

2.1 Subd. 5. **Costs.** "Costs" of a project means the sum of all obligations paid, or
 2.2 to be paid, or incurred which are reasonably required for the design, construction, and
 2.3 completion of the project, including, but not limited to:

2.4 (1) site acquisition;

2.5 (2) soil and environmental testing, surveys, estimates, plans and specifications,
 2.6 supervision of construction, and other engineering and architectural services;

2.7 (3) payment under construction contracts and for payment and performance bonds;
 2.8 and

2.9 (4) purchase and installation of furniture, fixtures, and equipment.

2.10 Subd. 6. **Program.** "Program" means the program authorized by section 116J.8864.

2.11 Subd. 7. **Project.** "Project" means the acquisition, construction, improvement,
 2.12 expansion, repair, or rehabilitation of all or any part of any structure, facility, infrastructure,
 2.13 or equipment necessary for biomedical science research.

2.14 **Sec. 3. [116J.8862] MINNESOTA BIOMEDICAL SCIENCE RESEARCH**
 2.15 **FACILITIES AUTHORITY.**

2.16 Subdivision 1. **Membership.** (a) The Minnesota Biomedical Science Research
 2.17 Facilities Authority consists of:

2.18 (1) the commissioner of employment and economic development;

2.19 (2) the general manager of the bioscience business incubator facility established in
 2.20 2003 as a 501(c)(3) organization under the Internal Revenue Code and located adjacent to
 2.21 the University of Minnesota bus transit way in St. Paul, Minnesota;

2.22 (3) one current and one former member of the senate appointed by the majority
 2.23 leader of the senate;

2.24 (4) one current and one former member of the senate appointed by the minority
 2.25 leader of the senate;

2.26 (5) one current and one former member of the house of representatives appointed by
 2.27 the speaker of the house of representatives;

2.28 (6) one current and one former member of the house of representatives appointed by
 2.29 the minority leader of the house of representatives; and

2.30 (7) four members appointed by the governor with the advice and consent of the
 2.31 senate who are not members of the senate or house of representatives or officers or
 2.32 employees of any agency in the executive branch. All members appointed by the governor
 2.33 shall be residents of the state.

2.34 (b) The current legislative members serve at the pleasure of the appointing authority
 2.35 and are nonvoting members. The members of the authority, other than the commissioner

3.1 of employment and economic development, shall be appointed for staggered terms of
3.2 four years. The initial four members of the authority appointed by the governor shall be
3.3 appointed for a term of one, two, three, and four years, respectively, as specified by the
3.4 governor. Members of the authority are public officials for purposes of chapter 10A.
3.5 Except for current legislators and members appointed under paragraph (a), clauses (1) and
3.6 (2), the terms, removal of members, and filling of vacancies for authority members shall be
3.7 as provided in section 15.0575. Compensation of members, other than current legislators,
3.8 is as provided in section 15.0575. The chair of the authority shall be designated by the
3.9 governor from among the voting members of the authority.

3.10 Subd. 2. **Authority actions.** A majority of the authority, excluding vacancies,
3.11 constitutes a quorum to conduct its business, to exercise its powers, and for all other
3.12 purposes.

3.13 Subd. 3. **Meeting by telephone or other means.** (a) If compliance with section
3.14 13D.02 is impractical, the authority may conduct a meeting of its members by telephone
3.15 or other electronic means if the following conditions are met:

3.16 (1) all members of the authority participating in the meeting, wherever their physical
3.17 location, can hear one another and can hear all discussion and testimony;

3.18 (2) members of the public present at the regular meeting location of the authority
3.19 can clearly hear all discussion and testimony and all votes of members of the authority
3.20 and, if needed, receive those services required by sections 15.44 and 15.441;

3.21 (3) at least one member of the authority is physically present at the regular meeting
3.22 location; and

3.23 (4) all votes are conducted by roll call, so each member's vote on each issue can be
3.24 identified and recorded.

3.25 (b) Each member of the authority participating in a meeting by telephone or other
3.26 electronic means is considered present at the meeting for purposes of determining a
3.27 quorum and participating in all proceedings.

3.28 (c) If a telephone or other electronic means is used to conduct a meeting, the
3.29 authority, to the extent practicable, shall allow a person to monitor the meeting
3.30 electronically from a remote location. The authority may require the person making such a
3.31 connection to pay for documented marginal costs that the authority incurs as a result of
3.32 the additional connection.

3.33 (d) If a telephone or other electronic means is used to conduct a regular, special, or
3.34 emergency meeting, the authority shall provide notice of the regular meeting location,
3.35 of the fact that some members may participate by telephone or other electronic means,

4.1 and of the provisions of paragraph (c). The timing and method of providing notice
4.2 is governed by section 13D.04.

4.3 Subd. 4. **Administrative services.** The commissioner shall provide administrative
4.4 services to the authority, establish an annual budget for the authority, provide an evaluation
4.5 of grant applications pursuant to section 116J.8864, subdivision 2, and promptly inform
4.6 the commissioner of finance regarding all grant approvals.

4.7 Subd. 5. **Personal liability.** Members and officers of the authority are not personally
4.8 liable for any debt or obligation of the authority.

4.9 Subd. 6. **In general.** The authority has all the powers necessary and convenient
4.10 to carry out its duties under this chapter.

4.11 Subd. 7. **Sunset.** The authority established under this section expires on June 30,
4.12 2019, or two years after the last approved project is completed, whichever occurs sooner.

4.13 **Sec. 4. [116J.8863] POWERS; DUTIES.**

4.14 Subdivision 1. **Bylaws; rules.** The authority shall adopt bylaws for its organization
4.15 and internal management. The commissioner may adopt rules governing the authority's
4.16 operations, properties, and facilities.

4.17 Subd. 2. **Power to sue; enter contracts.** The authority may sue and be sued. The
4.18 authority may make and enter into contracts, leases, and agreements necessary to perform
4.19 its duties and exercise its powers.

4.20 Subd. 3. **Contract for services.** The authority may retain or contract for the
4.21 services of accountants, financial advisers, and other consultants or agents needed to
4.22 perform its duties and exercise its powers.

4.23 Subd. 4. **Report.** The authority must report to the legislature by July 1 of each
4.24 odd-numbered year on implementation of projects since the last report and on plans for
4.25 the upcoming year.

4.26 **Sec. 5. [116J.8864] BIOMEDICAL SCIENCE RESEARCH FACILITIES**
4.27 **FUNDING PROGRAM.**

4.28 Subdivision 1. **Program established.** The authority shall establish a biomedical
4.29 science research facilities funding program to provide grants to the Board of Regents
4.30 of the University of Minnesota for 90 percent of the costs of projects approved under
4.31 subdivision 3.

4.32 Subd. 2. **Grant applications.** The Board of Regents of the University of Minnesota
4.33 shall submit applications for grants for a project to the authority. To be eligible for a grant
4.34 under the program, a project must meet the following criteria:

5.1 (1) the University of Minnesota, either acting on its own or in collaboration with
5.2 another private or public institution, must pay ten percent of the costs of the project
5.3 and may meet all or part of the required share of the costs of the project through the
5.4 prior purchase of scientific equipment and materials incidental to the project, provided
5.5 the purchase is completed not more than two years prior to the approval of a grant by
5.6 the authority;

5.7 (2) the University of Minnesota must be responsible for the ongoing facilities
5.8 maintenance and operations of the biomedical science research facility resulting from
5.9 the project;

5.10 (3) if the application is for a project in which the University of Minnesota proposes
5.11 to work in collaboration with another private or public institution, the other institution
5.12 must be one that generates at least \$75,000,000 annually in competitive federal funding
5.13 from the National Institutes of Health, National Science Foundation, or similar agency;

5.14 (4) the biomedical science research facility resulting from the project will be owned
5.15 by the Board of Regents of the University of Minnesota; and

5.16 (5) at a minimum, the application must include the following information:

5.17 (i) a resolution of the governing body that the required match is available and
5.18 committed;

5.19 (ii) a detailed estimate, along with necessary supporting evidence, of the total cost
5.20 of the project;

5.21 (iii) an assessment of the potential to attract new or continue existing public and
5.22 private research grant awards resulting from the project;

5.23 (iv) a detailed facility operating financial analysis projecting the annual expected
5.24 revenues and costs associated with the project;

5.25 (v) a timeline indicating the major milestones of the project and their anticipated
5.26 completion dates; and

5.27 (vi) an assessment of the likelihood of public benefits from the project, including
5.28 benefitting public health and enhancement of employment opportunities within the state,
5.29 stimulation of economic growth, and the potential for advancing the development of
5.30 commercially successful and affordable products, processes, or services.

5.31 These factors are not in priority order and the authority may weigh each factor, depending
5.32 upon the facts and circumstances, as the authority considers appropriate.

5.33 Subd. 3. **Grant approvals.** The authority shall determine for each project for which
5.34 an application is submitted whether it appears in the authority's judgment to conform to the
5.35 purposes and policies in section 116J.8860 and meets the criteria in subdivision 2. Upon
5.36 determination by the authority that a project conforms to the purposes in section 116J.8860

6.1 and meets the specified criteria in subdivision 2, the authority may approve a grant under
 6.2 the program for the project in an amount equal to 90 percent of the costs of the project.
 6.3 Beginning in calendar year 2008, the authority must report to the legislature by March 1 of
 6.4 each year on all projects approved by the authority during the preceding 12 months. The
 6.5 authority may approve total grants up to the percentage of the amount of bond proceeds
 6.6 authorized in section 116J.8865, for the fiscal year ending June 30 for the following years:

<u>Fiscal Year</u>	<u>Percent of Bond Proceeds</u>
6.7 <u>2008</u>	<u>5.8 percent</u>
6.8 <u>2009</u>	<u>21.5 percent</u>
6.9 <u>2011</u>	<u>45.0 percent</u>
6.10 <u>2013</u>	<u>71.0 percent</u>
6.11 <u>2015</u>	<u>100.0 percent</u>

6.13 Subd. 4. **Disbursements.** Disbursement of grants approved by the authority under
 6.14 the program must be made for eligible project costs as incurred according to the project
 6.15 grant agreement and applicable state laws governing the payment.

6.16 Sec. 6. **[116J.8865] AUTHORIZATION OF BONDS.**

6.17 To provide money in the biomedical science research facilities funding program
 6.18 under Minnesota Statutes, section 116J.8864, the commissioner of finance shall sell and
 6.19 issue bonds of the state in the aggregate amount of \$279,000,000 in the manner, upon
 6.20 the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and by the
 6.21 Minnesota Constitution, article XI, sections 4 to 7. Before the issuance of any series of
 6.22 bonds, the authority shall determine that the proceeds of the series of bonds to be issued
 6.23 will be needed to make disbursements of grants approved by the authority under the
 6.24 program. Section 16A.642 does not apply to this section.

6.25 Sec. 7. **EFFECTIVE DATE.**

6.26 Sections 1 to 6 are effective the day following final enactment.