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The Legislature Builds Its Taj Mahal

American Experiment's annual award
highlights the state's wasteful spending
of taxpayers' money.



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—American Experiment president John Hinderaker

THE WINNER
\$729 million

The Minnesota Legislature is about to build another new office building for themselves, and the Golden Turkey committee is here for it. Without a single vote on the floor of the House or Senate, this wasteful spending project and lack of transparency earned the Minnesota House this year’s Golden Turkey Award, given by Center of the American Experiment. Most employees at the Minnesota House of Representatives *still* haven’t fully returned to the office since the COVID-19 shutdowns, but that’s not stopping them from building their own Taj Mahal costing more than double what they spent on the entire State Capitol building renovation.

In the closest vote in Golden Turkey history, the State Office Building overtook the Northern Lights Express train to Duluth after it was announced that high interest rates for the palatial project ballooned the cost to \$729 million. Over 3,000 Minnesotans participated in this year’s contest.

The Golden Turkey Award is a light-hearted contest to bring attention to the budget and allow Minnesotans to weigh in on the silliest spending of the year. Past winners include the Feeding Our Future fraud, Gov. Tim Walz’s \$6.9 million unused morgue, and an extravagant rest stop on Highway 35.

“Never before has the cost of a Golden Turkey nominee increased during the voting window,” says John Hinderaker, president of Center of the American Experiment. “Once the building cost grew to \$729 million, it became the obvious choice for the most wasteful project of 2023.”

The building received additional votes when it was revealed that a private balcony facing the Capitol would be part of the design, open only to members of the Majority House Democratic membership.

We all remember back in 2014 when Senate Democrats

came up with a creative way to finance the new Senate Office Building. Rather than go through the normal state bonding process, which requires a supermajority vote in the legislature, they used “certificates of participation.” That building cost \$90 million and was one of the reasons Senate Democrats lost their majority in the 2016 election. If the Golden Turkey Awards were around back then, this building surely would have been a top contender.

Perhaps out of jealousy, the House used a similar process to build their new office space. Since the House has twice as many members as the Senate, the project should cost twice as much as the Senate building, right? Don’t be silly! The new State Office Building will cost almost \$729 million. That’s *seven times* the cost of the Senate Office Building and twice the cost of the State Capitol renovation in 2017.

The State Office Building (SOB) is the home of the Minnesota House of Representatives and the Secretary of State. The building was built in 1932 and contains an office for all 134 members of the House along with their staff. The top floors house the Legislative Reference Library, the House Research Department, and the Revisor’s Office. The SOB is next door to the Transportation Building and across the street from the Capitol.

No one argues the building isn’t old and in need of repair. But in true state government fashion, House leaders are going well beyond “needed repairs” to build themselves a brand-new building fit for royalty. Rep. Kurt Daudt (R-Crown) called it the “Taj Mahal of office buildings.”

Their main argument for a new building is safety and security. According to House leadership, it is impossible to keep members and staff safe in the current building. So rather than doing something about the rampant lawlessness in the surrounding neighborhood — not to mention the entire state — their solution is to spend \$729 million of taxpayer money to build themselves a fortress. Why didn’t we think of that?

The current building is 290,000 square feet. The new building will be 456,000 square feet thanks to a massive new wing for committee hearings and will be open to the public. That way, House members can wall themselves off in the other wing behind metal detectors and security. The days of popping in on your state representative are over — appointment only, please! Odd, considering most of their employees haven’t fully returned to the office since COVID and House employees are only required to be at the office two days a week. Not to mention the fact that the House is only in session from January to May.



If the boondoggle building doesn't make you mad enough, wait 'til you hear how they funded it, or more accurately, how they failed to fund it. The House knew spending almost \$729 million on an opulent new office building wouldn't be popular with voters, so they approved the expenditure using a convoluted two-step process. First, they slipped a provision into an omnibus bill that authorized the state to set up a spending account for safety improvements on buildings near the Capitol built before 1940 (turns out there's only one building that qualifies). One year later, the House Rules Committee (not the full House or Senate) approved the renovation of the SOB using the same certificate of participation scheme used for the Senate office building.

Even the financing of this project qualifies as a boondoggle since certificates of participation require much larger interest payments than normal debt, which is how the project ballooned from \$454 million to \$729 million. All of this was done to avoid a transparent debate in the House and Senate where legislators could be held accountable for their votes. Not a single member, Republican or Democrat, objected as the bill was passed in 2021 allowing this to happen. No one even mentioned a new SOB as the language was passed. As a matter of fact, the only discussion of the provision came in the House Ways and Means Committee when bill author Rep. Mike Nelson (DFL-Brooklyn Park) offered an amendment, saying: "Madam Chair, the A-4 amendment is something that's being worked out between the Governor and the two leaders in the House and the Senate having to do with setting up a Capitol security account to deal with security issues around the Capitol complex. It's authorizing revenue bonds and certificates of participation to be sold to create this fund to deal with the security issues that we have at the Capitol."

A sleepy amendment to address "security issues" turned into a \$729 million renovation project. The new SOB won the Golden Turkey not only because it's a shrine to wasteful spending of taxpayer money, but also because the process to approve it lacked transparency and accountability.

Runner-up

The Northern Lights Express, yet another wasteful train project

The Golden Turkey committee tried to get through the nomination process this year without choosing a rail or bus project, but those plans were derailed (get it?) when the legislature spent \$194.5 million on a train from Minneapolis to Duluth called the Northern Lights Express. For a \$35 ticket, riders leave from Target Field Station in downtown



\$194.5 million

Minneapolis and arrive in downtown Duluth 2.5 hours later — exactly how long it takes by car. Once in Duluth, you're on your own. Want to go to Canal Park? Just walk across the bridge over Highway 35. How about getting to the North Shore? Better rent a car, it's another two hours. You'll have to try an Uber to get anywhere else in Duluth. Have your husband and kid with you? That's another \$70 one-way. Dig deep in those pockets to get back home: \$35 please!

The genius transportation planners have pegged ridership for the Northern Lights Express at 750,000 in the first year and one million by 2040. And we all know their track record (get it?) on ridership projections from previous projects like the Northstar Commuter Rail. Never mind the exact same line was discontinued in 1985 due to (you guessed it) lack of ridership.

Supporters of the train point to an important stop about halfway to Duluth to bolster their ambitious ridership numbers: Grand Casino Hinckley. But will senior citizens from the Twin Cities drive or Uber downtown to ride a train for \$35 to get to the casino? You can play a lot of nickel slots with \$35 (just sayin'). Since the train stop in Hinckley is more than a mile from the casino, they will have to factor in a shuttle ride as well.

The total cost of the new train is projected to be \$592.3 million, and the balance was supposed to come from the federal government. But the project only received \$500,000 from the Federal Railroad Administration's first round of funding (totaling \$8.2 billion). And that's just to build it. The Minnesota Department of Transportation predicts fare income will only pay for 63 percent of the \$18.9 million needed to operate the line each year. The rest will be picked up by state taxpayers.

Supporters also tout the creation of 3,000 construction jobs and 500 permanent jobs once the line is operating. They also brag about creating \$15 million in local and state sales tax revenue during the construction process. Spending almost \$200 million in income tax revenue will yield \$15 million in sales tax revenue. Yay us!

American Experiment economist John Phelan (esteemed member of the Golden Turkey Award committee) summed up the Northern Lights Express project this way: "It only makes sense to subsidize things people will actually use. This train will end up being a very expensive way to ferry oxygen from one part of the state to another."

Third place

The Governor's (money pit) mansion

The first person Tim Walz called after he became governor in 2018 was his real estate agent in Mankato. Since the job of governor includes the perk of living in a historic mansion on Summit Avenue, he could ditch his mortgage and move the family to St. Paul. After comfortably winning a second term, Walz proposed a \$7 million renovation to the mansion, which quickly ballooned to \$12 million over the summer. The Golden Turkey committee questioned the need for the expensive renovations and, more broadly, the need for the residence in the first place.





\$12 million

In 1965, Olivia Dodge generously donated her family home in the renowned St. Paul neighborhood to the State of Minnesota to be used as the official residence of the governor and his family. Most governors moved in temporarily during their tenure but usually kept their family home. Gov. Tim Pawlenty had two daughters still in high school when he was governor, so the Pawlenty family used the mansion sparingly and mainly for meetings and social events. Jesse Ventura's son infamously held wild parties at the residence when his parents stayed at their Maple Grove home on weekends. At one point, the State Patrol was collecting driver's licenses of party guests to make sure there was no underage drinking. Contrast that with Democrats Mark Dayton and Walz, who immediately sold their homes and moved into the mansion on Summit, saving themselves a monthly mortgage payment.

The effort to renovate the mansion has been a problem from the beginning. Since Walz doesn't own a home, the first thing he had to do was find a temporary place to live during construction. Somehow, he thought it would be a good idea to rent an 18,000-square-foot lakeside home in tiny Sunfish Lake with a monthly rent of \$17,000. After getting pounded by the press and Republican lawmakers for the price tag, Walz was saved from further ridicule by a timely vacancy in the president's house at the University of Minnesota and wisely decided to move there instead. Hopefully we got the security deposit back on the Sunfish Lake property.

Unfortunately, any savings didn't last long because the cost to renovate the mansion increased from \$7 million to \$12 million. The cost increases were so large that they forced the Department of Administration to pause and ask legislative leaders for permission to proceed with the renovations. Since most of them imagine living in the Governor's Mansion someday, Walz had no trouble getting the green light. Speaker of the House Melissa Hortman told MPR she's "not surprised it's an expensive proposition to house the governor in a secure location." They always fall back on the security issue.

For decades, Minnesota governors have used private fundraising to upgrade the mansion. At one point in the Ventura administration, the mansion was closed and the staff laid off. But the attitude of today's state government is spend, spend, spend. Always with someone else's money.

The rent fiasco and cost increases made the governor's mansion an easy nominee for a Golden Turkey this year. Votes for this project also sent the message to St. Paul that another solution should be found to safely (and affordably) house the governor and his family.

Fourth place

Flying squirrel research

When they tell you we can't afford to "fully fund" schools, house the homeless, and take care of grandma in the nursing home, just respond with these three words: flying squirrel research. That's right, Minnesota's state government spent the entire \$17.6 billion surplus, raised taxes an additional \$9 billion, and still had \$186,000 left over to study flying squirrels.

Specifically, the legislature sent \$186,000 from the Environment and Natural Resources Trust Fund (ENRTF) to the Natural Resources Research Institute in Duluth "to determine current distribution and habitat associations of northern and southern flying squirrels to fill key knowledge gaps in flying squirrel status in Minnesota."

Forget the education achievement gap — the flying squirrel knowledge gap must be addressed with this groundbreaking research. It turns out southern flying squirrels have been migrating farther and farther north every year and researchers in Duluth have a hypothesis about the cause: climate change.

Climate change! You've said the magic words. Please pass Go and collect your \$200 (which will be taxed). In order to save the planet from the impending doom of global warming, we must study the migration habits of flying squirrels in northern Minnesota.



\$186,000

Funding for this project is just one example of hundreds from the ENRTF, a frequent target for the Golden Turkey committee. Past nominees include giving homeowners \$350 grants to *not* grow grass in their yards, a \$1,000 grant for a woman to host a hands-on climate-mapping workshop where participants create maps of their personal emotional terrain of climate change, and \$250 million to find a noise that will deter bald eagles from flying into windmills. The ENRTF is the gift that keeps on giving (with your money) to the Golden Turkey committee.

As with many things in state government, flying squirrel research began with a small pilot program (\$7,500). This year's \$186,000 grant will fund the expansion into big-time academic research. Soon we'll have an entire academic department dedicated to small mammal research with a dozen employees.

You don't have to waste millions or billions of dollars to qualify for a Golden Turkey award. In fact, sometimes it's the smaller projects that infuriate us the most. For this reason, flying squirrel research at the University of Minnesota Duluth was nominated for a Golden Turkey award. ★