

MINNESOTA HISTORICAL SOCIETY

State Capital Projects Grants-in-Aid County and Local Preservation Grants Program Manual
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GENERAL INFORMATION

1. INTRODUCTION

The purpose of this manual is to provide information about the Minnesota Historical Society's State Capital Projects Grants-in-Aid County and Local Preservation grants program. It will help you determine whether or not particular projects are likely to be eligible for funding. It also explains the application process and the requirements for administering capital project grants.

In the 2014 Session, the Minnesota Legislature approved funding in the Capital Budget General Funds Bill for the State Capital Projects Grants-in-Aid County and Local Preservation grants program administered by the Minnesota Historical Society. The requirements of this capital projects grants program differs from the Society's State Grants-in-Aid Program which has been assisting local historic preservation projects since it was authorized in 1969. The language from the 2014 Capital Budget General Funds Bill is cited below:

Laws of Minnesota, 2014, Chapter 295,

Section 12, MINNESOTA HISTORICAL SOCIETY:

County and Local Preservation Grants

\$1,400,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

Approximately \$1.13 million will be available in FY 2016

STATE CAPITAL PROJECTS GRANTS-IN-AID COUNTY & LOCAL PRESERVATION GRANTS PROGRAM

Information necessary for organizations interested in applying to the State Capital Projects Grants-in-Aid County and Local Preservation grants program is found on the following pages. Deadlines for submitting grant applications can be found on the [MNHS website](http://www.mnhs.org/shpo/grants/state_capital_grants/deadline.php) (http://www.mnhs.org/shpo/grants/state_capital_grants/deadline.php)

Keep in mind that the Grants Office staff is available to discuss ideas with you. Your inquiries are encouraged. The staff welcomes early consultation well in advance of the published application deadlines. For further information, call 651-259-3458, e-mail the Grants Office – mandy.skypala@mnhs.org, or write to the Grants Office, Minnesota Historical Society, 345 West Kellogg Blvd., Saint Paul, MN 55102-1906.

2. DEADLINES FOR APPLICATIONS

There are two deadlines, a pre-application deadline, or qualifying phase, and a final application deadline. Deadlines for submitting grant applications can be found on the [MNHS website](http://www.mnhs.org/shpo/grants/state_capital_grants/deadline.php) (http://www.mnhs.org/shpo/grants/state_capital_grants/deadline.php). Applications must be submitted no later than midnight on the date indicated to be eligible for consideration. **Applications are accessible through the Minnesota Historical Society's on-line grants portal <https://mnhs.fluxx.io> . Mailed applications are no longer accepted.**

A pre-application is required. Final applications will not be accepted from applicants who did not participate in the pre-application process. The pre-application phase provides initial screening to ensure that applicants and proposed work are eligible to receive a capital project grant.

3. ELIGIBILITY OF WORK

To be eligible for funding, the work must meet the following conditions:

- a. the expenditure funded must be for a public purpose;
- b. the work must fall within one of the prescribed categories outlined in Section 7 and described in detail in the project guidelines;
- c. the project expenditures funded must be for land, buildings, or other improvements of a capital nature;
- d. the project must correspond with the purpose for which funding was issued, as set forth in the bill citation on page one (Laws of Minnesota, 2014, Chapter 295, Section 12); and
- e. the work must meet the *Secretary of the Interior's Standards for the Treatment of Historic Properties* (See Appendix E – pages 29-33).

4. ELIGIBILITY OF APPLICANT

Applicants must be a governmental unit eligible to receive state bond funds as defined in Minnesota Statutes 16A.695. The primary recipients of state capital project grants are public entities. This includes county and local jurisdictions. Applicants must be able to demonstrate an ability and a plan to fund the program(s) intended for the facility.

State agencies or organizations primarily funded by the State of Minnesota are not eligible to apply for grants. **Previous grant recipients with overdue final reports are not eligible to apply for grants until final reports have been accepted by the Grants Office.**

5. ELIGIBILITY OF PROPERTY

The property for which funds are being request must be publicly owned. In addition, it must be listed in the National Register of Historic Places, or have been determined to be eligible for listing in the National Register by the State Historic Preservation Office. Properties that have not been evaluated are not eligible for funding.

6. MATCHING GRANTS

The amount of any grant cannot exceed fifty (50) percent of the total project. Match may be cash, in-kind and/or donated services or materials, or a combination of cash and in-kind and/or donated services or materials (see Appendix C - *Financial Requirements, Reports, and Records*, pages 25-26). State funds may not be used to match. The minimum request is \$10,000. There is no request cap. Keep in mind that grants are spread across the state as much as possible.

The Minnesota Department of Management and Budget requires every applicant to certify that it has committed sufficient funds to meet the grant program's match requirements and complete the proposed project. A *Certification of Match* form (Appendix G – page 36) must be submitted with your application.

7. ELIGIBLE PROJECT CATEGORIES

Two types of historic preservation projects are eligible for this grants program:

- A. Restoration/Preservation Projects
- B. Building Systems and Accessibility

They are described in detail in the *Project Guidelines and Review Criteria* section on the following pages. Applicants planning projects that do not appear to fit into one of the general categories should contact the Grants Office **before** submitting a pre-application.

8. APPLICATION PROCEDURES

Preliminary inquiries to the Grants Office are welcomed and encouraged. Organizations planning to submit an application should contact the Grants Office about an intended project well in advance of the published deadlines.

The Grants Office requires applicants to submit a pre-application. (See *Instructions for Pre-Application and Applications*, pages 9-13 for further details.) A pre-application is a draft application. In addition to screening to ensure that applicants and project work are eligible to receive state capital project grants, the pre-application gives an opportunity for staff to provide suggestions and comments to applicants to incorporate revisions into the final application.

Instructions for completing the applications should be followed carefully; **incomplete or late applications will be determined ineligible.**

9. SCOPE OF PROJECTS

Most projects should be such that they can be completed within a relatively brief time period, usually no more than twelve (12) months. They should also be of a size and complexity manageable by the organization planning to implement them and should take place during the construction season immediately after the grant is awarded.

10. STATE OF MINNESOTA LABOR REQUIREMENTS AND JOBS REPORTING

Prevailing wage is the minimum hourly wage, plus benefits, required by law to be paid for each trade or occupation while performing work on state funded construction projects. All grant projects are required to adhere to Minnesota prevailing wage laws (Minn. Stat. Chap. 177.41-44 and corresponding Rules 5200.1000 to 5200.1120). Be sure to use prevailing wage rates when determining the project budget. To view prevailing wage information by county visit: <http://www.dli.mn.gov/LS/PrevWageComm.asp>

Minn. Stat. Sec. 16A.633, subd. 4 requires the Commissioner of Minnesota Management and Budget to report to the legislative committees with jurisdiction over capital investment on the jobs created or retained as a result of capital project funding. Projects funded in the grants program are required to track and compile jobs created/retained information. See Appendix H- page 38 for details.

11. INELIGIBLE COSTS

Neither grant funds nor matching funds may be used for administrative expenses not related to the project, general operating costs, or maintenance expenses. Grant funds may not be used for equipment purchases except when they are of a capital nature necessary and reasonable to carry out the project objectives and when the project guidelines permit such purchases. Grant funds cannot be used for administrative or personnel costs. Indirect cost rates, which are applicable for certain federal grants programs, are **not** allowable in the program. Funds may not be used to pay for expenditures incurred prior to the date the grantee is authorized by MNHS to begin work.

12. APPLICATION REVIEW PROCESS

Eligible pre-applications are reviewed by Minnesota Historical Society staff. Constructive feedback will be provided to the applicant in order to improve the final application. Final applications, along with review comments, are then sent to the Grants Review Committee (GRC) for consideration at a public meeting approximately six weeks after the final application deadline. You will receive advance notice of the meeting and will be invited to make a three-minute presentation supporting your application. Such presentations are not required; your application will be given full consideration whether or not you make a presentation.

Based on their evaluation and the review criteria, the GRC recommends approval or denial of each application and forwards their recommendations to Minnesota Historical Society Executive Committee for final action. You will be notified of their decision in writing. In some cases, special conditions may be required on approved projects; the conditions will be outlined in your grant agreement.

13. GRANTEE'S RESPONSIBILITIES

After a grant award has been approved, the grantee's authorized representative(s) must sign a Grant Agreement. This document outlines the terms and conditions established for each award. It will specify an authorized Project Start Date, a Project End Date, approved scope of work, and an approved Project Budget. It also contains the following stipulations:

- a. Changes in approved projects may not be made without approval in writing from the Minnesota Historical Society
- b. The project will be administered and conducted in accordance with Minn. Stat. 16B.98 for Grants Management and Minn. Stat. Chap. 177.41-44 regarding prevailing wage rates and contracts and corresponding Rules 5200.1000 to 5200.1120.
- c. All work on the project will conform to the *Secretary of the Interior's Standards for the Treatment of Historic Properties* (See Appendix E-pages 29-33).
- d. Pursuant to M.S. 16A.633, Subdivision 4, Jobs Reporting, the GRANTEE shall collect, maintain, and upon completion of the project (See Appendix H-pages 38-39).
- e. The grantee agrees to comply with the following provision: American-Made Steel. Minnesota Laws 2014, Chapter 295, Section 21 (the "Act") requires public entities receiving an appropriation of public money for a project in that Act to ensure those facilities are built with American-made steel, to the extent practicable.
- f. All publicity releases, informational brochures, public reports, publications, and other public information relating to approved projects must acknowledge assistance from the Minnesota Historical Society and the Minnesota Legislature in writing. The suggested wording for this acknowledgment is: "This project has been financed in part with funds provided by the State of Minnesota through the Minnesota Historical Society's Grants-in-Aid Program." A project identification sign, carrying the same acknowledgment, must be posted in a prominent location while project work is in progress.
- g. A final report must be submitted to the Grants Office within thirty (30) days following the assigned end date for the project. The report describes all project activities and outlines the project expenditures of both grant funds and the applicant's match.
- h. The grantee agrees to hold harmless the Minnesota Historical Society and the State of Minnesota for any action, complaint, discriminatory proceedings, or litigation of any kind whatsoever, in conjunction with the funded project. The grantee further agrees to conform to the provisions of Minnesota Statutes, Section 181.59, which prohibits discrimination in hiring and/or contracting of labor by reason of race, creed, or color.
- i. The grantee agrees to record in the official real estate records maintained by the county or counties in which the property is located, a declaration or other appropriate instrument of state bond assistance in the form attached as Exhibit 1 of Appendix B (page 22) in accordance with the *Commissioner's Order* dated July 30, 2012(copy of the complete order is included in Appendix B on pages 16-22)

- j. The grantee agrees to sign a Letter of Agreement Governing Use of Historic Site (see Appendix G on page 36) assuming responsibility to maintain the historic property in a satisfactory manner for a specified number of years after the grant-funded project is completed.
 - Grants up to \$25,000 require a 5-year letter of agreement.
 - Grants of \$25,001 to \$50,000 require a 10-year letter of agreement.
 - Grants of \$50,001 to \$100,000 require a 15-year letter of agreement.
 - Grants over \$100,000 require a 20-year letter of agreement.

PROJECT GUIDELINES AND REVIEW CRITERIA

TYPES OF PROJECTS

- A. Restoration/Preservation Projects
- B. Building Systems and Accessibility

PURPOSE

To restore, rehabilitate, preserve, and/or make accessible buildings, structures, or sites that are significant to national, state, or local history, and that are open or highly visible to the public. Projects most likely to be funded are those that will stabilize, conserve, and make accessible significant historic properties.

FUNDING PRIORITIES

Priority is often given to projects that involve the stabilization or preservation of significant historical features of properties. In addition, exterior work is generally given priority over interior work unless it is systems or accessibility related.

PRESERVATION STANDARDS

All proposed work must meet the *Secretary of the Interior's Standards for the Treatment of Historic Properties*. The *Standards* are a set of established common sense guidelines that consider the historic nature and character defining features of buildings/structures when recommending treatments for their preservation. A brief excerpt highlighting important elements of the *Standards* can be found in Appendix E – pages 29-33. For a complete copy of the *Standards*, either call the Grants Office or download them from the National Park Service's web site at <http://www.nps.gov/tps/standards.htm>.

INELIGIBLE COSTS

- Projects to remodel or modernize the interior of historic properties.
- General maintenance, such as painting, refinishing of woodwork, and other small-scale aesthetic upkeep work items.
- Landscaping/sitework cost unless it entails the preservation or restoration of an historic landscape.
- Costs incurred prior to the project start date assigned for the grant.
- Administrative or personnel costs.

REVIEW CRITERIA

The grants cycle is a competitive process. Factors considered by Minnesota Historical Society staff and Grants Review Committee members in evaluating grant applications for projects in either category include the significance of the property or properties involved their proposed use, and the quality of the proposed work. Review criteria are scored in accordance with the following factors:

- the significance of the property,
- project readiness (including whether the match is secured),
- demonstrated ability of the applicant to complete the project and a plan to fund the program(s) intended for the facility,
- the quality and completeness of the application, and
- the public benefit. In evaluating the public benefit of a project, accessibility and compliance with the Americans with Disabilities Act are given special consideration.

A. RESTORATION/PRESERVATION PROJECTS

Plans for restoration and preservation projects must follow guidelines set forth in *The Secretary of the Interior's Standards for the Treatment of Historic Properties* (See Appendix E – pages 29-33). In general, the *Standards* dictate that the historic character of a property should be retained and preserved whenever possible. Deteriorated historic features should be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature should match the old in design, color, texture, and, where possible, materials.

Typical projects in the restoration/preservation projects category:

- Roof replacement
- Masonry restoration/repair including tuckpointing
- Window restoration or replacement – Note: Windows should only be replaced if they cannot be repaired. Complete photo documentation of the window deterioration must be submitted if complete replacement is being proposed. Energy efficiency alone is not grounds for window replacement.
- Foundation and step repair/restoration
- Soffit, siding, and fascia repair
- Porch restoration
- Mural/decorative painting restoration

It is strongly recommended that a Historic Structures Report (HSR), or its equivalent, be completed before applying for restoration and preservation funds. An HSR is used to analyze a historic property, to establish preservation objectives for the property, and to schedule their accomplishment. Information on HSRs can be found on the following website: <http://www.nps.gov/tps/how-to-preserve/briefs/43-historic-structure-reports.htm>.

B. BUILDING SYSTEMS AND ACCESSIBILITY

Building systems projects include devices to regulate and control temperature and humidity; devices designed to detect and provide notification in case of emergencies, such as fire or unauthorized entrance to a building; replacement of heating/cooling systems; and the upgrading to code and/or replacement of electrical or plumbing systems. For building systems projects to be eligible for a capital project grant, the useful life of the devices or systems must exceed twenty (20) years. Other eligible projects include those that improve the access to comply with the Americans with Disabilities Act through the appropriate addition/ installation of properly sized and equipped restrooms, ramps, elevators, and/or lifts. The impact of the system replacement/upgrade or the addition/installation of accessible equipment on the historic fabric of the building must be minimal.

Typical projects in the building systems and Accessibility projects category:

- Replacement of a building's heating, ventilation, and air conditioning system
- Updating a building's electrical and/or plumbing system
- Installation of a security or fire protection system
- Installation of a elevator or lift
- Installation of a handicapped accessible ramp
- Installation of handicapped accessible restroom(s)

PRE-APPLICATION AND APPLICATION INFORMATION

The Society's Grants Office transitioned to an entirely on-line grants system in 2012. Applicants access the system through a new grantee portal (<https://mnhs.fluxx.io>). The portal provides access to everything you'll need in administering a grant from the Minnesota Historical Society, from the pre-application stage through reporting on the completion of a project. Here you will be able to track where an application is in the review process as well as have access to information about previous grants you have received. The portal allows you to save your work on an application and come back to finish it later. The grants portal is available through a link on the Society's website: www.mnhs.org/capitalgrants.

Before you start to complete the application, familiarize yourself with the information contained in the Project Guidelines on pages 6-7 and the following instructions. Consultation with the Grants Office is strongly encouraged before submitting the pre-application.

USING THE GRANTEE PORTAL FOR THE FIRST TIME:

1. Previous grantees will already be in the system but will need to log-on to register in order to access it for the first time.
2. New applicants need to request a login

PRE-APPLICATION REQUIREMENTS:

A pre-application is a required draft application and must include:

1. A completed on-line application.
2. *Scope of Work Form* including project specifications and/or product literature. This form is found in the forms section of the grantee portal. It must be completed and uploaded with the application.
3. Current photographs of the building. Photos must be uploaded with the application in the grantee portal. Photocopies of photographs from a report or publication are not acceptable.
4. Certification of Eligibility. (See Appendix F-page 35). This form can be found in the forms section of the grantee portal. It must be completed, signed and uploaded with the application.
5. Certification of Match (see Appendix F-page 36). This form can be found in the forms section of the grantee portal. It must be completed, signed and uploaded with the application.

FINAL APPLICATION REQUIREMENTS:

The Grants Office review comments on your pre-application request will be accessible in the grants portal, and you will be able access your pre-application to revise it as needed in completing the final application request. In addition, the application request must include:

1. A completed on-line application.
2. A revised *Scope of Work Form* including project specifications and/or product literature (if applicable) must be uploaded with the application.
3. Additional photographs, if applicable. The photographs submitted with the pre-application will remain with your final application. Only upload additional photographs if necessary.

AFTER THE APPLICATION IS COMPLETED

After you have finished your application, recheck it to make sure it is complete. When the pre-application or final application with the required attachments is completed, click on the "submit" button to release it. Once submitted, you will not be able to make further changes.

ACCESSING THE GRANT APPLICATION

All of the Grants Office's grant programs are accessed and managed through an electronic system. Applicants access the system through the grants portal (<https://mnhs.fluxx.io>). Here applicants track where an application is in the review process as well as have access to information about previous grants received. The portal allows applicants to save work on an application and come back to finish it later. The portal provides access to everything needed in administering a grant from the Minnesota Historical Society, from the pre-application stage through reporting on the completion of a project.

REQUESTING AND ACCOUNT

In order to submit a grant application you must provide basic information about the organization you represent when you request an account. If your organization already has an account, disregard this step.

- **Your Name:** Provide your name.
- **Applicant Organization Name:** Provide the name of the organization sponsoring the grant proposal project.
- **Federal Employer Identification Number:** Provide the federal employer identification (FEI) number of the applicant organization.
- **Email:** Provide a contact email address, not a generic organizational email. This email will become the username of your login.
- **Phone:** Provide a daytime phone number.
- **Mailing address: city, state, country and postal code:** Provide the address of the applicant organization. Be sure that this address has a mail receptacle so the US Postal Service can safely deliver grant award information and payments.
- **Project title and Project summary:** Provide a little background on the project. This is not the application, but it helps determine if you are seeking your grant from the correct funding source. Your summary should be no longer than a few sentences and should describe the project, not the organization.
- **Amount requested, Projected Start Date, and Projected Duration:** Again, this is not the actual application so the numbers do not have to be set in stone. However, give an estimate of the project's timeline and the amount of funding sought.

LOGGING IN AND COMPLETING GRANT APPLICATION

When you log in you start at the main menu of the grants portal. This is where you will be able to create and track your grant proposal. This is also where you will file your final report if your project is funded.

Create a new application from the main menu by clicking on the "Apply for a Grant" button.

A number of grant application forms will be listed. This manual only provides information on completing the State Capital application. To open a blank grant application form, click on "click here to start State Capital Application" under the name of the grant program.

Save your work often to avoid losing it. If you click the 'Save' button and you receive an error message, you must correct the error(s) and re-save your work. For example, applicants often make the error of leaving a required field blank. To avoid this error, make sure that the fields in bold marked with an * (Mailing Address, Project Title, Project Summary, and Amount Requested) are populated before saving your application for the first time. If you get an error message at the top of the page after you hit the save button, scroll down the page to find the blank field. It will be highlighted in red.

If you do not correct the errors, the portal will not save your application. There is no way to retrieve an application if it was not saved properly or if it is deleted.

STEP BY STEP APPLICATION INSTRUCTIONS

These instructions follow the order in which questions will appear on your screen in the Grants Portal.

Applicant Information

- **Applicant:** The organization name that you entered in your original account request will automatically populate the Applicant field.
- **Mailing Address:** If your organization has multiple locations you can select the location from a drop down menu, otherwise the mailing address will be the one you entered on your account request form. The address will be abbreviated as 'headquarters' on the application. This is one of the four required fields that needs to be populated in order to save the application for the first time.
- **Project Director:** Select the name of the person who has primary responsibility for the project and who will work with the Grants Office throughout the project's duration. If that person's name does not appear in the list, contact the Grants Office with the person's full contact information.
- **Authorized Officer:** Select the name of the individual authorized by the organization to conduct its business. If that person's name does not appear in the list, contact the Grants Office with the person's full contact information.
- **Applicant County:** Select applicable county from drop down menu.

Project Information

- **Project Title:** Provide a succinct title for the project in the space provided. This is one of the four required fields that needs to be populated in order to save the application for the first time.
- **Project Summary: One line Summary:** Provide a one-line summary description of the project in the space provided. This is one of the four required fields that needs to be populated in order to save the application for the first time.
- **Geographic Focus:** Select all counties that the project will affect or choose 'Statewide' if the project includes the entire state. Highlight county desired on the left and select > to move the county name into right column.
- **Please consider for Pre-Application Review:** Check this box. All applications must go through a pre-application review.

Historic Property Information

- **Property Name:** Provide the name of the property. If the property is listed on the National Register, please use its historic name. This may be different than the name commonly used. Consult the Grants Office for the historic name if you have any questions.
- **Property Location:** Provide the street address and city of the property
- **National Register:** Indicate in the appropriate checkbox whether the property is listed in the National Register of Historic Places or if it has been determined eligible for listing in the National Register. Applications will not be accepted for properties that have not been evaluated.

Budget Request Details

This is a line-item budget. Line items are individual expense items designated for a specific purchase or service. For example, the payment to a carpenter to install porch spindles would be one line item as would the purchase of roof shingles. List each line item, indicating in the columns on the right whether it will be charged to the grant amount, or to one of the applicant match columns. Please round off to the nearest dollar amount. The system will calculate the line and column totals for you as you work

For each budget item start by clicking on the Green "+" button at the upper right of the "Budget Line Items" box, then:

- **Budget Item:** Enter a short but descriptive name.
- **Budget Item Cost to be Paid by Grant:** Enter the amount of the item to be charged to the grant award. Enter whole numbers only.

- **Cash Match for Budget Item:** Cash match for the project may be money in the applicant's accounts designated for the project or it may be funds received from another source at the time the grant application is submitted. Enter whole numbers only. Cash match is optional.
- **Cash Match Source (if applicable):** Provide the name of the source of the cash match. Funds from the State of Minnesota cannot be used as match.
- **Cash Match Status (if applicable):** Anticipated funds may be listed, but listing them commits the applicant to raise them for the project. Funds listed as anticipated should be relatively secure; keep in mind that one of the review criteria is the ability of the applicant to complete and carry out the proposed program.
- **In-Kind Match for Budget Item—Name of Person:** Enter the name of the person proving the in-kind time. In-kind match will largely include services provided by staff salaries (including fringe benefits) and unpaid volunteers that represent actual work that will occur on the project. They cannot include general administration of the organization, grant administration, or audit costs.
- **In-Kind Match for Budget Item—Hourly Pay Rate: Enter the rate of pay of the person providing the in-kind time. Calculate the value of in-kind services according to the person's training/expertise and the work they provide for the project.** If professional, technical, or clerical persons provide services in the area of their training/expertise for the project, calculate the value of their services at their usual hourly rate of pay. However, if the same people provide work outside of the area of their training/expertise, calculate the value of their services at the current state minimum hourly pay rate.
- **In-Kind Match Hours (if applicable):** Enter the number of in-kind hours the person listed above is anticipated to work on the project.
- **In-kind Match Amount (if applicable):** This will calculate automatically based on the rate of pay and hours entered above. Click "Create budget request" button to save and return to the application.

Allocating Match to Appropriate Match Columns

Cash Match: This may be money in the applicant's accounts designated for the project or it may be funds that have been received from another source at the time the grant application is submitted to the Minnesota Historical Society. Funds listed as anticipated should be relatively secure; keep in mind that one of the review criteria is the ability of the applicant to complete and carry out the proposed program. Funds from the State of Minnesota **may not** be used as match.

IN-KIND MATCH: In-kind services are specific portions of staff salaries that represent work that will occur on the project. They cannot include general administration, grant administration, or audit costs.

DONATED SERVICES: Donated services are provided by volunteers who are not paid by the applicant for the work they do on the project. The value of their services should be calculated on the basis of their training and the work they provide for the project. If professional, technical, or clerical persons provide services **in the area of their training** for the project, calculate the value of their services at their usual hourly rate of pay. However, if the same people provide work outside of the area of their training, the value of their services must be calculated at the current state minimum hourly rate of pay.

- **How were the above figures determined?** In the space provided below the line item budget, describe how the line items were determined.
- **Amount Requested:** Enter the amount for which you are applying on the request line. This figure should equal the total grant request shown in your line item budget. This is one of the four required fields that needs to be populated in order to save the application for the first time.
- **Match Amount Requested:** Enter the match amount on the match amount request line. A match of at least 50% of the project budget is required. This figure should equal the total shown as match in your line item budget. A match of at least 50% of the project budget is required.

Application Narratives

- **Brief History and Significance of Property:** Provide a brief history of the property and explain why the property is historically and/or architecturally significant in the space provided. (Do not attach the National Register nomination form to your application.)

- **Physical Description and Description of Need:** Describe the structure and its current physical condition and summarize the need for the work that is being proposed. Include the construction date, type of structure, and type of construction as well as a succinct discussion of the need for the project.
- **Project Planning and Timetable:** Describe the planning that has been undertaken for the project to date and provide a timetable for completing the work. Note: Projects cannot begin until the January after the grants are awarded. This narrative describes the work that will be accomplished and anticipated dates by which each will be completed. If a Historic Structure Report or a building assessment has been completed, upload a copy as an attachment to your request.
- **Property Use and Funding:** Describe how the property is currently used and how it will be used after the project is completed. Describe the intended long-term use for the property and the sources of financial resources for its continued preservation. Include a brief discussion of the building's occupants/tenants and the public's use of the building. Applicants must be able to demonstrate ability and a plan to fund the program(s) intended for the property. Discuss how the project fits into the mission and the long-range plan of the applicant.
- **Public Benefit:** Describe how the public will benefit from the project. Be as specific as possible. Accessibility and compliance with the Americans With Disabilities Act are considered in evaluating the public benefit.

REQUIRED ATTACHMENTS (REQUIRED TO BE UPLOADED TO THE REQUEST DOCUMENTS SECTION OF THE APPLICATION)

Scope of Work Form (See Appendix D pages 25-27)

A *Scope of Work Form (SOW)* must be included with both the pre-application and final application. The *Scope of Work Form* is used to determine whether the proposed work meets the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, a requirement of the grant program.

The SOW can be found on the first screen of portal

(http://www.mnhs.org/legacy/grants/docs_pdfs/Scope_of_Work_Form.pdf). This is an interactive form that can be viewed, completed, and saved using Adobe Acrobat Reader, a program found on most computers. Be sure to download the form and save it to your computer before filling it out. Once you have completed the form, you will need to upload it with the application to the Request Documents section of the application.

Photographs

Provide a sufficient number of photographs to show the entire historic property from several perspectives and its surroundings. Include photographs of the parts of the building for which funds are being requested. Photos should be numbered and referenced in the scope of work items. They should be consolidated in single file, a MS Word or PDF file, which contain all the photos. You should also include a photo key to orientate reviewers to the building. The photos are to be uploaded with the application to the Request Documents section of the application.

Certification of Eligibility Form (See Appendix F)

An electronic version of the Certification of Eligibility can be found on the home page of portal (http://www.mnhs.org/legacy/grants/docs_pdfs/Certification_of_Eligibility.pdf) This form must be signed by an authorized officer of the public entity that owns the property, scanned, and uploaded with the application to the Request Documents section of the application.

Certification of Match From (See Appendix F)

An electronic version of the Certification of Match can be found on the home page of portal (http://www.mnhs.org/legacy/grants/docs_pdfs/Certification_of_Match.pdf) This form must be signed by an authorized officer of the public entity that owns the property, scanned, and uploaded with the application to the Request Documents section of the application.

Appendices

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State Bond Proceeds Law

(This document can be found at the State of Minnesota website at:
<http://www.revisor.leg.state.mn.us/stats/16A/695.html>)

16A.695 Property purchased with state bond proceeds.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "State bond financed property" means property acquired or bettered in whole or in part with the proceeds of state general obligation bonds authorized to be issued under article XI, section 5, clause (a), of the Minnesota Constitution.

(c) "Public officer or agency" means a state officer or agency, the University of Minnesota, the Minnesota Historical Society, and any county, home rule charter or statutory city, school district, special purpose district, or other public entity, or any officer or employee thereof.

(d) "Fair market value" means, with respect to the sale of state bond financed property, the price that would be paid by a willing and qualified buyer to a willing and qualified seller as determined by an appraisal of the property, or the price bid by a purchaser under a public bid procedure after reasonable public notice.

(e) "Outstanding state bonds" means the dollar amount certified by the commissioner, upon the request of a public officer or agency, to be the principal amount of state bonds, including any refunding bonds, issued with respect to the state bond financed property, less the principal amount of state bonds paid or defeased before the date of the request.

Subd. 2. **Leases and management contracts.** (a) A public officer or agency that is authorized by law to lease or enter into a management contract with respect to state bond financed property shall comply with this subdivision.

(b) The lease or management contract may be entered into for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the contracting public officer or agency, in accordance with orders of the commissioner intended to ensure the legality and tax-exempt status of bonds issued to finance the property, and with the approval of the commissioner. A lease or management contract, including any renewals that are solely at the option of the lessee, must be for a term substantially less than the useful life of the property, but may allow renewal beyond that term upon a determination by the lessor that the use continues to carry out the governmental program. A lease or management contract must be terminable by the contracting public officer or agency if the other

contracting party defaults under the contract or if the governmental program is terminated or changed, and must provide for program oversight by the contracting public officer or agency. Money received by the public officer or agency under the lease or management contract that is not needed to pay and not authorized to be used to pay operating costs of the property, or to pay the principal, interest, redemption premiums, and other expenses when due on debt related to the property other than state bonds, must be:

(1) paid to the commissioner in the same proportion as the state bond financing is to the total public debt financing for the property, excluding debt issued by a unit of government for which it has no financial liability;

(2) deposited in the state bond fund; and

(3) used to pay or redeem or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance.

The money paid to the commissioner is appropriated for this purpose.

(c) With the approval of the commissioner, a lease or management contract between a city and a nonprofit corporation under section [471.191](#), subdivision 1, need not require the lessee to pay rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to state bonds issued to acquire and better the facilities.

Subd. 3. **Sale of property.** A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or constructed, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner. If any state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, the net proceeds of sale must be paid to the commissioner, deposited in the state bond fund, and used to pay or redeem or defease the outstanding state bonds in accordance with the commissioner's order authorizing their issuance, and the proceeds are appropriated for this purpose; or

(2) if the state bond financed property was acquired or bettered partly with state bond proceeds and partly with other money, the net proceeds of sale must be used: first, to pay to the state the amount of state bond proceeds used to acquire or better the property; second, to pay in full any outstanding public or private debt incurred to acquire or better the

property; and third, any excess over the amount needed for those purposes must be divided in proportion to the shares contributed to the acquisition or betterment of the property and paid to the interested public and private entities, other than any private lender already paid in full, and the proceeds are appropriated for this purpose. In calculating the share contributed by each entity, the amount to be attributed to the owner of the property shall be the fair market value of the property that was bettered by state bond proceeds at the time the betterment began.

When all of the net proceeds of sale have been applied as provided in this subdivision, this section no longer applies to the property.

Subd. 3a. Involuntary sale of property.

Notwithstanding subdivision 3, this subdivision applies to the sale of state bond financed property by a lender that has provided money to acquire or better the property. Purchase by the lender in a foreclosure sale, acceptance of a deed in lieu of foreclosure, or enforcement of a security interest in personal property, by the lender, is not a sale. Following purchase by the lender, the lender shall not operate the property in a manner inconsistent with the governmental program established as provided in subdivision 2, paragraph (b). The lender shall exercise its best efforts to sell the property to a third party as soon as feasible following acquisition of marketable title to the property by the lender. A sale by the lender must be made as authorized by law and must be made for fair market value.

Subd. 4. Relation to other laws. This section applies to all state bond financed property unless otherwise provided by law.

Subd. 5. Program funding. Recipients of grants from money appropriated from the bond proceeds fund must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility. A private nonprofit organization that leases or manages a facility acquired or bettered with grant money appropriated from the bond proceeds fund must demonstrate to the commissioner of the agency making the grant that the organization has the ability and a plan to fund the program intended for the facility.

HIST: 1994 c 643 s 36; 1Sp1995 c 2 art 1 s 19-22; 1996 c 463 s 32; 2004 c 278 s 1

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Fourth Order Amending Order of Commissioner of Finance
Relating to Use and Sale of State Bond Financed Property

IT IS HEREBY ORDERED by the Commissioner of Minnesota Management and Budget of the State of Minnesota (f/k/a Commissioner of Finance of the State of Minnesota) that the Commissioner's Order entitled "Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 14, 1994, as subsequently amended by the Commissioner's Orders entitled "Order Amending Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated July 20, 1995, "Second Order Amending Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated March 9, 2010 and "Third Order Amending Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property" dated August 26, 2010 be further amended to read as follows:

Section 1. **Authorization and Purpose.**

1.01. **Authorization.** This Order is adopted pursuant to the Act for the purpose of establishing requirements to be complied with by Public Officers and Agencies regarding GO Grants and relating to the use or sale of State Bond Financed Property.

1.02. **Purpose.** The purpose of this Order is to ensure that the proceeds of State General Obligation Bonds are used solely for the purposes delineated in the corresponding Bonding Legislation, and that the interest to be paid on such bonds is and will continue to be (whenever possible) exempt from federal income taxation. Essentially, State General Obligation Bonds can be issued only to finance the acquisition and betterment of publicly owned land, buildings or betterments to be used to conduct governmental programs of the State and its instrumentalities and political subdivisions. Where State General Obligation Bonds are to be issued to finance property that is to be leased, managed, operated or otherwise used by a Non-Public Party, or where State Bond Financed Property is to be sold to a Non-Public Party, questions may arise as to the legality and tax-exempt status of the State General Obligation Bonds. Accordingly, the requirements set forth herein are to be complied with by a Public Officer or Agency as to any GO Grant it receives, its operation of any State Bond Financed Property, its entering into lease, management or other similar contracts relating to the use of State Bond Financed Property, and in its sale of State Bond Financed Property in order to ensure the legality and tax-exempt status of the State General Obligation Bonds.

Section 2. **Definitions.** For purposes of this Order the terms defined in this Section shall have the meanings given to them in this Section.

2.01. "**Act**" means Minnesota Statutes, Section 16A.695, as it may be amended, modified or restated.

2.02. "**Bonding Legislation**" means the legislation that authorizes the issuance of the State General Obligation Bonds and the making of the GO Grant, or creates a program under which a GO Grant is made.

2.03. "**Code**" means the Internal Revenue Code of 1986, as amended, and all treasury regulations, revenue procedures and revenue rulings issued pursuant thereto.

2.04. "**Commissioner**" means the Commissioner of Minnesota Management and Budget, or his or her designated representative.

2.05. "**Counterparty**" means any entity with which a Public Officer or Agency contracts under a Use Contract.

2.06. "**Fair Market Value**" means the price that would be paid by a willing and qualified buyer to a willing and qualified seller as determined by an appraisal of the property that assumes that all liens and encumbrances on the property being sold that negatively affect the value of such property will be paid and released, or the bid price by a purchaser under a public bid procedure after reasonable public notice that assumes that all liens and encumbrances on the property being sold that negatively affect the value of such property will be paid and released.

2.07. **“GO Grant”** means a grant, loan or appropriation funded with the proceeds of State General Obligation Bonds.

2.08. **“Non-Public Party”** means a private person or entity.

2.09. **“Order”** means this Fourth Order Amending Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property.

2.10. **“Public Officer or Agency”** means an entity specifically identified in the Bonding Legislation or selected through a program administered by the State as the recipient of the GO Grant, which must be a state officer or agency, the University of Minnesota, the Minnesota Historical Society, and any county, home rule charter or statutory city, school district, special purpose district, or any other public entity, or any 4 of 12 officer or employee thereof. It does not include the United States or any agency or instrumentality of the United States.

2.11. **“State”** means the State of Minnesota.

2.12. **“State Bond Financed Property”** means ownership of an interest, as described in Section 3.03, in property acquired or bettered in whole or in part with the proceeds of State General Obligation Bonds.

2.13. **“State General Obligation Bonds”** mean general obligation bonds of the State that are authorized by the legislature to be issued under Article XI, Section 5, clause (a) of the Minnesota Constitution, or any bonds issued to refund those bonds, the proceeds of which are used to fund a GO Grant.

2.14. **“Use Contract”** means a lease, management contract or other similar contract relating to State Bond Financed Property, between a Public Officer or Agency that owns or has jurisdiction over the property and another entity as a Counterparty under such lease, management contract or other similar contract.

Section 3. **Application.** This Order shall apply only as provided in this Section, and the provisions of Sections 4 through 7 are subject to the provisions of this Section.

3.01. **In General.** This Order applies to transactions involving State Bond Financed Property, regardless of when acquired or bettered, unless otherwise provided by law, or unless such application would impair a contract entered into pursuant to law, which contract was in effect on May 17, 1994.

3.02. **Operation of the State Bond Financed Property.** State Bond Financed Property must be operated by the Public Officer or Agency for the governmental program or purpose for which the GO Grant is made. If a Public Officer or Agency has specific statutory authority, then it may contract with another entity to have such entity operate the required governmental program in the State Bond Financed Property.

3.03. **Ownership Interest.** A Public Officer or Agency that is the recipient of a GO Grant must have a qualifying ownership interest in the State Bond Financed Property, which may be in the form of fee ownership, or a lessee’s or grantee’s interest in a qualifying long term lease or easement. A qualifying long term lease or easement must (i) create the functional equivalency of fee ownership for the length of its term, and (ii) be for a term that is equal to or greater than 125% of the useful life of the property that is the subject thereof, or such other period of time specifically authorized by a Minnesota statute, rule or session law. The Public Officer or Agency must be the lessee or grantee under the qualifying long-term lease or easement.

3.04. **Term.** State Bond Financed Property shall be subject to the Act and this Order for a time period equal to 125% of the useful life of the State Bond Financed Property or until such property is sold in accordance with Section 5, and thereafter such property shall no longer be State Bond Financed Property.

Section 4. **Requirements for Use Contracts.**

4.01. **Statutory Authorization.**

(a) A Use Contract can be entered into only where authorized by state law other than the Act; the Act itself does not authorize, but only regulates, such contracts.

(b) A Use Contract must comply with the substantive and procedural provisions of the state law authorizing it, the Act, and the requirements of this Order.

4.02. Requirements for Use Contracts. Use Contracts must fully comply with all of the following requirements.

(a) A Use Contract must be entered into for the express purpose of carrying out a governmental program established by law or authorized by law and established by official action of the contracting Public Officer or Agency. The governmental program, its purpose, and the statutory authority for the governmental program must be specifically set forth in the Use Contract.

(b) The term of a Use Contract, including all renewal terms that are solely at the option of the Counterparty, shall be substantially less than the useful life of the property to which it relates. Ordinarily a Use Contract term not exceeding 50% of the useful life of the property to which it relates will be considered to be for a period substantially less than the useful life of such property. Use Contracts with a longer term must be approved in writing by the Commissioner. A Use Contract may allow renewal beyond the end of the original (or any previous renewal) term during the last six (6) months of an existing term, upon determination by the Public Officer or Agency by official action that such renewal is necessary or desirable to continue to carry out the governmental program to be operated under the Use Contract and that the Public Officer or Agency wants the Counterparty to continue in the Use Contract. Under extraordinary circumstances the Commissioner may, at his or her sole option and discretion, authorize a renewal prior to the last six (6) months of an existing term upon compliance with all other requirements.

(c) A Use Contract must provide for program oversight by the Public Officer or Agency. This requirement will be deemed to have been satisfied if the Use Contract requires the Counterparty to provide to the Public Officer or Agency an initial program implementation plan and, at least annually, a program evaluation report and a program budget showing program revenues and expenses.

(d) A Use Contract must allow for termination by the Public Officer or Agency in the event of default by the Counterparty or in the event the governmental program is terminated or changed, and may provide for notice of default for a specified period which is reasonable under the circumstances prior to termination.

(e) A Use Contract must require the Counterparty to pay all costs of operation and maintenance of the property to which it relates, unless the Public Officer or Agency is authorized and agrees to pay such costs pursuant to state law. A Use Contract need not require the Counterparty to pay to the Public Officer or Agency any compensation for use of the property to which it relates unless required by a state law other than the Act or by the Commissioner.

(f) A percentage of all moneys received by a Public Officer or Agency pursuant to a Use Contract in excess of the amount needed and authorized to be used to pay operating costs of the property to which it relates, or to pay the principal, interest, redemption premiums, and other expenses when due on debt related to such property other than State General Obligation Bonds, must be paid to the Commissioner by the Public Officer or Agency. Such percentage shall be determined by the Commissioner and, absent circumstances which would indicate a different method, will be determined by dividing the total principal amount of all GO Grants issued with respect to such property by the total principal amount of all public debt financing incurred with respect to such property by the Public Officer or Agency (other than debt issued by the Public Officer or Agency for which it has no financial liability), without regard to the amount of GO Grants outstanding at any time.

4.03. Approval by Commissioner.

(a) No Public Officer or Agency shall enter into a Use Contract, or the renewal or amendment of an existing Use Contract, without the prior written approval of the Commissioner.

(b) Proposed Use Contracts, renewals and amendments of a Use Contract, and the related information described below, should be submitted to the Commissioner not less than 60 days before their proposed date of execution. Such related information should include, if not evident from the Use Contract: (i) the state law authorizing the Public Officer or Agency to enter into the Use Contract, (ii) the name, address, nature, financial condition, and reason for selection of the

Counterparty, (iii) the initial or current program implementation plan and budget (except in cases of leases of excess property), and (iv) other information deemed relevant by the Public Officer or Agency. The Commissioner will endeavor to provide approvals or comments requiring any changes needed within a reasonable period after receipt of the proposed Use Contract and the related information, but failure to approve or provide comments on a proposed Use Contract shall not constitute approval.

4.04. Tax Considerations. The Public Officer or Agency shall, upon direction by the Commissioner, take, and/or require the Counterparty to take, such actions and furnish such documents to the Commissioner as the Commissioner determines to be necessary to ensure that the interest to be paid on the State General Obligation Bonds issued to finance the property to which the Use Contract relates is exempt from federal income taxation. Such actions may include either: (i) compliance with procedures intended to classify the State General Obligation Bonds as a “qualified bond” within the meaning of Section 141(e) of the Code; or (ii) changing the nature and/or terms of the Use Contract so that it complies with the Code.

Section 5. Guidelines and Procedures for Sale of Bond Financed Property.

5.01. Authorization of Sales.

(a) State Bond Financed Property can be sold or transferred only where authorized by state law; the Act itself does not authorize, but only regulates, such transactions.

(b) A sale or transfer of State Bond Financed Property must comply with substantive and procedural provisions of the state law authorizing it, the Act, and the requirements of this Order.

5.02. Requirements for Sales. State Bond Financed Property may only be sold or transferred in accordance with the following provisions.

(a) Except as provided in subparagraphs (b) and (d) of this Section 5.02, no Public Officer or Agency shall sell or transfer any interest in State Bond Financed Property unless the Public Officer or Agency first determines by official action that the property is no longer useable or needed to carry out the governmental program for which it was acquired, constructed, or bettered, and the sale is made for Fair Market Value and approved by the Commissioner.

(b) The acquisition of State Bond Financed Property by a lender in satisfaction of a debt by foreclosure sale, acceptance of a deed in lieu of foreclosure or by enforcement of a security interest is not a sale; however, a subsequent sale by the lender is subject to the Act and this Order and must be made as authorized by law and for Fair Market Value. While held by the lender the State Bond Financed Property shall not be operated in a manner inconsistent with the governmental program established with respect to the property. The lender shall exercise its best efforts to sell the State Bond Financed Property to a third party as soon as feasible following acquisition of marketable title to such property.

(c) When all of the net proceeds of sale of any State Bond Financed Property have been applied as provided in Section 5.04, then the Act and this Order will no longer apply to such property, and such property will no longer be considered to be State Bond Financed Property.

(d) State Bond Financed Property may be transferred by a Public Officer or Agency to another public entity for a nominal consideration where authorized by state law, if the transferor Public Officer or Agency determines by official action that the State Bond Financed Property to be transferred is no longer useable or needed to carry out the governmental program for which it was acquired or constructed and the transferee public entity determines by official action that the property is needed or useful for a governmental program of the transferee authorized in such state law, it is willing and able to operate such governmental program on or in such property, the official action is filed with the Commissioner, and the transferee public entity acknowledges and agrees that the operation and sale of the property by the transferee is subject to the provisions of the Act and this Order.

(e) The provisions contained in Minnesota Statutes, Section 15.16 shall control over any inconsistent provisions contained in this Section 5.02. So much of the moneys transferred to a state department or agency as a result of the transfer of control of State Bond Financed Property as is necessary to pay and redeem or defease outstanding State General Obligation Bonds issued to finance the acquisition or betterment of the property, shall be transferred to the state bond fund and used for this purpose.

5.03. **Approval by Commissioner.**

(a) No Public Officer or Agency shall enter into a contract for the sale of State Bond Financed Property or any amendment thereto affecting the sale price without the written approval of the Commissioner.

(b) Proposed sale contracts and amendments, and the related information described below, should be submitted to the Commissioner not less than 60 days before their planned date of execution. Such related information should include, if not evident from the sale contract: (i) a specific reference to the state law that authorizes the sale, (ii) the name, address and nature, if known, of the purchaser, (iii) the proposed method of sale, (iv) the sale price and how it was determined, (v) any appraisal upon which the sale price is based, and (vi) other information deemed relevant by the Public Officer or Agency. The Commissioner will endeavor to provide approvals or comments regarding any needed changes within a reasonable period after receipt of the proposed sale contract and the related information, but failure to approve or provide comments on a proposed sale contract shall not constitute approval.

5.04. Distribution of Sale Proceeds. The proceeds of a sale of State Bond Financed Property shall be distributed as follows if any State General Obligation Bonds remain outstanding or if all of the State General Obligation Bonds have been repaid or redeemed:

(a) If the State Bond Financed Property that is sold was acquired or bettered solely with the proceeds of State General Obligation Bonds, then all of the net proceeds of such sale shall be paid to the Commissioner.

(b) If the State Bond Financed Property that is sold was acquired or bettered partly with proceeds of State General Obligation Bonds and partly with other money, then the net proceeds of such sale shall be used: (i) first, to pay to the Commissioner an amount equal to that portion of any GO Grants relating to the State Bond Financed Property that have not already been repaid to the Commissioner; (ii) second, to pay in full any outstanding public or private debt incurred to acquire or better the State Bond Financed Property that was consented to in writing by the Commissioner; (iii) third, to reimburse public and private entities for their interest in the State Bond Financed Property and all betterments made thereto other than betterments paid for with proceeds of debt repaid under subparagraph (b)(ii) of this Section 5.04, and (iv) the remaining portion of such net proceeds shall be divided among and paid to the interested public and private parties, including the State, which provided money for such acquisition or betterment (other than any private lender already paid in full), in proportion to the amounts of money provided by them for such purpose.

Section 6. **Matching Funds and Full Funding Requirement.**

6.01. Full Funding of the Project. Notwithstanding any match requirements imposed by the Bonding Legislation, the Public Officer or Agency must establish to the Commissioner that in addition to the GO Grant it has available, sufficient funds have been committed to fully pay for the project as required by Minn. Stat. Sec. 16A.502.

6.02. Use of Loans and Letters of Credit. The proceeds of a loan or a letter of credit may be used to meet any matching or full funding requirement as long as any lien to secure repayment thereof acknowledges the existence of and is subordinate to the Public Officer's or Agency's interest in the State Bond Financed Property and the provisions contained in the grant or loan agreement referred to in Section 7.01.

6.03. Cost Savings. If the full amount of the GO Grant and any matching funds imposed by and contained in the Bonding Legislation are not needed, then, unless language in the Bonding Legislation indicates otherwise, the GO Grant shall be reduced by the amount not needed.

Section 7. **Grant and Loan Agreements; Title Records.**

7.01. Grant and Loan Agreements. Every state officer or agency to which proceeds of State General Obligation Bonds are appropriated to fund a GO Grant to a Public Officer or Agency shall enter into a grant or loan agreement with respect to such proceeds whereby the Public Officer or Agency acknowledges that the operation, use, sale and transfer of the State Bond Financed Property are subject to the provisions of the Act and this Order, and that such property shall not be used or operated in any manner that would cause the interest on the State General Obligation Bonds to be or become subject to federal income taxation, due to their classification as "private activity bonds" within the meaning of Section 141 of the Code, or as "arbitrage bonds" within the meaning of Section 148 of the Code, or for any other reason.

7.02. Title Records.

(a) Except as provided in subparagraph (b) below, every Public Officer or Agency that expends any portion of a GO Grant to acquire or better real property shall, not later than 30 days after the first such expenditure or as soon thereafter as practical, cause to be recorded in the official real estate title records maintained by the county recorder for the county or counties in which such property is located, a declaration or other appropriate instrument in the form or substantially the same form attached hereto as Exhibit 1.

(b) If all or any portion of a GO Grant will be expended to acquire or better real property within roads, highways or utility or transit corridors, easements or rights of way, and the recording of the declaration otherwise required by subparagraph (a) above against such property would be unduly onerous or impracticable, upon written request by the Public Officer or Agency, the Commissioner may determine that a declaration need not be recorded against the property within such roads, highways or utility or transit corridors, easements or rights of way and instead shall require that the Public Officer or Agency submit a certification acknowledging that the property is bond financed property within the meaning of Minn. Stat. Sec. 16A.695, is subject to the requirements imposed by such statute, and cannot be sold, encumbered or otherwise disposed of without the approval of the Commissioner of Minnesota Management and Budget. The certification may be included in the grant or loan agreement referenced in Section 7.01 and may contain a description or diagram of the real property rather than a legal description. Such certification need not be recorded. Such property shall still be considered to be State Bond Financed Property and is subject to the Act and all other provisions of this Order.

(c) Upon request and upon full compliance with the provisions of this Order and when appropriate, the Commissioner shall execute and deliver a written release evidencing the release of the subject property from the provisions of the Act and this Order.

Section 8. Amendments; Publication; Effective Date.

8.01. **Amendments.** The Commissioner retains the right to amend this Order at any time as necessary to accomplish the purposes of the Act.

8.02. **Publication.** The Commissioner intends to publish this Order and any amendments thereto in such manner and at such times as are likely to provide access to its contents by all affected persons, but the Order or any amendment shall be effective upon its issuance without regard to its publication.

8.03. **Effective Date.** This Order is effective as of its date of execution set forth below.

Executed July 30, 2012

James D. Schowalter

James D. Schowalter, Commissioner
Minnesota Management and Budget

EXHIBIT 1

DECLARATION

The undersigned, as owner of fee title to the real property legally described on Exhibit A, which is attached hereto and made a part hereof ("Property"), hereby declares that title to the Property is hereby subject to the following restriction:

The Property is bond financed property within the meaning of Minnesota Laws 1994, Chapter 643, Section 36, and cannot be sold, mortgaged or otherwise disposed of by the public officer or agency which has jurisdiction over it or owns it without the approval of the Minnesota Commissioner of Finance, which approval must be evidenced by a written statement signed by the Commissioner of Finance and attached to the deed, mortgage or instrument used to sell, mortgage or otherwise dispose of the property.

Title to the Property shall remain subject to this restriction until (i) restriction has been fully complied with as evidenced by a written approval from the Minnesota Commissioner of Finance, or (ii) a written release, releasing the Property from the restriction, signed by the Commissioner of Finance, is recorded in the real estate records relating to the Property.

Dated:

STATE OF _____)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, _____ by _____, the _____ of _____, a _____ under the laws of _____, on behalf of the _____.

Notary Public

This Instrument Was Drafted By:

FINANCIAL REQUIREMENTS, REPORTS, AND RECORDS

A. Expenditures

1. Expenditures for the project must be made in accordance with the Approved Project Budget specified by the Minnesota Historical Society in the Grant Agreement.
2. Any project expense not specifically approved in the budget will **not** be allowed without advance approval in writing by the Grants Office.
3. Work on the project is to be completed within the dates set forth in the Grant Agreement. Work done outside the project period is not eligible for grant assistance. If a time extension becomes necessary, it should be requested at least thirty (30) days before the end of the grant period.
4. Services and/or materials that are expected to cost \$20,000 or more must undergo a formal notice and bidding process. In addition, any services to be performed by such professionals as architects, consultants, engineers, historical researchers, etc. that are expected to cost between \$5,000 to \$19,999 must be scoped out in writing and offered to a minimum of three (3) bidders. For purchases between \$500 and \$5,000, the Grantee must maintain financial records that verify the cost was competitively based on at least three verbal quotes.
5. Grantees must comply with Minn. Stat. Chap. 177.41-44 regarding prevailing wage rates and contracts and corresponding Rules 5200.1000 to 5200.1120.

B. Documentation

Within thirty (30) days after the project is completed, a Project Completion Report and a Financial Report including supporting documents must be submitted to the Grants Office. The Project Completion Report and the Financial Report form are to be completed and uploaded to the Grantee Portal. It is important to submit these reports promptly because grantees with overdue reports are not eligible to apply for grants until past due reports have been accepted by the Grants Office.

C. Records Retention

The grantee must keep project financial records on file for a minimum of six years.

D. Payment And Reimbursement Procedures

Once a Grant Agreement and a Letter of Agreement have been fully executed and the required declaration of state bond fund assistance initiated, the Grantee will be notified when project work may begin.

To obtain reimbursement under this agreement, the grantee shall submit a Request for Reimbursement Form and provide the Society with evidence that the portion of the project and its related expenditures for which payment is requested has been satisfactorily completed. The Society will make the final determination whether the expenditures are eligible for reimbursement under this agreement, that the work is in conformance to the **Secretary of the Interior's Standards for the Treatment of Historic Properties**, and verify the total amount requested. Reimbursement requests should be submitted no more frequently than monthly.

The Society shall review and respond to each reimbursement request within thirty (30) days. The response shall be either an approval of the request or an explanation of the basis for the disapproval and what must be done for

approval to be granted. An approved disbursement request shall be paid within thirty (30) days of the date of the approval unless receipt of the funds from the State is unduly delayed without fault of the Society. A total of 20% of the grant funds will be released as the final payment after work is complete and fiscal documentation, including documentation of the matching share, has been reviewed and accepted by the Society.

An electronic version of the *Scope of Work Form* can be found in the MNHS grants portal (http://www.mnhs.org/legacy/grants/docs_pdfs/Scope_of_Work_Form.pdf)



Scope of Work Form

Minnesota Historical Society Grant Office

The Scope of Work form is used to determine whether the proposed work meets the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, a requirement of the grants program. The *Standards* are a set of established common sense guidelines that consider the historic nature and character-defining features of buildings/structures when recommending treatments for their preservation. The *Standards* state that deteriorated historic features shall be repaired whenever possible. Where the severity of deterioration requires replacement, the new feature should match the old in design, composition, color, and texture, whenever possible.

Instructions for Completing the Grants Office *Scope of Work Form*:

DETAILED DESCRIPTION OF PRESERVATION WORK. A separate row should be used to describe each work item. In the **left block**, identify the architectural feature requiring work and indicate whether the feature described is original to the building, was added at a later date, or is new construction. Give the approximate date of the feature. Describe its physical condition. Indicate the photograph or drawing numbers that show the feature described. **Please include historic photos, if available.** In the **right block**, explain in detail the preservation work to be undertaken on the feature. List drawings, marked photographs, or catalog specification page numbers that show the preservation work.
Adobe Reader needed to fill out form – [Download Free Copy](#)

Required Supporting Documentation For Common Project Types:

Masonry

Photographs of existing masonry and mortar.
For Repointing: Mortar specifications. Existing mortar must be tested. Replacement mortar must match the historic mortar in composition, texture, color, and joint profile.
For Cleaning: Technical specifications for product and method.

Windows and Doors

Close-up/detail photographs and/or drawings of existing windows/doors and trim profile showing condition and configuration.
Manufacturer specification sheet for replacement window/door showing head, jamb, and sill details and section.
Must include information on elevation, muntins (if applicable), type of material (e.g. wood, aluminum), screens/storms, finish (e.g. painted), and glass type (e.g. single-pane, low-e, thermo-pane).

HVAC Replacement and Fire Suppression Systems

Manufacturer specification sheet for new unit or system.
Plan of installation, including locations of equipment, piping, vents. Describe any elements that will be visible from inside or outside of the building and any building features that must be altered to accommodate the new unit or system.

Roofs

Photographs and documentation of existing roofing.
Manufacturer's product description of replacement roofing (to include type of material, exposure).

Ramp Installation

Photograph of proposed location for ramp/lift.
Plan view and elevation drawing of ramp.

Examples:

NUMBER:	Architectural feature: <u>2nd Story Windows</u>	Describe work and impact on existing feature:
	Approx. date of feature: <u>1912 & later additions</u>	Windows will be repaired. Old glazing putty and broken panes will be removed. Areas of limited rot will be repaired with epoxy specially formulated for wood repair. Windows will be scraped, sanded and primed and painted. Two sills will require replacement. Replacement material will match existing in size, shape and material. Aluminum storms will be removed, and replaced with new wood surround storm windows – manufacture's details are attached.
	Describe existing feature and its condition: Windows are wood double hung windows. Windows are painted and in fair condition. Glazing putty in poor condition, paint is peeling. Small areas of rot on bottom sash and sills of many windows. Two window sills have extensive rot. Photo No. <u>4-6</u> Drawing No. <u>2</u>	
NUMBER:	Architectural feature: <u>main staircase</u>	Describe work and impact on existing feature:
	Approx. date of feature: <u>ca. 1880/unknown</u>	Replace missing balusters with matching pieces. Sand painted banisters and balusters and varnish. Replace treads as needed. Sand and paint stairs. Retain later stair as is.
	Describe existing feature and its condition: Original stair exists between 1st and 3rd floors. Some balusters missing and treads worn. Later stair from 3rd to 8th floors. Photo No. <u>9, 10</u> Drawing No. <u>A-12</u>	

**SCOPE OF WORK FORM
(continued page 2)**

Property Name

Property Address

DETAILED DESCRIPTION OF WORK: *Complete blocks below. See instructions on page 1.* **Date:** _____

No. 1	Architectural feature _____ Approximate date of feature _____
Describe existing feature and its condition:	
Photo no. _____ Drawing no _____	

Describe work and impact on existing feature:

No. 2	Architectural feature _____ Approximate date of feature _____
Describe existing feature and its condition:	
Photo no. _____ Drawing no _____	

Describe work and impact on existing feature:

No. 3	Architectural feature _____ Approximate date of feature _____
Describe existing feature and its condition:	
Photo no. _____ Drawing no _____	

Describe work and impact on existing feature:

No. 4	Architectural feature _____ Approximate date of feature _____
Describe existing feature and its condition:	
Photo no. _____ Drawing no _____	

Describe work and impact on existing feature:

**The Secretary of the Interior's Standards for the Treatment of Historic
Properties**

Kay D. Weeks and Anne E. Grimmer

**U.S. Department of the Interior
National Park Service
Cultural Resources Programs
Preservation Assistance Division**

**Washington, D.C.
1995**

PLEASE NOTE: The following text are only excerpts highlighting important elements of the *Standards*. For a complete copy of the *Standards*, either call the Grants Office at 651-259-3458 or download them from the National Park Service's (NPS) website at:

<http://www.nps.gov/tps/standards/four-treatments/standguide/index.htm>

General information about the Standards can be found on the NPS website at:

<http://www.nps.gov/tps/standards.htm>

The Secretary of the Interior is responsible for establishing professional standards and providing advice on the preservation and protection of all cultural resources listed on or eligible for the National Register of Historic Places.

The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings are intended to provide guidance to historic building owners and building managers, preservation consultants, architects, contractors, and project reviewers prior to treatment.

Treatments

There are Standards for four distinct, but interrelated, approaches to the treatment of historic properties – Preservation, Rehabilitation, Restoration, and Reconstruction. **Preservation** focuses on the maintenance and repair of existing historic materials and retention of a property's form as it has evolved over time. **Rehabilitation** acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character. **Restoration** is undertaken to depict a property at a particular period of time in its history, while removing evidence of other periods. **Reconstruction** re-creates vanished or non-surviving portions of a property for interpretive purposes.

In summary, the simplification and sharpened focus of these revised sets of treatment Standards is intended to assist users in making sound historic preservation decisions. Choosing an appropriate treatment for a historic property, whether preservation, rehabilitation, restoration, or reconstruction is critical. The choice always depends on a variety of factors, including the property's historical significance, physical condition, proposed use, and intended interpretation.

Preservation is defined as the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property. Work, including preliminary measures to protect and stabilize the property, generally focuses upon the ongoing maintenance and repair of historic materials and features rather than extensive replacement and new construction. New exterior additions are not within the scope of this treatment; however, the limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a preservation project.

Standards for Preservation

1. A property will be used as it was historically, or be given a new use that maximizes the retention of distinctive materials, features, spaces, and spatial relationships. Where a treatment and use have not been identified, a property will be protected and, if necessary, stabilized until additional work may be undertaken.
2. The historic character of a property will be retained and preserved. The replacement of intact or repairable historic materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Work needed to stabilize, consolidate, and conserve existing historic materials and features will be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. The existing condition of historic features will be evaluated to determine the appropriate level of intervention needed. Where the severity of deterioration requires repair or limited replacement of a distinctive feature, the new material will match the old in composition, design, color, and texture.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.

Standards for Rehabilitation

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property shall be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property shall be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, shall not be undertaken.
4. Changes to a property that have acquired historical significance in their own right shall be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize the restoration period will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources affected by a project will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and shall be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Restoration is defined as the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of time by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration period. The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a restoration project.

Standards for Restoration

1. A property will be used as it was historically or be given a new use which reflects the property's restoration period.
2. Materials and features from the restoration period will be retained and preserved. The removal of materials or alteration of features, spaces, and spatial relationships that characterize the period will not be undertaken.
3. Each property will be recognized as a physical record of its time, place, and use. Work needed to stabilize, consolidate and conserve materials and features from the restoration period will be physically and visually compatible, identifiable upon close inspection, and properly documented for future research.
4. Materials, features, spaces, and finishes that characterize other historical periods will be documented prior to their alteration or removal.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize the restoration period will be preserved.
6. Deteriorated features from the restoration period will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials.
7. Replacement of missing features from the restoration period will be substantiated by documentary and physical evidence. A false sense of history will not be created by adding conjectural features, features from other properties, or by combining features that never existed together historically.
8. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
9. Archeological resources affected by a project will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
10. Designs that were never executed historically will not be constructed.

CERTIFICATION FORMS

Certification of Eligibility (page 35)

Certification of Match (page 36)

An electronic version of the Certification of Eligibility can be found in the MNHS grants portal
(http://www.mnhs.org/legacy/grants/docs_pdfs/Certification_of_Eligibility.pdf)

CERTIFICATION OF ELIGIBILITY

I hereby certify that _____ is a public entity

as defined by Minnesota Statutes 16A.695.

SIGNED:

(Signature)

Title (Date)

CERTIFICATION OF MATCH

An electronic version of the Certification of Match can be found in the MNHS grants portal
http://www.mnhs.org/legacy/grants/docs_pdfs/Certification_of_Match.pdf

I hereby certify that the _____ (name of applicant) has committed sufficient funds to meet the State Capital Projects Grants-in-Aid program match requirements and complete the proposed project.

Signed:

 Signature (Authorized Official) date

 Print Name

 Print Title

**MINNESOTA HISTORICAL SOCIETY
LETTER OF AGREEMENT GOVERNING USE OF HISTORIC SITE**

This agreement is made on the _____ day of _____, 20____, by the APPLICANT'S NAME (hereinafter referred to as the GRANTEE), and in favor of the State of Minnesota acting through the Minnesota Historical Society's State Historic Preservation Officer (hereafter referred to as the SOCIETY), for the purpose of preservation of a certain property known as the: NAME OF PROPERTY which is owned by the GRANTEE and is listed on the *National Register of Historic Places*.

The Property is comprised of grounds, collateral, appurtenances, and improvements and is known as the NAME OF PROPERTY. The Property is located at: ADDRESS OF PROPERTY.

In consideration of the sum of GRANT AMOUNT (\$XX,XXX) received through the State Capital Projects Grants-in-Aid Program through the SOCIETY from the State of Minnesota (MHS Grant Number: XXXXXX), the GRANTEE hereby agrees to the following for a period of five/ten/twenty (5/10/20) years:

1. The GRANTEE agrees to assume the cost of the continued maintenance and repair of said Property so as to preserve the architectural, historical, or archaeological integrity.
2. The GRANTEE agrees that no visual or structural alterations will be made to the property without prior written permission of the SOCIETY.
3. The GRANTEE agrees that the SOCIETY, its agents or designees shall have the right to inspect the property at all reasonable times in order to ascertain whether or not the conditions of this agreement are being observed.

This agreement shall be enforceable in specific performance by a court of competent jurisdiction.

MINNESOTA HISTORICAL SOCIETY
345 Kellogg Boulevard West
Saint Paul, Minnesota 55102-1906

GRANTEE

*Nina M. Archabal, Director and
State Historic Preservation Officer*

signature – authorized officer

Date: _____

Date: _____

print name and title

JOBS REPORTING

(a) Pursuant to Minn. Stat. Sec. 16A.633, subd. 4, MNHS is required to report the number of jobs created or retained by the Project. To enable MNHS to comply with Minn. Stat. Sec. 16A.633, subd. 4, the GRANTEE is required to report the number of jobs created or retained by the Project to MNHS as set forth below.

(b) The GRANTEE shall require all of its contractors to report the information below to the GRANTEE. The GRANTEE shall then report to MNHS. Each report must contain the following:

- (1) The name of the Project.
- (2) Project Start Date.
- (3) Project Completion Date.
- (4) The County where the Project is located or, if it is located in more than one county, where it is primarily located.
- (5) Job Type. Jobs should be classified as either (i) engineering/professional, (ii) construction, or (iii) other. Manager and supervisor jobs shall be classified as category (i), (ii) or (iii) based on the nature of the work those individuals spent the majority of their time overseeing.
- (6) Hourly Wages. Jobs should be classified according to the hourly pay ranges below. Overhead or indirect costs or the value of pensions or other benefits should not be included in wages.
 - (i) less than \$10.00,
 - (ii) \$10.01 to \$15.00,
 - (iii) \$15.01 to \$20.00,
 - (iv) \$20.01 to \$25.00,
 - (v) \$25.01 to \$30.00,
 - (vi) \$30.01 to \$35.00,
 - (vii) \$35.01 to \$40.00, or
 - (viii) more than \$40.00.
- (7) Jobs.
 - a. Jobs should be classified as either (i) jobs created or (ii) jobs retained; they will not be counted as both. A “job created” is a new position created and filled, or an existing unfilled position that is filled, because of the Project. A “job retained” means a job at a specific wage level that existed prior to beginning the Project that would have been lost but for the Project. Only jobs in Minnesota should be counted.
 - b. Jobs should be expressed in “full-time equivalents” (FTE). In calculating an FTE, the number of hours worked during the Reporting Period should be divided by 2,080 (the number of hours representing a full work schedule in a Reporting Period). Jobs should be reported regardless of when the Project or an individual’s employment began or ended. Jobs are to be calculated based on hours worked in the current Reporting Period only, so that reporting is not cumulative.
 - c. Jobs should not be separated into full-time, part-time, temporary, seasonal, etc. Instead, all hours should be totaled and converted into FTEs as indicated above.

(c) Each contractor will report its workforce and the workforce of its subcontractors active during the Reporting Period. This includes employees actively engaged in the Project who work on the jobsite, in the Project office, in the home office or telecommute from home or other alternative office location. This includes, but is not limited to, any engineering personnel, inspectors, sampling and testing technicians, and lab technicians performing work directly in support of the Project. This does not include material suppliers such as steel, culverts, guardrail and tool suppliers. Only hours that relate to time spent on the Project should be reported.

(d) The GRANTEE must incorporate these reporting requirements into its contracts with its contractors (in part so that contractors can add the requirements to their contracts with subcontractors and impose deadlines on reporting by subcontractors).

(e) To distinguish the jobs reported by contractors that were funded by the Program Grant, the GRANTEE must multiply the job numbers reported by each contractor in each category above by the percentage of total Project costs funded by the Program Grant (e.g., if the Program Grant was 40% of total Project costs, the Grantee should multiply the jobs numbers given in each category by 40% to arrive at the number of jobs funded by the Program Grant) and it is those numbers that should be reported to MNHS.