

ACEC

Minnesota

2026 WINTER NEWSLETTER

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Mayo Clinic Anna-Maria and
Stephen Kellen Building

by

HDR



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“ENGINEERING MAKES IT WORK”

MESSAGE FROM THE CEO



With this issue of our quarterly newsletter, I step into the role of Chief Executive Officer of ACEC Minnesota. It is a privilege to serve an organization that plays a central role in Minnesota’s built environment and in the professional lives of its members.

ACEC Minnesota’s strength comes from its engaged members and volunteer leaders, supported by staff who move priorities and partnerships forward every day. I have begun meeting with members and leaders across the organization. Learning about their work has been instructive and grounding.

Reviewing this year’s Engineering Excellence Awards projects has been one of the clearest ways to understand how engineering makes it work in practice. The projects span the state and reflect a wide range of public and private investments, including trail connections, water treatment facilities, transit infrastructure, higher education and nonprofit facilities, roadway and bridge reconstruction, and materials research. [I invite you to review the projects and vote for this year’s People’s Choice Award.](#) While the project types vary, they share a common thread in the role engineering plays across Minnesota.

Even that overview understates the role consulting engineers play in daily life. Hanging in our offices is a poster from the association’s earlier days, when it was known as CECM, listing the things you simply cannot do without an engineer. The framing has changed over time, but the underlying truth has not. *Engineering Makes It Work.*

I am grateful for the trust placed in me by the Board and for the opportunity to support this industry in a thoughtful and durable way. I have enjoyed getting to know a portion of the membership so far and look forward to meeting many more of you as we continue this work.

A handwritten signature in black ink that reads "Megan Dayton". The script is elegant and cursive.

Megan Dayton, Ph.D.

FEATURED MEMBER PROJECT



Advancing Translational Research

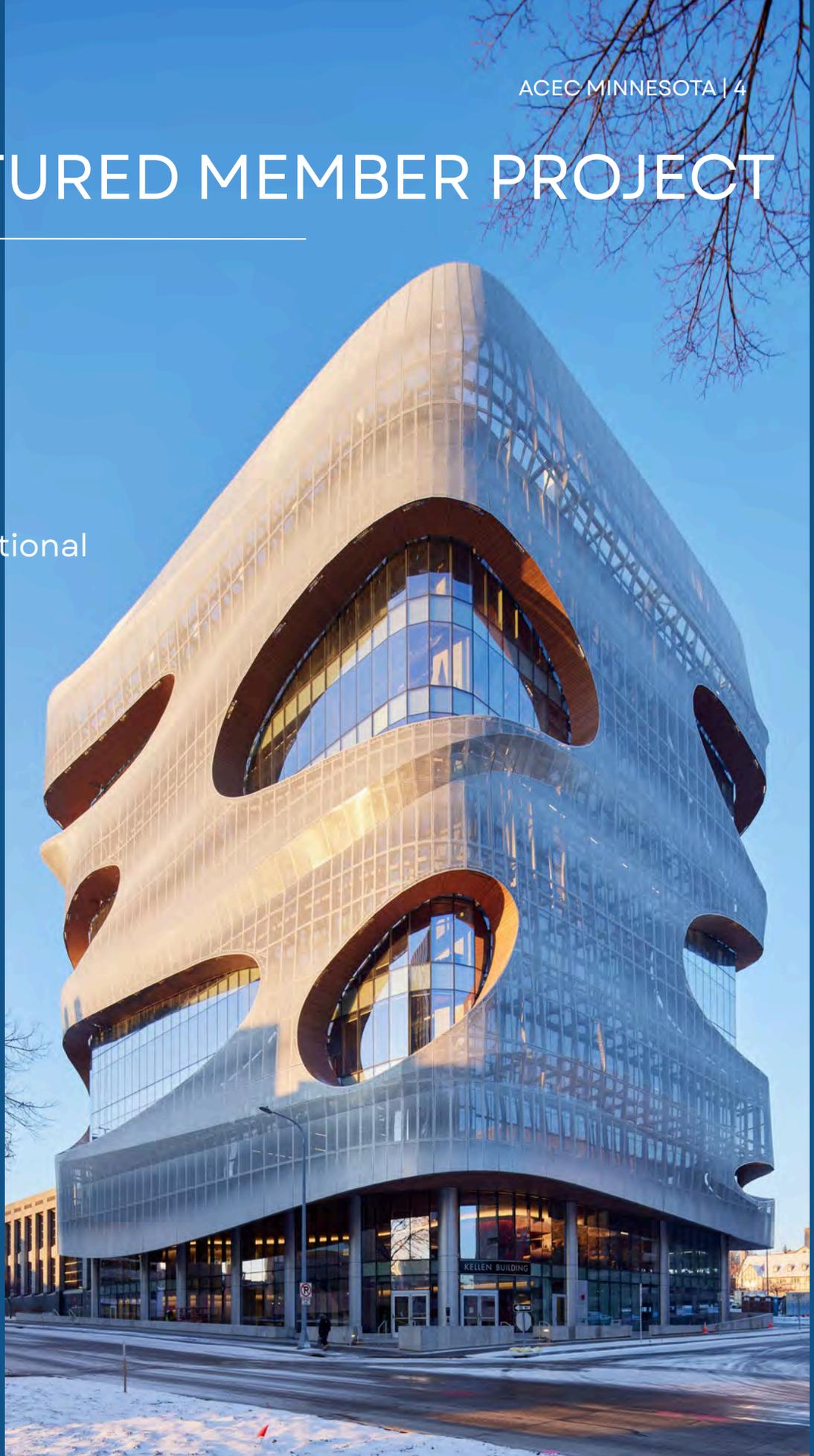
The Anna-Maria and Stephen Kellen Building integrates spaces for basic and applied research, supporting Mayo Clinic's focus on translating scientific discovery into clinical care. Located on the southwest edge of the Rochester campus, the facility connects key research functions and strengthens collaboration across disciplines.

Location

Rochester, Minnesota

Size

174,000 sf



Façade Performance and Energy Efficiency



The Kellen Building's façade was engineered as an active component of the building's environmental performance rather than a purely architectural expression. A double-skin envelope, developed through computational modeling, allows façade behavior to vary across the building in response to orientation and solar exposure.

Laser-cut aluminum panels adjust in opacity based on location, balancing daylight access with solar mitigation. This strategy reduces mechanical loads while supporting occupant comfort and visual connection to the surrounding campus. By integrating passive façade performance with building systems, the envelope supports long-term energy efficiency and operational resilience without relying solely on active controls.

- Double-skin façade designed to respond to orientation and solar exposure
- Laser-cut aluminum panels with variable opacity tuned to location
- Passive solar mitigation reduces reliance on mechanical systems
- Envelope strategy supporting daylighting and long-term efficiency

Engineering for Adaptable Research Environments

The Kellen Building was designed to support a wide range of research activities with varying technical and safety requirements. Rather than applying uniform laboratory standards throughout, the building uses a risk-based approach that aligns infrastructure with the specific demands of different research programs.

Laboratory spaces are organized in layers, with open labs and workspaces located along the building perimeter and more intensive laboratory support functions positioned internally. This organization supports daylight access and collaboration while maintaining appropriate separation for higher-intensity research activities.

Mechanical systems are designed to respond to this layered organization. By tailoring ventilation, pressure control, and environmental systems to the actual risk profile of the work being performed, the building avoids unnecessary energy use while maintaining research integrity and safety. This strategy also allows spaces to be adapted over time as research needs evolve, without requiring wholesale system replacement.

Through the coordinated planning of laboratory layout and building systems, the Kellen Building offers efficiency and long-term usability in a dynamic research environment.





Designing **Beyond** the Immediate Need

Research environments must accommodate change as much as precision. The Kellen Building embodies an engineering approach that anticipates evolving programs and technologies, enabling the facility to adapt over time while maintaining operational stability.

For more information about this project, visit: <https://www.hdrinc.com/portfolio/mayo-clinic-anna-maria-and-stephen-kellen-building>.

DAY AT THE CAPITOL 2026

Join Us
Thursday,
March 5th
@ 1:30 PM

This year, we've got a new format for our Day at the Capitol - drop in any time between 1:30-3PM to connect with legislators, leadership from state agencies, and fellow ACEC/MN members to engage on the issues shaping consulting engineering in Minnesota.

We will highlight the engineering industry with displays, including our 2026 Engineering Excellence Awards projects, which demonstrate the breadth and geographic reach of our members' work across the state and provide a tangible way to talk about impact and outcomes.



[CLICK
HERE
TO
REGISTER](#)



Contact john@acecmn.org
with questions



DAY AT THE CAPITOL 2026

Visibility Matters

Policy conversations shape priorities long before specific bills appear. Member presence helps ensure consulting engineering is visible as those priorities take form, rather than reacting after decisions are already framed.

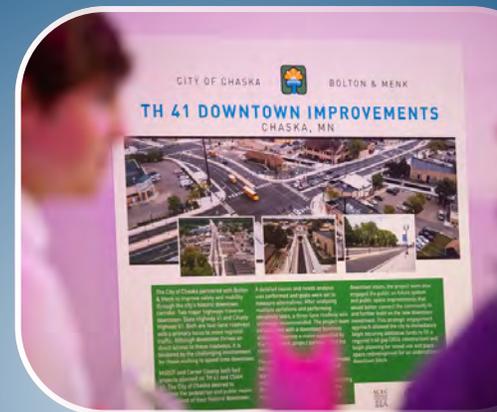
Built on Relationships

Relationships built before issues become urgent are the most effective. Day at the Capitol provides a low-pressure opportunity to reinforce ACEC Minnesota's visibility and credibility with policymakers and staff.

Policy to Practice

Many legislative decisions hinge on how policy is implemented. Member presence helps ground conversations in real-world project delivery and constraints.

Contact john@acecmn.org with questions



CONSTRUCTION SECTOR

FALL 2025 SURVEY

Each quarter, the Federal Reserve Bank of Minneapolis conducts a survey to capture real-time conditions in the architecture, engineering, and construction (AEC) industry across the Upper Midwest.

The survey gathers input on activity levels, backlogs, labor, costs, and expectations, and offers an early view of shifting conditions.



ACEC Minnesota Members Participate

The pages that follow summarize recent survey findings and what they indicate about current conditions in the AEC sector.

AEC AT A GLANCE

NET NEGATIVE ACTIVITY

- 32%** increase
- 47%** decrease
- 21%** no change

Survey responses indicate that more firms experienced declines in activity than growth in fall 2025. While a meaningful share of firms reported increased activity, nearly half reported decreases compared with the same period a year earlier. Overall conditions point to a softer construction environment rather than a uniform downturn.

SHIFTING CHALLENGES

- 55%** competition
- 45%** policies/reg.
- 33%** labor avail.

As activity slowed, competition for available projects emerged as the most frequently cited challenge among surveyed firms. Policy and regulatory conditions and labor availability followed as additional pressures. Together, these responses suggest firms are navigating a more constrained and competitive operating environment.

CAUTIOUS OUTLOOK

- 25%** optimistic
- 45%** pessimistic
- 30%** unchanged

Looking ahead, expectations were mixed but leaned cautious. While some firms reported a more optimistic outlook, a larger share expressed pessimism or anticipated little change. The results point to watchful planning as firms assess near-term conditions.

Source: Federal Reserve Bank of Minneapolis, Fall 2025 Construction Sector Survey



PROPOSALS BY SECTOR

PUBLIC

48% report **fewer**

27% report **more**

remaining respondents reported no change

PRIVATE

41% report **fewer**

32% report **more**

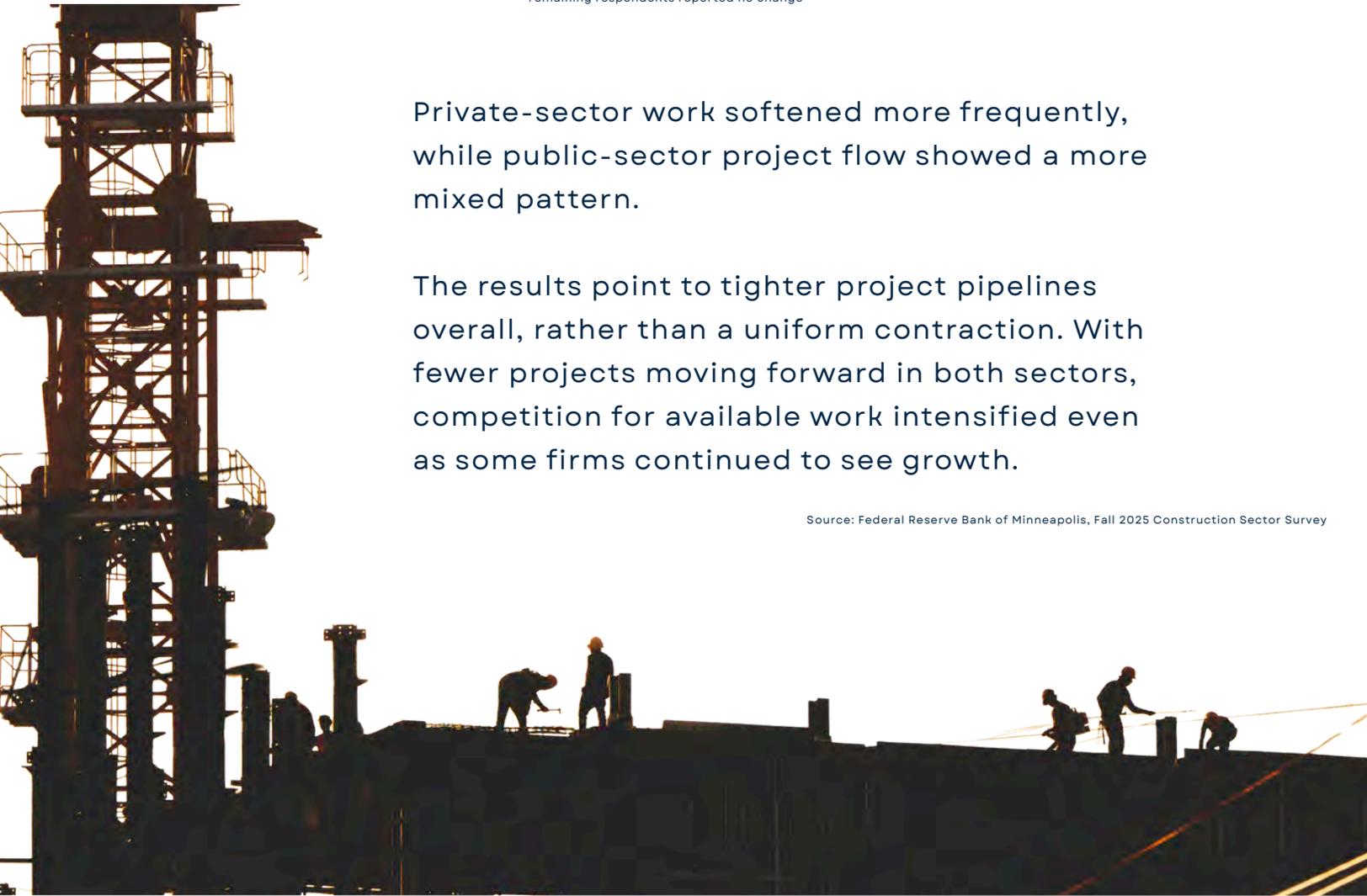
remaining respondents reported no change

Survey responses indicate that new project activity declined in both the public and private sectors during the fall of 2025.

Private-sector work softened more frequently, while public-sector project flow showed a more mixed pattern.

The results point to tighter project pipelines overall, rather than a uniform contraction. With fewer projects moving forward in both sectors, competition for available work intensified even as some firms continued to see growth.

Source: Federal Reserve Bank of Minneapolis, Fall 2025 Construction Sector Survey



READING THE SIGNALS

The Construction Sector Survey does not point to a single, uniform story. Instead, it reflects a period of adjustment, with activity softening, competition intensifying, and expectations remaining mixed across the AEC sector.

Importantly, the results show meaningful variation across firms and markets. While fewer projects are moving forward overall, a substantial share of firms continue to report stable or increasing activity. This dispersion helps explain why competition has intensified even as some firms remain busy.

Survey responses are best read as indicators of direction rather than precise forecasts. They capture how firms are experiencing current conditions and how they are planning in the near term, rather than long-range outcomes.

For members interested in a deeper discussion of the findings, the Federal Reserve Bank of Minneapolis provides additional analysis in its article *Uncertainty and Increased Competition Impact Construction Firms*, available here:

minneapolisfed.org/article/2025/uncertainty-and-increased-competition-impact-construction-firms

Firm leaders can expect outreach for the next quarterly survey this spring.

LEGISLATIVE UPDATE

U.S. Senator Amy Klobuchar announced in January that she will enter the 2026 race for Governor of Minnesota.

Klobuchar, who has represented Minnesota in the U.S. Senate since 2007, framed her decision around her experience and the importance of stable executive leadership during a period of fiscal, administrative, and political strain.

Her entry reshapes the early contours of the gubernatorial race and introduces a candidate with deep statewide name recognition and long-standing relationships across state and federal agencies. While the primary field remains unsettled, Klobuchar's candidacy is expected to influence both the pace and tone of the campaign.



From a policy perspective, the announcement adds another layer of uncertainty to an already compressed legislative session. Executive-branch leadership priorities and longer-term capital planning may remain fluid as the campaign unfolds. For the consulting engineering industry, this reinforces the importance of maintaining clear communication with policymakers and agency partners, particularly as decisions related to capital investment, energy, transportation, procurement, and regulatory implementation continue throughout the session.

ACEC Minnesota will continue to monitor developments in the gubernatorial race and assess potential implications for infrastructure policy and the state's capital program.

WHAT WE'RE WATCHING IN 2026



This year's Legislative Session begins February 17

- ✓ Capital investment and bonding in a shorter, closely divided session
- ✓ Increased scrutiny of agencies may affect project approval or administration
- ✓ Changes to permitting or regulatory processes
- ✓ Procurement and contracting requirements
- ✓ Workforce and credentialing rules
- ✓ Session pace and late-stage decision-making

ENERGY & NATURAL RESOURCES COMMITTEE EVENT

On November 20, ACEC Minnesota members gathered in Duluth for an Energy & Natural Resources Committee discussion focused on Minnesota and federal energy policy from the utilities’ perspective. The conversation centered on how utilities are navigating regulatory change and long-term energy transition goals.



Pictured (L to R):
Zach Martin, ALLETE
Jim Pearson, Xcel Energy
Tricia Elite, MN Rural Electric Association
Nick Palatiello (Chair), Barr Engineering Co.

The discussion highlighted the growing complexity of energy project delivery, particularly as utilities balance the integration of renewable energy and evolving federal policy conditions. Panelists emphasized that engineering expertise remains central to addressing these challenges at both the state and local levels.

ENERGY POLICY ISSUES IN 2026

Renewable Investment and Federal Policy Uncertainty

Utilities continue to adapt to shifting federal tax policy and changes to Department of Energy investment programs.

Transmission, Generation, and Local Siting Challenges

Projects are increasingly shaped by local conditions, making community engagement and permitting central to project success.

Long-Term Transition Amid Near-Term Constraints

While utilities remain committed to Minnesota's 2040 clean energy goals, retiring legacy generation and building new infrastructure present near-term challenges.



Get Involved:

The Energy & Natural Resources Committee will be meeting monthly during the 2026 Session. Members interested in participating can contact john@acecmn.org.

NEWS FROM MEMBER FIRMS

NEW HIRES & APPOINTMENTS

KLJ Engineering

Olivia Crowell, Transportation Designer
Claire Fienup, Transportation Engineer
Taylor Martin, Civil Engineer
Austin Teslow, Archaeologist
Byron Perkins, Construction Technician

Sambatek

Dan Rebok, PLA, Landscape Architect

MSA Professional Services

Ted Marks, Chief Information Officer



Thank you to members who shared updates this quarter.
Firms interested in being included in a future issue may contact kelly@acecmn.org

UPCOMING EVENTS

Engineering Excellence Awards Gala

February 6, 2026 | UMN McNamara Alumni Center

The Engineering Excellence Awards Gala celebrates outstanding engineering achievements and the teams that make them possible. The annual gala celebrates innovation, technical excellence, and the impact engineering projects have across Minnesota.

Voting is open for the 2026 People's Choice Award!



[CLICK
HERE
TO VOTE](#)

Minnesota Transportation Conference & Expo

March 18-19, 2026 | Saint Paul River Center

MTC&E brings together professionals from across the state for two days of learning and connection. With technical sessions and networking opportunities, MTC&E remains a central convening point for the transportation community.

Sponsorship opportunities are still available:

[ATTEND](#)

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UPCOMING EVENTS

11
February

MNDOT & CONSULTANTS PARTNERSHIP MEETING

Hear the latest industry updates, project spotlight, and of course, plenty of dedicated networking time.

[Register here](#)



5
March

DAY AT THE CAPITOL

Engage with policymakers and fellow members on the issues shaping consulting engineering in Minnesota

[Register here](#)



21
April

ENGINEERING ETHICS: DUTIES & PROTECTIONS

2026 is a License Renewal Year, make sure you have your Ethics credits before June 30th. Presented by Kristine Kubes.

[Register here](#)



MEMBER BENEFITS



MEET. LEARN. LEAD.

Your Coalition Network is Waiting.

Joining a coalition is now more accessible than ever – available to all ACEC members



- Geopprofessionals
- MEP's
- Land Developers
- Surveyors
- Small Firms
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Josh Sherburne
507-386-8815
CLAconnect.com



We'll get you there.

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ACEC *Minnesota*

This publication is produced by ACEC Minnesota.

The American Council of Engineering Companies of Minnesota represents the business interests of engineering firms across the state. ACEC Minnesota works to advance a competitive business environment for consulting engineers through advocacy, education, and member engagement.

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