropriated between 1994 and 2012 were spread across Minnesota on a competitive grant basis, with requests more than double the funds available.

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

Since 1969 more than 2,400 capital and operating grants have been awarded to qualified historical organizations in all 87 counties, resulting in the preservation of the evidence of Minnesota's past. In recent rounds of grants, 219 grants from the Society's capital bond-funded grant program have assisted in preserving and making accessible such projects as historic county courthouses (52 grants to 26 different courthouses); historic city halls (29 grants to 17 different city halls); and historic library buildings (20 grants to 16 different libraries). In addition, grants have helped to preserve publicly owned historic structures that provide a unique lens on our state's history.

Types of historic structures preserved with grants funds include depots, senior and community centers, schools, bridges, theaters, park buildings, museums, water towers, and township halls. Specific examples include Norman County Courthouse Preservation (Norman County); the Andrew Volstead House roof replacement (City of Granite Falls); the Olof Swensson House roof replacement (Chippewa County); the O.G. Anderson and Company Store restoration (City of Minneota); the Anna and Mikko Pyhala Farm Restoration project (Town of Embarrass); the Mahnomen City Hall Restoration; Winona Masonic Hall/Senior Center (City of Winona); the Rensselaer Hubbard House restoration (City of Mankato); Robbinsdale Branch Library restoration (City of Robbinsdale); and the Minneapolis Pioneers and Soldiers Memorial Cemetery Preservation.

From a financial perspective, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010 and 2012, appropriations totaling over \$8.5 million have leveraged at least an equal amount in local match funding, as well as countless hours of volunteer effort.

Other accomplishments include:

- Grants for historic preservation have stimulated local economies. Local matches used to implement projects have more than doubled the nearly \$8 million in state funds. Tourists coming to visit these historic resources bring new dollars to Minnesota communities.
- Professional standards and expertise were increased among staff and volunteers at county and local historical organizations receiving grants because of the technical assistance that accompanies them.
- Many projects made possible by these grants enabled communities, most commonly through county and local governments and historical organizations, to reach out beyond their traditional constituencies and

County & Local Historic Preservation Grants

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

Impact on Agency Operating Budgets (Facilities Notes)

The funding of this program will not impact operating budgets.

Previous Appropriations for this Project

Appropriations for this grant program were made in 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010 and 2012. In 2012, this project received \$750,000; in 2010, \$1 million; in 2008 it received \$1.6 million; and in 2006, \$1 million.

Other Considerations

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

Project Contact Person

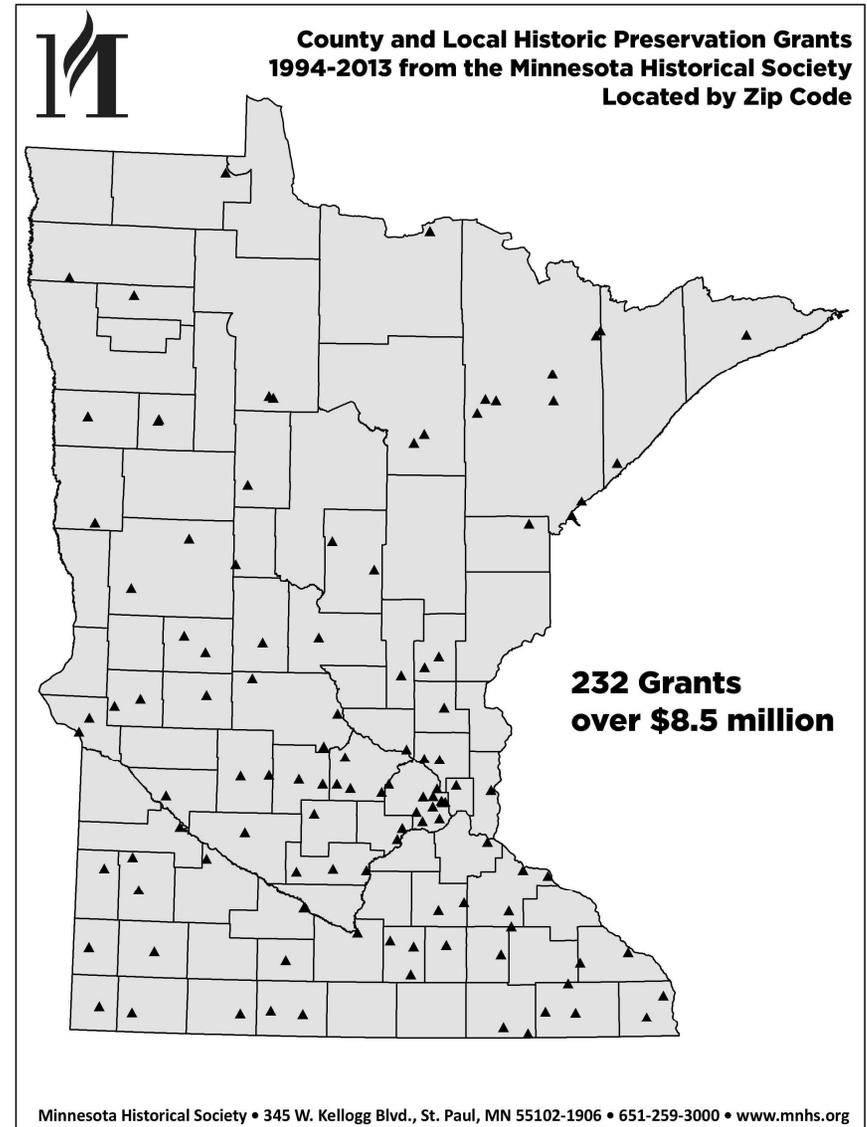
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Governor's Recommendation

The Governor does not recommend capital funding for this request.

County & Local Historic Preservation Grants

COUNTY AND LOCAL HISTORIC PRESERVATION GRANTS
2014 STATE APPROPRIATION REQUEST: \$1,500,000
AGENCY PRIORITY: 5 OF 5



TOTAL PROJECT COSTS All Years and Funding Sources	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
1. Property Acquisition	0	0	0	0	0
2. Predesign Fees	0	0	0	0	0
3. Design Fees	0	0	0	0	0
4. Project Management	0	0	0	0	0
5. Construction Costs	3,350	1,500	1,500	1,500	7,850
6. One Percent for Art	0	0	0	0	0
7. Relocation Expenses	0	0	0	0	0
8. Occupancy	0	0	0	0	0
9. Inflation	0	0	0	0	0
TOTAL	3,350	1,500	1,500	1,500	7,850

CAPITAL FUNDING SOURCES	Prior Years	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
State Funds :					
G.O Bonds/State Bldgs	3,350	1,500	1,500	1,500	7,850
State Funds Subtotal	3,350	1,500	1,500	1,500	7,850
Agency Operating Budget Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Local Government Funds	0	0	0	0	0
Private Funds	0	0	0	0	0
Other	0	0	0	0	0
TOTAL	3,350	1,500	1,500	1,500	7,850

CHANGES IN STATE OPERATING COSTS	Changes in State Operating Costs (Without Inflation)			
	FY 2014-15	FY 2016-17	FY 2018-19	TOTAL
Compensation -- Program and Building Operation	0	0	0	0
Other Program Related Expenses	0	0	0	0
Building Operating Expenses	0	0	0	0
Building Repair and Replacement Expenses	0	0	0	0
State-Owned Lease Expenses	0	0	0	0
Nonstate-Owned Lease Expenses	0	0	0	0
Expenditure Subtotal	0	0	0	0
Revenue Offsets	0	0	0	0
TOTAL	0	0	0	0
Change in F.T.E. Personnel	0.0	0.0	0.0	0.0

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects)	Amount	Percent of Total
General Fund	1,500	100.0%
User Financing	0	0.0%

STATUTORY AND OTHER REQUIREMENTS	
Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill.	
No	MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature)
No	MS 16B.335 (3): Predesign Review Required (by Administration Dept)
No	MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements
No	MS 16B.335 (5): Information Technology Review (by Office of Technology)
Yes	MS 16A.695: Public Ownership Required
No	MS 16A.695 (2): Use Agreement Required
Yes	MS 16A.695 (4): Program Funding Review Required (by granting agency)
Yes	Matching Funds Required (as per agency request)
Yes	MS 16A.642: Project Cancellation in 2019