

Capital Bonding Proposals for 2011-2012 Legislative Session City of Minneapolis Intergovernmental Relations

**May 26, 2011
Updated: June 16, 2011**

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Request for City Council Committee Action From the Department of Intergovernmental Relations

Date: May 25, 2011 (Updated on June 16, 2011)

To: Councilmember Elizabeth Glidden and City Council Members

Subject: 2012 Capital Bonding Projects

Recommendation: Adopt 2012 state capital bonding proposals as part of 2011 legislative program.

Department Information

Prepared By: IGR staff

Approved By: Gene Ranieri, Director, IGR _____

Presenters before City Council: IGR Staff

Introduction

During the 2012 legislative session, Governor Dayton will propose a capital budget (bonding bill). The process to develop the proposed budget begins in June 2011. State agencies and local governments are requested by the Minnesota Department of Finance to submit requests for capital projects by June 24, 2011.

The Department publishes on its website a list of all projects. The list serves as the source for site visits (tours) by state officials and House and Senate Capital Investment Committees. The City of Minneapolis site visits usually occur in the fall or winter months, and they include projects submitted by not only the City but also the Minneapolis Park and Recreation Board and Hennepin County.

IGR staff requested City departments to submit projects for possible submission to the Commissioner of Finance. The deadline for submissions was Monday, May 23. In addition to new projects, several 2010 requests are still active and could be considered for 2012 submission.

Local government requests are to be accompanied by a city council resolution that approves the submission and ranks the projects in order of priority.

Projects

The City’s legislative agenda includes seven projects that were submitted for capital funding in 2012. The following table identifies the projects and provides a brief summary of the status of each project.

| 2010 Project/\$ Requested | Status |
|---|---|
| 10 th Avenue Bridge/\$7.605 million | Project included in H.F. 90/ S.F. 476 and funded at \$7.6 million. No committee action and the bill did not pass. |
| I-35W North and South Tunnels Asset Preservation/ \$4.5 million | Projects included in H.F. 603/S.F. 377 and funded at \$2 million for both I-35W North and South tunnels. No committee action and the bill did not pass. |
| Granary Road/\$5.65 million | Project included in H.F. 1292/S.F. 1037 by Rep. Howes and funded at \$5 million. Committee held a hearing, but the bill did not pass. |
| Grand Rounds Scenic Byway Lighting Renovation/\$2 million | No legislation introduced. |
| Plymouth Avenue Bridge/\$5 million | Project included in several pieces of legislation: H.F. 605/S.F. 375 funded at \$5 million; H.F. 1292/S.F. 1037 by Rep. Howes funded at \$7 million; H.F. 90/S.F. 476 funded at \$3 million. Project was also part of the Governor’s bonding proposal. Committee held a hearing, but the bill was not passed. |
| Target Center Renovations/ \$8.0 million | Introduced legislation, H.F. 604 and S.F. 376. Rep. Howes allocated \$8 million in H.F. 1292/S.F. 1037. Committee held a hearing, but the bill did not pass. |
| Nicollet Mall Planning/ \$2.0 million | No legislation introduced. |

New Projects

This year, IGR received one new request for bonding projects: \$2 million for planning renovations to Nicollet Mall. Also, in past years, some projects come late to the process and are added later in the year.

Summary of All Projects

The following table lists all projects with the most current capital budget request and additional project information.

| Project | Amount Requested | Notes |
|--|-------------------------|--|
| 10 th Avenue Bridge | \$7.605 million | The project proposes to rehabilitate the existing bridge over the Mississippi River and West River Parkway. It will preserve the major capital investment by repairing deteriorated concrete areas on the spandrel columns, floor beams and arches. |
| I-35W North and South Tunnels Asset Preservation | \$4.5 million | Project will rehabilitate the storm water tunnels that serve I-35W and portions of the City. |
| Granary Road | \$5.3 million | The 2012 request will be used to acquire land, pre-design, design, and construct storm water and roadway infrastructure for the second phase of the project, which is located between 25 th Ave. SE and 17 th Ave. SE. The total project is estimated to cost \$43.7 million. State funds will be requested in 2014 (\$5.565 million) and in 2016 (\$3.750 million). |
| Grand Rounds Scenic Byway Lighting Renovation | \$2 million | This project would replace deteriorated poles, fixtures, and electrical wiring associated with the lighting systems in place along parkways throughout the City. |
| Plymouth Avenue Bridge | \$5 million | The project scope is to make the necessary repairs to the bridge, which is currently closed, that will replace the load capacity |

| | | |
|---------------------------|---------------|--|
| | | lost to deterioration and to allow for the reopening of the river crossing. |
| Target Center Renovations | \$8.0 million | The request is for critical infrastructure replacement for Target Center, such as updating elevators, HVAC controls and equipment, plumbing, electrical components, and new data infrastructure. |
| Nicollet Mall | \$2.0 million | This request is for planning money to renovate Nicollet Mall. |

To: Mayor Rybak
City Council Members
Department Heads
City Coordinator

From: Gene Ranieri

Date: May 14, 2011

Re: Capital Bonding Requests – State of Minnesota

Introduction

In the even year sessions (2012), the Governor and the Legislature develop and usually pass a capital budget. To prepare a capital budget Governor Dayton has requested state departments and local governments to submit requests to the Department of Minnesota Management & Budget (MMB) for possible inclusion in the Governor's proposed budget. Local governments are encouraged to submit proposals by June 24, 2011 to the Commissioner of MMB.

Criteria

In 2010, the state law concerning capital bonding (MS 16A.86) was amended to remove specific qualifying criteria for proposed projects. However, the state has generally funded local projects that have a regional or statewide impact. If your project could be part of an on-going state funding program, you do not need to submit a bonding request such as projects in line for bridge replacement funds and flood mitigation funding.

Schedule

IGR developed the following schedule, which is much more aggressive than in 2009, in order for the proposals to be presented to the Committee of the Whole by May 26 and approved by the City Council by June 17.

- | | |
|--------------------------|--|
| Saturday, May 14 | Request for projects sent to departments and City Council members |
| Monday, May 23 | Proposals sent to IGR Office |
| Thursday, May 26 | List presented to Committee of the Whole (possible presentations); plan to pass without recommendation to Council. |
| Thursday, June 16 | Resolution by IGR Chair with bonding priorities and COW |
| Friday, June 17 | City Council Action |
| Tuesday, June 21 | Submission to the Commissioner of Minnesota Management and Budget (MMB) |

Request Format

The request could be in the form of a memorandum or letter. The request should answer the following questions:

1. Project title.
2. Project location.
3. Total project cost (all funding sources – all years – for all capital costs).
4. Request for state funds in 2012.
5. Additional state funds to be requested for subsequent project costs/phases in 2014.
6. Additional state funds to be requested for subsequent project costs/phases in 2016.
7. Non-state funds available or to be contributed to the project (list the dollar amount and sources – federal, city, private, or other).
8. Project description and rationale (limit to one page maximum). The very first sentence of this narrative should identify what is being requested. Example: “This request is for \$ [x] in state funding to acquire land, predesign, design, construct, furnish, and equip a new [such and such] facility for [such and such] purposes to be located [where].” Explain whether the project has local, regional, or statewide significance – and why.
9. Identify total project costs for each of the following categories: land acquisition, predesign, design, construction, furniture/fixtures/equipment, and relocation costs.
10. For new construction project: identify the new square footage requested. For remodeling, renovation, or expansion projects: identify the total square footage of current facilities and new square footage requested.
11. Project schedule: identify the date (month/year) when construction will be completed with a certificate of occupancy.
12. Project contact person, title, address, phone number, fax, and e-mail address (a project spokesperson who is knowledgeable about the project and can answer detailed questions).
13. If you are re-submitting a project that is currently in the City’s bonding agenda, you only need to update your project sheet.

I apologize for the tight turnaround, and I appreciate your flexibility and patience. The new administration moved up its submission deadline by three weeks, which pushed up our internal deadlines. This memorandum or letter should be emailed to me at gene.ranieri@ci.minneapolis.mn.us. If you have any questions or need additional information, please contact me by either e-mail or phone at 673-2051.

Thank you,

Gene Ranieri

2 Attachments

10th Avenue SE Bridge

I. Project Basics

| | |
|------------------------------------|---|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | 10 th Avenue SE Bridge Rehabilitation |
| Project Location: | Minneapolis, 10th Avenue SE over Mississippi River |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Jack Yuzna, Bridge Engineer City of Minneapolis Jack.Yuzna@ci.minneapolis.mn.us |

II. Project Description

The 10th Avenue Bridge was constructed in 1929.

The project proposes to rehabilitate the existing bridge over the Mississippi River and West River Parkway. It will preserve the major capital investment by repairing deteriorated concrete areas on the spandrel columns, floor beams and arches.

III. Project Financing

The proposed 2012-2016 Capital Budget programs the 10th Avenue SE Bridge Arch Rehabilitation for 2013. The budget includes \$1.2 million in Net Debt Bonds and \$2.195 million in Municipal State Aid.

The project gap is \$7.605 million.

City budget impact:

The project would have a positive budget impact with less debt service required from the City of Minneapolis.

The Project has available of matching funds:

Yes, the City would use \$3.395 million for matching funds.

The project has opportunities for joint planning and funding with others:

Yes, the Marcy Holmes and Cedar Riverside neighborhoods, the University of Minnesota and the Seven Corners Business Association

The project integrates infrastructure and deployment planning:

The northwest quadrant of the bridge has opportunities for development.

The Project Contributes to City Goals:

The project maintains infrastructure, integrates infrastructure with economic development opportunities, connects and builds communities and assists with multi model transportation goals.

The project serves a state or regional purpose:

The bridge carried over 9,900 vehicles a day and is a vital link between the East and West Bank campuses of the University of Minnesota. This link will become even more critical when the Central Corridor LRT reduced the vehicle capacity of the Washington Avenue Bridge.

The project can be begun quickly:

The project has been planned for some time and rehabilitation could begin..

The project does not require a state contribution for operation:

The bridge will continue to be owned and maintained by the City of Minneapolis and will not require any state contribution for operations.

The project will provide jobs both for construction and ongoing.

It is anticipated that this major rehabilitation will employ skilled and unskilled labor during construction as well as consulting engineers for design & bid documents preparation. Labor will include, but not limited to, carpenters, ironworkers, heavy equipment operators, truck drivers and laborers.

35W North Tunnel Asset Preservation

I. Project Basics

| | |
|------------------------------------|--|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | 35W North and South Tunnel Asset Preservation |
| Project Location: | North: Deep storm tunnel located in the Interstate 35W corridor between Johnson Street and the Mississippi River, Minneapolis, Hennepin County. |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Kevin Danen, Principal Professional Engineer City of Minneapolis (612) 673-5627 Kevin.Danen@ci.minneapolis.mn.us |

II. Project Description

This request is for a total of \$600,000 in state funding to design and perform asset preservation type of construction methods (rehabilitation/major maintenance) of the Interstate 35W North Tunnel System. The tunnel system provides drainage for the Interstate right of way as well as portions of northeast Minneapolis which also drain to the tunnel. This project was determined based on identified need in a recently completed condition assessment report as well as the continued need to disconnect the storm water system from the sanitary system to reduce the likelihood of combined sewer overflows into the Mississippi River. These disconnections place additional flow into a storm water facility that is in need of repair. There are large voids and cracking that have occurred over a period of time. The condition needs to be managed before it becomes a safety issue.

III. Project Financing

City budget impact:

The City budget would be positively impacted because state bonding money would reduce the dollar amount the City would need to spend on this project.

The Project has available of matching funds:

No.

The project has opportunities for joint planning and funding with others:

MnDOT is funding the design work for both the north and south segments of the project.

The project integrates infrastructure and deployment planning:

Yes.

The Project Contributes to City Goals:

This project is directly connected to the city goal of “A City that Works” and the strategic direction of “Infrastructure - streets, bridges, sidewalks, sewers, bike lanes & paths — well-managed and maintained.”

The project serves a state or regional purpose:

The 35W tunnel systems are critical pieces of infrastructure that manage stormwater during rain events to ensure safe travel on Interstate 35W through the City of Minneapolis.

The project can be begun quickly:

For the 35W North tunnel, the design will be completed in 2012. Construction will start in 2013 and will be completed in 2014.

The project does not require a state contribution for operation:

No.

The project will provide jobs both for construction and ongoing:

Yes.

35W South Tunnel Asset Preservation

I. Project Basics

| | |
|------------------------------------|--|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | 35W North and South Tunnel Asset Preservation |
| Project Location: | South: Deep storm tunnel located in the Interstate 35W and Interstate 94 corridor between 39 th Street and the Mississippi River, Minneapolis, Hennepin County. |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Kevin Danen, Principal Professional Engineer City of Minneapolis (612) 673-5627 Kevin.Danen@ci.minneapolis.mn.us |

II. Project Description

This request is for a total of \$1.4 million in state funding to design and perform asset preservation type of construction methods (rehabilitation/major maintenance) of the Interstate 35W South Tunnel System. The tunnel system provides drainage for the Interstate right of way as well as portions of northeast Minneapolis which also drain to the tunnel. This project was determined based on identified need in a recently completed condition assessment report as well as the continued need to disconnect the storm water system from the sanitary system to reduce the likelihood of combined sewer overflows into the Mississippi River. These disconnections place additional flow into a storm water facility that is in need of repair. There are large voids and cracking that have occurred over a period of time. The condition needs to be managed before it becomes a safety issue.

III. Project Financing

City budget impact:

The City budget would be positively impacted because state bonding money would reduce the dollar amount the City would need to spend on this project.

The Project has available of matching funds:

No.

The project has opportunities for joint planning and funding with others:

MnDOT is funding the design work for both the north and south segments of the project.

The project integrates infrastructure and deployment planning:

Yes.

The Project Contributes to City Goals:

This project is directly connected to the city goal of “A City that Works” and the strategic direction of “Infrastructure - streets, bridges, sidewalks, sewers, bike lanes & paths — well-managed and maintained.”

The project serves a state or regional purpose:

The 35W tunnel systems are critical pieces of infrastructure that manage stormwater during rain events to ensure safe travel on Interstate 35W through the City of Minneapolis.

The project can be begun quickly:

For the 35W South tunnel, the design will be completed in 2012 or 2013. Construction will start in 2014 and will be completed in 2016.

The project does not require a state contribution for operation:

No.

The project will provide jobs both for construction and ongoing:

Yes.

Granary Road

I. Project Basics

| | |
|------------------------------------|---|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | Granary Road |
| Project Location: | SEMI/Minnesota Science Park |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Jeff Handeland, Project Manager City of Minneapolis (612) 673-2363 Jeff.Handeland@ci.minneapolis.mn.us |

II. Project Description

This request is for \$5,300,000 in state funding to acquire land, pre-design, design and construct storm water and roadway infrastructure for the Granary Road area infrastructure project in the SEMI/Minnesota Science Park area.

Granary Road will relieve University Ave SE of trips between Minneapolis and St. Paul and provide access to the Minnesota Science Park area. It will also provide alternative access to the University of Minnesota's Minneapolis campus, new Biomedical Discovery District, and sports complexes including TCF Bank Stadium. The Minnesota Science Park area offers more than 500 acres of land prime for redevelopment – the largest open tract of land in the recent history of the City. The area is a priority in the City of Minneapolis' efforts to increase its high-technology workforce. The area offers unique development opportunities due to its close proximity to the University of Minnesota and multiple Central Corridor LRT stations. The area is a designated Minnesota Biosciences Sub-Zone.

Although the Minnesota Science Park offers a prime location, it has been beset by all of the traditional barriers to redevelopment. The area was once the transportation center for the commodities exchange that made Minneapolis the milling capital of the world. That industry left in its wake contaminated lands, train yards and grain elevators. Remediation of polluted sites, demolition of the obsolete and abandoned buildings and the need for significant roadway and stormwater infrastructure improvements constitute costly roadblocks to redevelopment that the private sector will not bear.

The City is pursuing the Granary Road area infrastructure project in phases as funding and right-of-way acquisition opportunities allow. In addition, the City is completing a

feasibility study that will inform which segments of the infrastructure are most important to complete and direct funding towards.

III. Project Financing

City budget impact:

The City has contributed \$4,910,000 through 2011.

The Project has available of matching funds:

Yes.

The project has opportunities for joint planning and funding with others:

Yes, private industry and the University of Minnesota.

The project integrates infrastructure and deployment planning:

Yes.

The Project Contributes to City Goals:

A City that Works, Jobs and Economic Vitality.

The project serves a state or regional purpose:

The project is of local, regional and statewide significance. Granary Road will alleviate traffic problems in the area and will provide an alternate route for University Avenue SE after the construction of the Central Corridor LRT line. It will also provide access to the Minnesota Science Park, which is within a State-designated Bioscience Zone. Developing this area will strengthen the State's and the University of Minnesota's investment in new biomedical facilities, enhancing the ability to commercialize new discoveries and attract quality professionals. This development will strengthen the State's economy by supporting high technology jobs and businesses. The resulting increase in jobs and property values will enhance revenues for the state and all taxing jurisdictions.

The project can be begun quickly:

From 2013 to 2014, the City will complete Granary Road Phase 1 (25th Ave SE to City Limits).

From 2014 to 2015, the City will complete Granary Road Phase 2 (25th Ave SE to 17th Ave SE).

From 2015 to 2016, the City will complete Granary Road Phase 3 (17th Ave SE to 11th Ave SE).

The project does not require a state contribution for operation:

No.

The project will provide jobs both for construction and ongoing:

Yes.

Grand Rounds Scenic Byway Lighting Renovation

I. Project Basics

| | |
|------------------------------------|---|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | Grand Rounds Scenic Byway Lighting Renovation |
| Project Location: | Throughout the City of Minneapolis, Hennepin County |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Steve Mosing, Traffic Parking Services Division City of Minneapolis (612) 673-5746 Steve.Mosing@ci.minneapolis.mn.us |

II. Project Description

This project consists of the replacement of deteriorated poles, fixtures, and electrical wiring associated with the lighting systems in place along parkways throughout the City.

Much of the system is old and needs to be replaced or is in a state of disrepair. A majority of the lighting units utilize mercury vapor luminaires, which are approaching the end of their service life. These units will either need to be retrofitted or replaced since State Statutes (Section 216C.19 subd. 1) prohibits doing anything other than minor repair or removal of lighting units utilizing mercury vapor luminaires. It is anticipated that it will take \$15,000,000 (2009 dollars) in capital expenditure to replace, the entire system of 1900 Park Board Scenic Byway lighting units and associated underground cabling on the 50+ miles of Parkways. The City has completed the replacement of approximately 12 miles of parkway lights. Funding within the operating budget for maintenance of these facilities is not adequate to cover the level of expenditure required to replace and renovate these existing deteriorated, aged and obsolete systems.

III. Project Financing

City budget impact:

From 2005 to 2010, the City has spent \$2,511,000 on this project. In the future, the City has pledged to further spend \$9,000,000.

The Project has available of matching funds:

No.

The project has opportunities for joint planning and funding with others:

No.

The project integrates infrastructure and deployment planning:

Yes.

The Project Contributes to City Goals:

A safe place to call home; Jobs and Economic Vitality0

The project serves a state or regional purpose:

The Grand Rounds Scenic Byways are visited by millions of people each year from all around the region and beyond. This project will replace a deteriorated lighting system that poses safety concerns with the frequency of light outages and equipment that has surpassed service life. The new lights are functionally more efficient with light output that provides greater visibility. This efficient lighting also provides a unique look on the Parkways that enhances the features of the parkway system as well as respecting the science and the practice of roadway lighting.

The project can be begun quickly:

Phase 1 construction will start in 2012 and will be completed by 2012.

Phase 2 construction will start in 2014 and will be completed by 2014.

Phase 3 construction will start in 2016 and will be completed by 2016.

The project does not require a state contribution for operation:

No.

The project will provide jobs both for construction and ongoing:

Yes.

Plymouth Avenue Bridge Repairs

I. Project Basics

| | |
|------------------------------------|---|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | Plymouth Avenue River Bridge Emergency Repair |
| Project Location: | Plymouth Avenue over Mississippi River, Minneapolis, Hennepin County |
| Facility Owner: | City of Minneapolis |
| Project Contact Person: | Jack Yuzna, Bridge Engineer City of Minneapolis Jack.Yuzna@ci.minneapolis.mn.us |

II. Project Description

Emergency Bridge Repair & Rehabilitation: In October of 2010, during what was anticipated to be routine bridge maintenance, the bridge was found to have significant deterioration of its post-tensioning tendons. The finding resulted in the closure bridge to all traffic. The project scope is to make the necessary repairs to the bridge that will replace the load capacity lost to deterioration and to allow for the reopening of the river crossing.

III. Project Financing

City budget impact:

As the bridge deterioration was unexpected, the 2011/2012 Capital Budget program will need to be amended to include the project. The plans are nearing completion and the preliminary project cost estimate is known. Public Works has sought and received \$2.1 million of State Aid Disaster funding. An additional \$5 million of external funding is needed in addition to the local matching funds. Public Works has identified City's Municipal State Aid account and Net Debt Bonds as possible matching funds sources. The project would have a positive budget impact with less debt service required from the City of Minneapolis.

The Project has available of matching funds:

Yes, the City would allocate Municipal State Aid and Net Debt Bonds for matching funds. The amount needed is not known at this time as the scope of repair work required is currently under development.

The project has opportunities for joint planning and funding with others:

The project is an emergency rehabilitation and would not present a great amount of opportunities for major planning or bridge configuration changes

The project integrates infrastructure and deployment planning:

Both areas on the north and northeast side of the bridge have opportunities for development particularly with the purchase of the Scherer Lumber Yard parcels on the northeast side.

The Project Contributes to City Goals:

The project maintains infrastructure, integrates infrastructure with economic development opportunities, connects and builds communities, and assists with multi-modal transportation goals.

The project serves a state or regional purpose:

Before it was forced to close, the bridge carried over 14,000 vehicles a day and is an important Municipal State Aid Route crossing over the Mississippi River.

The project can be begun quickly:

Evaluation of the bridge structural condition is nearing completion. Development of design and bid documents has begun and is anticipated to be completed by the mid 2011. Once funding is secured, the project will be advertised for bids. Repairs to the bridge could possibly begin in the winter of 2011 and be completed by the end of the 2012 construction season.

The project does not require a state contribution for operation:

The bridge will continue to be owned and maintained by the City of Minneapolis and will not require any state contribution for operations.

The project will provide jobs both for construction and ongoing.

It is anticipated that this repair will employ skilled and unskilled labor during construction as well as consulting engineers for design & bid documents preparation. Labor will include but is not limited to carpenters, ironworkers, heavy equipment operators, truck drivers, and laborers.

Target Center Improvements

I. Project Basics

| | |
|------------------------------------|--|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | Target Center Improvements |
| Project Location: | Downtown Minneapolis, Hennepin County |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Jeff Johnson, Executive Director, Minneapolis Convention Center/Target Center City of Minneapolis (612) 673-5746 Jeff.Johnson@ci.minneapolis.mn.us |

II. Project Description

The request is for \$8 million in state funding for critical infrastructure replacement for Target Center addressing infrastructure concerns to help ensure the facilities' ongoing ability to generate revenue while achieving safety, sustainability, and operational stability into the future

These improvements include replacement of 20 year old mechanical and electrical infrastructure including elevators, HVAC controls and equipment, plumbing, electrical components and new data infrastructure.

The state funds would allow for replacement of life safety systems and monitoring equipment including a new public address system to allow Target Center staff to better manage the event activities in a safe manner. These improvements also call for renovation of all ADA, health code, and mechanical/electrical components of the concessions stands to ensure accessibility and food safety to all attendees.

III. Project Financing

City budget impact:

As owners of Target Center, the City of Minneapolis has the sole responsibility for debt service and oversight of the facility maintenance. In the past two years, the City has invested more than \$6 million to replace the center's roof and to improve acoustics for music events. The City of Minneapolis has also pledged \$50 million in infrastructure replacement funds to cover the needs of an aging building into the future. Local sources

have also pledged \$2 million to go toward future enhancements that would increase Target Center revenue. Target Center, which no longer receives State funding, continues to provide the State sales tax revenue (\$2.9 million in 2010).

The project would have a positive budget impact with less city general funds required from the City of Minneapolis to meet ongoing maintenance efforts.

The Project has available of matching funds:

Yes, the City would use already pledged capital funds for Target Center Improvements.

The project has opportunities for joint planning and funding with others:

Yes, the improvements will also help facilitates necessary functional arrangements with Target Field, Hennepin County and ongoing private and public sector development planning in the area.

The project integrates infrastructure and deployment planning:

Yes.

The Project Contributes to City Goals:

The project maintains a valuable piece of public infrastructure of regional importance, integrates infrastructure with economic development opportunities, connects and builds communities and assists development goals for that part of Downtown Minneapolis.

The project serves a state or regional purpose:

As one of Minnesota's premier sports and concert venues and a regional public assemble facility the Target Center not only hosts the Minnesota Timber Wolves and Lynx but also many national acts, regional amateur sports events, and State High School League events, including State Championships.

The project can be begun quickly:

The projects have been planned for some time and could be begun in very short time period. Up to \$2 million in projects are currently in the City of Minneapolis procurement process and should be completed by the end of 2012 with some work to start immediately. The remaining projects will actively enter the procurement process of the City of Minneapolis and would be let as soon as the state bonding bill is passed. Work on some these items could start within 60-90 days with the remaining projects to be completed as soon as the schedule of Target Center events and bidding process permits.

The project does not require a state contribution for operation:

Yes.

The project will provide jobs both for construction and ongoing:

It is anticipated that this major rehabilitation will employ skilled and unskilled labor during construction as well as design personnel and bid documents preparation. Labor will include but is not limited to carpenters and electrical workers.

Nicollet Mall Revitalization Planning Funds

I. Project Basics

| | |
|------------------------------------|---|
| Requesting Government Subdivision: | City of Minneapolis |
| Project Title: | Nicollet Mall Revitalization Planning Funds |
| Project Location: | Minneapolis, the entire road and sidewalk right of way of Nicollet Mall from Washington Avenue to Grant Street |
| Facility Owner: | City of Minneapolis |
| Project Contact Person | Steve Kotke Director of Public Works and City Engineer City of Minneapolis Steve.Kotke@ci.minneapolis.mn.us |
| | And/or |
| | Sarah Harris Chief Operating Officer Minneapolis Downtown Improvement District sharris@MinneapolisDID.com |

II. Project Description

A re-visioning of the Nicollet Mall's role in supporting the next generation of downtown's economic growth and vibrancy for the health of the city and state.

Re-designed and re-built in the late 1980s, the Nicollet Mall's design and use needs to be reinvented to meet the changing needs of a more internationally attuned business market. After 20+ years of high traffic use, the aging infrastructure is at the end of its useful life, with on-going maintenance and repairs accelerating beyond prudent investment capacity. Now is the time to update the vision and materials to ensure the economic vibrancy of downtown for the next generation.

The public and private sector have partnered on this key pedestrian connection since the early 1960s when the Nicollet Mall was created via statute. The public and private sectors both contributed to the original Mall as well as its full reconstruction in 1989. In

keeping with this pattern, it is now time for both sectors to again partner in rejuvenating this key regional asset.

III. Project Financing

The planning budget includes \$3 million for planning that will engage the community and City collectively to identify solutions for use, design and funding of the revitalization of this regional street. It is anticipated that reconstruction will begin in 2014. \$2 Million is sought from the State bonding process, with the remaining \$1 Million contributed through in-kind staffing capacity and resources from the public and private sectors.

City budget impact:

The project would have a positive budget impact by readying a plan to improve a key spine that draws economic activity to the region thereby increasing property values and driving economic growth in sales tax, payroll tax and property tax for the City of Minneapolis, Hennepin County and the State.

Additionally, the current Nicollet Mall infrastructure has aged beyond its useful life and is requiring repairs that are growing exponentially. This planning process will enable repair decisions to be made within the context of long term solutions and ultimately sets a course for replacement of the infrastructure that will enable annual maintenance and repair investments to be sustainable. The annual maintenance and repair of this street has been, and will continue to be, achieved through special assessment funds invested by the business community.

The Project has available of matching funds:

The public and private sectors will both contribute in-kind staffing and resources to complete this planning.

The project has opportunities for joint planning and funding with others:

Yes, the City of Minneapolis will work closely with both public and private groups, including the Minneapolis Downtown Improvement District, Minneapolis Downtown Council, Minneapolis BOMA, Metro Transit, and downtown neighborhood groups on planning the Nicollet Mall and identifying funding streams for implementation of the plan.

The project integrates infrastructure and deployment planning:

Yes.

The Project Contributes to City Goals:

The project maintains infrastructure, integrates infrastructure with economic development opportunities, connects and builds communities, assists with multi modal transportation goals, is an asset enjoyed by many people, and achieves an eco-friendly, greener City.

The project serves a state or regional purpose:

The Nicollet Mall is a primary asset to hundreds of businesses such as US Bank, Wells Fargo, Ameriprise Financial, Target, Macy's, Fallon Worldwide, Carmichael Lynch, Campbell Mithun, RBC Dain, and Piper Jaffray who identify the downtown public realm experience, and Nicollet Mall in particular, as central to recruiting top businesses and talent to Minnesota. As such, the Nicollet Mall anchors the economic engine of the region and state. A vibrant Nicollet Mall is a key factor in a stable (and growing) base of property, payroll, and sales taxes. Over 150,000 jobs in downtown are performed by residents from every county in the region who all likely experience the Nicollet Mall during the course of their work day. Further, Nicollet Mall is the primary green pedestrian spine connecting to the Mississippi River, the only National Park in downtown. Nicollet Mall is a recognizable name for everyone in the state, so much so that corporate interests seek to locate on or near the Nicollet Mall because it means something to their corporate branding.

The project can be begun quickly:

Yes. The City and Minneapolis DID have already begun early planning, with a need to accelerate and broaden the process once sufficient planning funds are available.

The project does not require a state contribution for operation:

The Nicollet Mall will continue to be owned by the City of Minneapolis and maintained by a special services district (e.g., Minneapolis DID) and will not require any state contribution for operations.

The project will provide jobs both for construction and ongoing.

This planning project will employ a variety of skilled and technical consultants including architects and engineers, surveyors, financial analysts, etc. Implementation of the plans developed by this project will lead to a major rehabilitation that is anticipated to employ skilled and unskilled labor during construction as well as consulting engineers for design & bid documents preparation. Labor will include, but not be limited to carpenters, concrete and/or tile trades, landscapers, electricians, heavy equipment operators, truck drivers, laborers, and public artists.

Capital Bonding Evaluation Form for 2012 Bonding

| |
|--|
| Project Name: |
| Total Points: (rate each area from 1 to 10, 1 being does NOT meet criteria, and 10 being fully meets criteria) |

- 1) **The project will have an impact on City General Fund (Operating or Debt Service)**

- 2) **The project has matching funds committed. (State bonding projects usually require a 50% match.)**

- 3) **The project is ready to go. (Planning, official approvals substantially completed).**

- 4) **The project can be completed within four years (December 31, 2016) of the passage of the bonding bill.**

- 5) **The project is inter-jurisdictional. (Funding partners, joint operation).**

- 6) **The project promotes city goals and relevant values.**

| | | |
|----------------|---|--------------------------|
| Goals: | A safe place to call home | Eco-Focused |
| | Livable Communities, Healthy Lives | A City That Works |
| | Jobs and Economic Vitality | |
| | Many People, One Minneapolis | |
| Values: | Collaborative | Accountable |
| | Engaged | Ethical |
| | Results-driven | Inclusive |
| | Informed | Sustainable |

- 7) **The project has regional or state significance.**

- 8) **The project will not require new or additional state operating funds.**

- 9) **The project has been submitted in a prior year(s) to the Department of Finance/Legislature for capital funding.**

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Council Member Glidden

Approving and ranking the 2012 Capital Budget requests and submitting requests to the Commissioner of Minnesota Management and Budget.

Resolved by the City Council of the City of Minneapolis:

That the following capital investment projects are submitted to the Minnesota Management and Budget office and that the projects are prioritized as follows:

1. Plymouth Avenue Bridge
2. 10th Avenue Bridge
3. Target Center Improvements
4. Nicollet Mall Planning Funds
5. Granary Road
6. 35W South and 35W North Storm Tunnel Preservation Projects
7. Grand Rounds Scenic Byway Lighting Renovation

Resolve that the City supports these bonding projects for the 2012 legislative session however understand that the City's foremost priority is state bonding assistance through special legislation to help with public infrastructure needs as part of the north side tornado disaster recovery.

Be it further Resolved that Minneapolis Intergovernmental Relations Department staff is directed to properly file these requests for funding with the Minnesota Management and Budget office.