



## LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

CENTENNIAL OFFICE BUILDING, 1<sup>ST</sup> FLOOR  
658 CEDAR STREET  
ST. PAUL, MINNESOTA 55155

Phone: (651) 296-2406  
Email: [lccmr@lccmr.mn.gov](mailto:lccmr@lccmr.mn.gov)  
Web: [www.lccmr.mn.gov](http://www.lccmr.mn.gov)

Becca Nash, Director

# Environment and Natural Resources Trust Fund (ENRTF) Capital Construction Project Requirements

UPDATED: December 23, 2024

*The following information provides guidance on requirements for the pre-design, design, construction, and renovation of a building, trail, campground, or other long-lived (10 years or more) fixed capital asset costing \$10,000 or more (“capital construction project”) undertaken using monies from the ENRTF. These should be considered minimum requirements and may be modified in the future. Additional non-ENRTF state requirements may also apply to a project.*

*Note: **land acquisitions** for purposes of capital construction and large-scale stream or wetland **restorations** are also “capital construction projects” and may be subject to one or more of the following requirements. See respective ENRTF Fee Title Acquisition, ENRTF Easement Acquisition, and ENRTF Restoration requirement summaries for a complete list of the relevant requirements.*

### Project Requirements for ENRTF-Funded Capital Construction Projects

#### A. Match and Full Funding\*

1. Full funding to complete the project or project phase must be legally committed and determined sufficient before ENRTF funding will be released for construction. See [M.S. 116P.21, Subd. 1](#) for more information.
2. A non-ENRTF match (cash or in-kind) of at least 25% of the total costs to complete the project or project phase is required. See [M.S. 116P.21, Subd. 2](#) for more information.

#### B. Resolutions or Letters of Authorization

1. Non-state entities must submit a resolution or letter from their governing board that commits to fund operations and maintenance once completed. Please use the [governing board resolution or letter template](#).
2. If the project will have an external fiscal agent, a resolution or letter from the fiscal agent’s governing board acknowledging its commitment to serve as the fiscal agent is required. Please use the [fiscal agent resolution or letter template](#).

#### C. Consultation and Review

1. Pre-design documents must be submitted and reviewed by the Minnesota Department of Administration’s Real Estate and Construction Services if the total construction costs exceed statutory thresholds, unless the project is exempted. See [16B.335, Subd. 3](#), the Minnesota Department of Administration’s [Predesign Manual for Capital Budget Projects](#), and the [Addendum to the Predesign Manual for ENRTF Capital Construction Projects](#) for more information.

2. Compliance with state requirements for historic and archeological review to avoid adverse impacts to historic and archaeological properties. Early consultation with the Minnesota State Historic Preservation Office (SHPO) is highly recommended. See [M.S. 138.40, Subd. 3](#); [M.S. 138.665, Subd. 2](#); [M.S. 138.666](#) and visit the [SHPO site](#) for more information.

#### D. Energy Conservation and Sustainable Building Guidelines

1. Compliance with state sustainable building guidelines and energy conservation standards is required for construction of new buildings or major renovations of existing buildings (>10,000 gross square feet of conditioned space and replacement of all or a substantial part of HVAC systems). Consultation with the [B3 Program](#) prior to ENRTF proposal submission and enrollment in the B3 Tracking Tool as part of the project is essential for meeting these requirements. Review the [Minnesota B3 Guideline and SB 2030 Energy Standards](#) for additional information.
2. Compliance with other applicable state requirements for energy conservation and sustainable building, including but not limited to:
  - Renewable Energy. Deploy alternative or renewable energy sources and meet capacity requirements. This primarily applies to state-owned buildings and facilities. See [M.S. 16B.32](#) for more information.
  - Recycling of Nonhazardous Construction and Demolition Waste. Divert from landfill and recycle a certain percentage (generally at least 75%) of nonhazardous construction and demolition waste. See [M.S. 16B. 327](#) and the [sustainable building guidelines](#) for more information.

#### E. Contracting, Purchasing, and Wages

1. Appropriate assurances, such as a fixed price contract or performance bond, must be in place between the entity receiving funding and the contractor that construction will be completed in a manner consistent with the approved work plan and design.
2. Compliance with applicable state requirements for contracting, purchasing, and wages is required, including but not limited to:
  - Prevailing Wages. For construction projects above a certain dollar threshold and funded wholly or in part by state funds, contractors must pay a minimum hourly wage for certain workers. See [M.S. 177.41](#) to 177.44 and the [MN Department of Labor and Industry](#) website for more information.
  - Competitive Bidding for projects of certain dollar thresholds. See [M.S. 16C.28](#) and [M.S. 471.345](#) for more information.
  - Responsible Contractors. Award competitively bid contracts of more than \$50,000 to contractors meeting minimum criteria. See [M.S. 16C.285](#) for more information.
  - Targeted Group Purchasing. Contracts for capital construction projects with a total project cost >\$100,000 must promote the use of targeted businesses designated by the state, which are owned and operated by women, individuals with disabilities, or members of minority groups. Applies to state agencies, political subdivisions, and non-government organizations. See [M.S. 16C.16](#) for more information.

F. Accessibility

1. Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.
2. Compliance with other applicable state requirements for accessibility, including but not limited to:
  - Accommodations for hard-of-hearing in state-funded capital projects that include space for public gatherings of more than 15 people. See [M.S. 16C.054](#) for more information.

G. No Conveyance or Alteration of Intended Use\*

1. Neither the intended use nor the ownership of any building, trail, campground, or other capital asset constructed wholly or partially with ENRTF funds may be altered for 25 years except for certain circumstances with prior approval of the LCCMR. See [M.S. 116P.15, Subd. 3](#) for more information.

H. Funding Acknowledgement and Signage

1. Acknowledgement of financial support from the ENRTF is a legal requirement of all ENRTF appropriations. A durable and fixed sign acknowledging funding from the ENRTF must be displayed in a prominent location at the main entrance of the project site once construction is completed and prior to the site opening for use. See ENRTF [acknowledgement requirements](#) for how to satisfy this requirement.

I. Initial and Ongoing Reporting

1. Prior to receiving final reimbursement, confirmation is required that all required inspections of the completed work by municipal or governmental authorities having jurisdiction have been completed and that all required certificates of occupancy or similar approvals have been issued.
2. A notice of funding restriction must be placed on the property prior to final reporting to ensure the intended use of the land is not altered and that no conveyance of ownership occurs. See [M.S. 116P.15, Subd. 3](#) for more information. \*
3. A report must be submitted to the LCCMR by December 1 each year confirming, among other things, that neither the ownership nor the intended use of the capital asset has changed. See [M.S. 116P.16](#) for more information. \*

\*Effective for projects funded on or after July 1, 2025