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# State of Minnesota
# HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH SESSION**

# HOUSE FILE NO. 2893

February 11, 2010
Authored by Howes
The bill was read for the first time and referred to the Committee on Finance

A bill for an act

relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and terminating existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2008, sections 16A.105; 16A.66, subdivision 2; 403.275, subdivision 2; 462A.36, by adding subdivisions; Minnesota Statutes 2009 Supplement, section 16A.647, subdivisions 1, 5; Laws 2005, chapter 20, article 1, section 23, subdivision 12, as amended; Laws 2008, chapter 152, article 2, section 3, subdivision 2; Laws 2008, chapter 179, section 5, subdivision 4; Laws 2008, chapter 365, section 5, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2008, sections 116J.431, subdivisions 3, 7, 8; 116J.435, subdivisions 1, 4, 5, 6, 7; Minnesota Statutes 2009 Supplement, sections 116J.431, subdivisions 1, 1a, 2, 4, 6; 116J.435, subdivisions 2, 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, state agencies or officials are authorized to spend a portion of an appropriation under this act to pay for the capitalizable costs of staff directly attributable to the capital project or projects funded by the appropriation consistent with policies adopted by the Department of Management and Budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

**SUMMARY**

| | | |
|---|---|---|
| University of Minnesota | $ | 100,000,000 |
| Minnesota State Colleges and Universities | | 114,645,000 |
| Minnesota State Academies | | 2,000,000 |
| Perpich Center for Arts Education | | 1,244,000 |
| Natural Resources | | 88,500,000 |
| Pollution Control Agency | | 14,000,000 |
| Board of Water and Soil Resources | | 8,200,000 |
| Zoological Garden | | 21,000,000 |
| Administration | | 10,900,000 |
| Military Affairs | | 16,491,000 |
| Public Safety | | 12,250,000 |
| Transportation | | 148,730,000 |
| Metropolitan Council | | 13,000,000 |
| Human Services | | 97,854,000 |
| Veterans Affairs | | 16,390,000 |
| Corrections | | 25,434,000 |
| Employment and Economic Development | | 40,000,000 |
| Public Facilities Authority | | 50,400,000 |
| Minnesota Historical Society | | 3,400,000 |
| Bond Sale Expenses | | 765,000 |
| **Cancellations** | | (47,764,014) |
| **TOTAL** | **$** | **737,438,986** |
| Bond Proceeds Fund (General Fund Debt Service) | | 618,821,000 |
| Bond Proceeds Fund (User Financed Debt Service) | | 21,527,000 |
| State Transportation Fund | | 95,000,000 |
| General Fund | | 600,000 |
| Trunk Highway Fund | | 22,800,000 |
| Trunk Highway Fund Bond Proceeds Account | | 26,455,000 |
| Bond Proceeds Cancellations (General Fund Debt Service) | | (29,264,014) |
| Bond Proceeds Account Cancellation (Trunk Highway Fund) | | (18,500,000) |

**APPROPRIATIONS**

Sec. 2. **UNIVERSITY OF MINNESOTA**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **100,000,000** |
| To the Board of Regents of the University of Minnesota for the purposes specified in this section. | | |
| Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** | | 40,000,000 |

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Twin Cities Campus**

| | |
|---|---|
| **Physics and Nanotechnology** | 53,333,000 |

To design, construct, furnish, and equip a new physics and nanotechnology building on the Twin Cities campus. The facility will include research laboratories, offices, a clean room supporting nanotechnology, and faculty and student meeting space.

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|---|---|
| Subd. 4. **General Laboratory Renovation** | 6,667,000 |

To improve and upgrade laboratory facilities systemwide.

Subd. 5. **University Share**

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 6. **Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs

of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation** **$** **114,645,000**

Appropriations by Fund

| | |
|---|---|
| Bond Proceeds Fund (General Debt Service) | 93,118,000 |
| Bond Proceeds Fund (User Financed Debt Service) | 21,527,000 |

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** 50,000,000

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space restoration.

Subd. 3. **North Hennepin Community College**

**Center for Business and Technology** 14,782,000

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate existing space for classrooms and related space.

Subd. 4. **Lake Superior College**

**Health and Science Center** 12,098,000

To construct, furnish, and equip renovation of and an addition to the Health and Science Center, and to design further renovation to the Health and Science Center.

Subd. 5. **NHED Mesabi Range Community Technical College, Eveleth**

**Shop Space Addition** 5,477,000

To construct, furnish, and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for Americans with Disabilities Act compliance.

Subd. 6. **St. Cloud Technical College**

**Allied Health Center Renovation** 5,421,000

To complete design for, renovate, furnish, and equip the Allied Health Center.

Subd. 7. **Normandale Community College**

**Academic Partnership Center and Student Services** 22,984,000

To design, construct, furnish, and equip a new building for classrooms and offices and design renovation and expansion of the Student and College Services Building.

Subd. 8. **Systemwide Initiative**

**Classroom Renovation and Demolition** 3,883,000

To design, renovate, furnish, and equip classrooms and academic space statewide and demolish obsolete space. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Wadena and Moorhead; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River

Falls; Pine Technical College, Pine City; and Rochester Community Technical College, Rochester.

Subd. 9. **Debt Service**

(a) The Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement (HEAPR), and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget

shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 10. **Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for higher education asset preservation and replacement (HEAPR) under Minnesota Statutes, section 135A.046. The board must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for higher education asset preservation and replacement under this subdivision at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 9 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **MINNESOTA STATE ACADEMIES** **$** **2,000,000**

To the commissioner of administration for asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 5. **PERPICH CENTER FOR ARTS EDUCATION**

Subdivision 1. **Total Appropriation** **$** **1,244,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Alpha Building Demolition** 755,000

To demolish the Alpha Building on the Perpich Center for Arts Education, dispose of any hazardous materials, and fill the site.

Subd. 3. **Delta Building Dormitory Window Project** 489,000

To install new windows and complete renovations on the Perpich Center for Arts Education's Delta Dormitory.

Sec. 6. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$** **88,500,000**

To the commissioner of natural resources for the purposes specified in this section. The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. **Natural Resources Asset Preservation** 7,500,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources, to be spent in accordance with Minnesota Statutes, section 84.946.

Subd. 3. **Flood Hazard Mitigation** 50,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

(a) Ada

(b) Afton

(c) Austin

(d) Becker Dams

(e) Borup

(f) Brandt-Angus

(g) Clay County

(h) Climax

(i) Crookston

(j) Felton

(k) Georgetown

(l) Granite Falls

(m) Halstad

(n) Hay Creek

(o) Hendrum

(p) Inver Grove Heights

(q) Montevideo

(r) Moorhead

(s) Nielsville

(t) North Ottawa

(u) Oakport Township

(v) Oslo

(w) Perley

(x) Redpath

(y) Roseau

(z) Rushford

(aa) Shelly

(bb) St. Vincent

(cc) Stillwater

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 4. **Groundwater Monitoring** 1,000,000

To install new groundwater level observation wells, to monitor and assess groundwater availability for water supply planning, and to seal existing obsolete monitoring wells that are no longer functional.

Subd. 5. **Dam Repair, Reconstruction, and Removal** 4,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. This appropriation includes money for the following projects:

(a) Lake Bronson

(b) Pike River

(c) Clayton Lake

(d) Montevideo

(e) Lanesboro

(f) Drayton

(g) Champlin Mill Pond

(h) Milaca

(i) Hallock

(j) Byllesby

(k) Emergency projects

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

Subd. 6. **RIM Critical Habitat Match** 2,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 7. **Native Prairie and Scientific and Natural Areas Acquisition and Development** 1,000,000

To acquire native prairie bank easements under Minnesota Statutes, section 84.96; and to acquire land for scientific and natural areas and for protection and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and to develop and restore certain tracts of prairie lands for which the easement is permanent; and to acquire native prairie for scientific and natural areas and for native prairie protection and improvements of a capital nature in scientific and natural areas in the prairie region under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5. Prairie restorations funded in whole or in part with this appropriation must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

Subd. 8. **State Forest Land Reforestation** 3,500,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

Subd. 9. **Forest Roads and Bridges** 2,000,000

For design, reconstruction, resurfacing, replacement, and construction of the state forest roads and bridges system under Minnesota Statutes, section 89.002.

Subd. 10. **Diseased Shade Tree Removal and Replacement** 2,000,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees located on public property that are lost to forest pests or disease. Priority shall be given to communities with a known infestation of emerald ash borer. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal residual timber value. The commissioner shall consult with municipalities, park and recreation boards in cities of the first class, nonprofit organizations, and other interested parties in developing eligibility criteria.

Subd. 11. **Facility Consolidation** 2,500,000

To design, acquire, renovate, construct, furnish, and equip consolidated field offices in accordance with the Department of Natural Resources' facilities master plan.

Subd. 12. **State Park, State Recreation Area, Water Recreation, and State Trail Acquisition** 6,000,000

Of this amount, $3,000,000 is to acquire private lands within state parks from willing sellers and develop the land as established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013; $1,000,000 is to rehabilitate existing public access sites on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota

Statutes, section 86A.05, subdivision 9; and $2,000,000 is to acquire land for state trails under Minnesota Statutes, section 85.015.

Subd. 13. **Minnesota Forests for the Future** 500,000

To acquire conservation easements as described under Minnesota Statutes, chapter 84C, and fee title on private forest lands to prevent the fragmentation and loss of productive forest lands. The conservation easements must guarantee public access, including hunting and fishing.

Subd. 14. **Forest Stand Improvement** 2,000,000

To promote reforestation and improve forest health on state forest lands and reduce the risk of wildfire. Up to $1,000,000 of this amount is for grants to local governmental units to remove excessive fuel loads in accordance with community wildfire protection plans developed through the federal Firewise program. The remaining funds shall be used to accomplish forest stand improvement practices on state forest lands.

Subd. 15. **Wildlife Area and Aquatic Area Land Acquisition and Development** 4,000,000

To acquire land, and interests in land, for wildlife management area and aquatic management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, and aquatic management areas under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 16. **Community Conservation Assistance** 500,000

For grants to local governmental units to conserve natural habitats through acquisition or easement. All acquisitions must be owned and managed by a local government entity and all conservation easements must be perpetual. All projects must prepare and follow a natural resource management plan.

Subd. 17. **Unspent Appropriations**

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 7. **POLLUTION CONTROL AGENCY**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **14,000,000** |
| To the Pollution Control Agency for the purposes specified in this section. | | |
| Subd. 2. **Closed Landfill Program** | | 10,000,000 |
| To design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. | | |
| Subd. 3. **Capital Assistance Program** | | 4,000,000 |

For the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54.

Sec. 8. **BOARD OF WATER AND SOIL RESOURCES**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **8,200,000** |

To the Board of Water and Soil resources for the purposes specified in this section.

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| Subd. 2. **Reinvest in Minnesota (RIM) Conservation Reserve** | 4,000,000 |

To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands, restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damages, and other public benefits. The board must allocate money appropriated in this subdivision so as to maximize the use of available federal funds. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation. To the extent possible, prairie restorations conducted with money appropriated in this subdivision must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies from genetic contamination. Of this appropriation, up to ten percent may be used to implement the program.

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| Subd. 3. **Wetland Replacement Due to Public Road Projects** | 4,200,000 |

To acquire land for wetland restoration, or preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

$720,000 is to implement the program. The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. The acquisition or conveyance of land may be in the name of a political subdivision.

Sec. 9. **MINNESOTA ZOOLOGICAL GARDEN**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **21,000,000** |

To the Minnesota Zoological Garden for the purposes specified in this section.

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| Subd. 2. **Asset Preservation and Exhibit Renewal** | 6,000,000 |

To design and construct capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo in accordance with Minnesota Statutes, section 16B.307.

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|---|---|
| Subd. 3. **Master Plan** | 15,000,000 |

For implementation of the Minnesota Zoo's master plan.

Sec. 10. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$** **10,900,000**

Appropriations by Fund

Bond Proceeds Fund (General Fund Debt Service) 10,700,000

General Fund 200,000

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Capital Asset Preservation and Replacement Account (CAPRA)** 2,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. **Asset Preservation** 8,700,000

For asset preservation studies and projects on properties managed by the commissioner. This appropriation must be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. **Agency Relocation** 200,000

This appropriation is from the general fund for relocation of state agencies as determined by the commissioner of administration.

Sec. 11. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** **$** **16,491,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. **Asset Preservation** 8,000,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Facility Life Safety Improvements** 1,000,000

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. **Facility ADA Compliance** 900,000

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 5. **Cedar Street Armory Renovations** 5,530,000

For design and renovation of the Cedar Street Armory, including but not limited to: window replacement, main and secondary entry replacement, upgrading of HVAC systems, upgrading of electrical and data distribution systems, reconfiguring of interior spaces, and asbestos abatement.

Subd. 6. **Troop Support Facility (Camp Ripley)** 1,061,000

To complete design and renovate, furnish and equip the existing Troop Support Facility at Camp Ripley, including but not limited to: window replacement, interior floor installation and finishings, air conditioning, upgrade of electrical, data, and telecommunication systems, kitchen installation, and furniture.

Subd. 7. **Unspent Appropriations**

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section 16B.307.

Sec. 12. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** **$** **12,250,000**

To the commissioner of public safety, or other named agency, for the purposes specified in this section.

Subd. 2. **Camp Ripley Emergency Management Training Facility** 10,000,000

To the commissioner of administration to complete Phase II of the tier 3 homeland security and emergency management training and exercise center at Camp Ripley, which includes a classroom facility and several facilities for field response training. Nonmilitary public safety personnel from Minnesota must be given access to the facility.

Subd. 3. **State Emergency Operations Center** 2,250,000

For the predesign and design of a new state emergency operations center. The predesign must consider the potential benefits of colocating this center with a new National Guard joint force headquarters and operations center in Arden Hills.

Sec. 13. **TRANSPORTATION**

Subdivision 1. **Total Appropriation** **$** **148,730,000**

Appropriations by Fund

| | |
|---|---|
| Bond Proceeds Fund (General Fund Debt Service) | 4,500,000 |
| State Transportation | 95,000,000 |
| Trunk Highway | 22,800,000 |
| Trunk Highway Bond Proceeds | 26,430,000 |

This appropriation is to the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Bridge Replacement and Rehabilitation** 75,000,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more economical than replacement of the existing bridge.

Subd. 3. **Local Road Improvement Fund Grants** 20,000,000

This appropriation is from the bond proceeds account in the state transportation fund as

provided in Minnesota Statutes, section 174.50.

$10,000,000 is for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4.

$10,000,000 is for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

Subd. 4. **Railroad Warning Devices Replacement** 2,500,000

To design, construct, and equip the replacement of statewide active highway rail grade crossing warning safety devices.

Subd. 5. **Southern Rail Corridor** 2,000,000

For preliminary engineering and environmental analysis of the proposed freight rail bypass south of Rochester. This appropriation is not available until at least $2,000,000 is committed from a local or federal source. Any required alternatives analysis shall be funded from the nonstate match.

Subd. 6. **Rochester Maintenance Facility** 26,430,000

For design, construction, and equipping of a new district maintenance facility in Rochester.

This appropriation is from the bond proceeds account in the trunk highway fund.

Subd. 7. **Maple Grove Truck Station** 15,800,000

For design and construction of a new truck station facility in Maple Grove.

This appropriation is for fiscal year 2011 from the trunk highway fund and is available until expended.

Subd. 8. **Little Falls Truck Station** 3,300,000

For design and construction of a new truck station facility in Little Falls.

This appropriation is for fiscal year 2011 from the trunk highway fund and is available until expended.

Subd. 9. **Maplewood Bridge Crew Building** 3,000,000

For design and construction of a bridge crew building in Maplewood.

This appropriation is for fiscal year 2011 from the trunk highway fund and is available until expended.

Subd. 10. **Willmar District Headquarters and Plymouth Truck Station Design** 700,000

For design and investigative services for new headquarters in Willmar and truck station in Plymouth.

This appropriation is for fiscal year 2011 from the trunk highway fund and is available until expended.

Sec. 14. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation** **$** **13,000,000**

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. **Cedar Avenue Bus Rapid Transit (BRT)** 3,000,000

For environmental analysis, preliminary engineering, design, and construction of bus lane improvements and transit station construction and improvements and to

acquire land, or an interest in land, for the Cedar Avenue Bus Rapid Transit line.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Subd. 3. **Southwest Corridor Light Rail Transit (LRT)** 7,000,000

For preliminary engineering and final environmental impact statement work for the Southwest Corridor light rail transit line.

Subd. 4. **Metropolitan Regional Parks Capital Improvements** 3,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local governmental units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects. This appropriation must not be used to purchase easements.

Sec. 15. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$** **97,854,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** 3,000,000

For systemwide asset preservation improvements and betterments at Department of Human Services facilities, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota Sex Offender Program Treatment Facilities - Moose Lake** 89,072,000

To complete design for and to construct, furnish, and equip an additional 400-bed secure residential facility and program and ancillary service facilities for the Minnesota sex offender treatment program at Moose Lake.

Subd. 4. **Brainerd Campus Redevelopment, Reuse, or Demolition** 5,782,000

To demolish or renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at the Brainerd regional human services center campus. If any surplus facilities or property on the Brainerd campus are sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision if the redevelopment or reuse of the facilities or property is consistent with the redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2.

Sec. 16. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** **$** **16,390,000**

To the commissioner of administration for the purposes specified in this section. The commissioner must allocate money appropriated in this section so as to maximize the use of all available federal funding.

Subd. 2. **Asset Preservation** 6,490,000

For asset preservation improvements and betterments of a capital nature at veterans

homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minneapolis Veterans Home** 9,450,000

To remodel building 16 to accommodate a domiciliary program, demolish the north wing of building 17, and design, construct, furnish, and equip up to a 72-bed single occupancy person-centered nursing care building, including site improvements and amenities for building and program support.

Subd. 4. **Luverne Veterans Home Entrance Enclosure** 450,000

To design, construct, furnish, and attach a new entrance enclosure to the Luverne Veterans Home, including a redesign of parking and landscape surrounding the front entrance.

Sec. 17. **CORRECTIONS**

Subdivision 1. **Total Appropriation** **$** **25,434,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** 8,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota Correctional Facility - Statewide Locations**

**ARMER Radio System Migration** 7,405,000

To design and implement the Allied Radio Matrix for Emergency Response (ARMER) system migration into all state correctional facilities, including but not limited to

building and radio site improvements, installation of fixed antenna systems and repeaters, and installation of master control dispatch console equipment.

Subd. 4. **Minnesota Correctional Facility - Oak Park Heights**

**Exterior Intrusion Detection System Upgrade** 3,529,000

To replace and improve the current perimeter detection system with a comprehensive system that will use current technology and provide essential components of effective and reliable escape detection at Minnesota's maximum security correctional facility, including but not limited to installation of a new sensor coil system, improved lighting, cameras, recording devices, and renovations of existing facilities required to accommodate the technology and functionality of the new system.

Subd. 5. **Minnesota Correctional Facility - Oak Park Heights**

**Security System Upgrade** 6,500,000

To replace and upgrade existing facility security systems and components with new fully integrated systems throughout the prison, including renovations of existing facilities required to accommodate the technology and functionality of the new systems.

Subd. 6. **Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes,

section 16B.307, at the same correctional facility as the project for which the original appropriation was made. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 18. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **40,000,000** |
| To the commissioner of employment and economic development for the purposes specified in this section. | | |
| Subd. 2. **Business Development Public Infrastructure Grant Program** | | 25,000,000 |
| For grants under new Minnesota Statutes, section 116J.433. | | |
| Subd. 3. **Redevelopment Account** | | 15,000,000 |
| For purposes of the redevelopment account under Minnesota Statutes, section 116J.571. | | |

Sec. 19. **PUBLIC FACILITIES AUTHORITY**

| | | |
|---|---|---|
| Subdivision 1. **Total Appropriation** | **$** | **50,400,000** |
| Appropriations by Fund | | |
| Bond Proceeds Fund (General Fund Debt Service) | 50,000,000 | |
| General Fund | 400,000 | |
| To the Public Facilities Authority for the purposes specified in this section. | | |
| Subd. 2. **State Match for Federal Grants** | | 30,000,000 |
| (a) To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. | | |

(b) $10,800,000 of this appropriation shall provide matching funds for the drinking water revolving fund, with the balance to be made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. **Wastewater Infrastructure Funding Program** 20,400,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

$400,000 of this appropriation is from the general fund to implement the wastewater infrastructure funding program.

Sec. 20. **MINNESOTA HISTORICAL SOCIETY** **$** **3,400,000**

To the Minnesota Historical Society for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Sec. 21. **BOND SALE EXPENSES** **$** **765,000**

Appropriations by Fund

| | |
|---|---|
| Bond Proceeds Fund (General Fund Debt Service) | 740,000 |
| Trunk Highway Bond Proceeds | 25,000 |

To the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 22. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2011, no more than $954,156,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 23. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $640,348,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Trunk highway fund.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $26,455,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amount requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the trunk highway fund.

Subd. 3. **Transportation fund bond proceeds account.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $95,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 24. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) $525,000 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 3, for the Bureau of Criminal Apprehension facility is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, subdivision 1, is reduced by $525,000.

(b) $5,132 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 374, article 11, section 7, subdivision 4, for property acquisition is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, subdivision 1, is reduced by $5,132.

(c) $23,643 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 374, article 11, section 11, for asset preservation is canceled. The bond sale authorization in Laws 2002, chapter 374, article 11, section 17, subdivision 1, is reduced by $23,643.

(d) $8,731 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 6, for asset preservation and capital improvements is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, is reduced by $8,731.

(e) $101,486 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 13, subdivision 2, for capital asset preservation and replacement account (CAPRA) is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, is reduced by $101,486.

(f) $1,042 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 13, subdivision 3, for electrical utility infrastructure is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, is reduced by $1,042.

(g) $10,702 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 13, subdivision 6, for a joint Health and Agriculture laboratory facility is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $10,702.

(h) $5,830 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 22, subdivision 2, for systemwide roof renovation and replacement is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $5,830.

(i) $53,696 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 22, subdivision 3, for systemwide asset preservation is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $53,696.

(j) $77,035 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 22, subdivision 4, for systemwide building and structure demolition is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $77,035.

(k) $8,874 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 22, subdivision 6, for the Fergus Falls Regional Treatment Center is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $8,874.

(l) $3,498 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 22, subdivision 7, for the St. Peter Regional Treatment Center is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $3,498.

(m) $8,023 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 23, subdivision 2, for asset preservation is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $8,023.

(n) $2,000 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2002, chapter 393, section 23, subdivision 3, for Hastings Veterans Home Phase 3 is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended by Laws 2005, chapter 20, article 2, section 1, and Laws 2008, chapter 179, section 28, paragraph (a), is reduced by $2,000.

(o) $361,240 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 3, subdivision 25, paragraph (d), for demolition is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $361,240.

(p) $28,262 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 13, subdivision 4, for Central Park Parking Ramp and Lot Q is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $28,262.

(q) $7,481 of the appropriation in Laws 2005, chapter 20, article 1, section 4, subdivision 3, to demolish the Beta Building is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $7,481.

(r) $14,141 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 14, subdivision 2, for renovation of the Capitol's interior is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $14,141.

(s) $691,820 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 18, subdivision 6, for rail service improvement is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $691,820.

(t) $1,864 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 3, for an addition to the Luverne Veterans Home is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $1,864.

(u) $25,720 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 21, subdivision 5, to predesign a veterans nursing home on the Willmar Regional Treatment Center campus is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $25,720.

(v) $1,003,284 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 3, for Stillwater Phase 1 demolition and renovation is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $1,003,284.

(w) $963 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 4, paragraph (a), for the Willow

River Activities Building is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $963.

(x) $853 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 22, subdivision 4, paragraph (b), for additional beds at Willow River is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $853.

(y) $22,000,000 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2005, chapter 20, article 1, section 23, subdivision 16, paragraph (a), as amended by Laws 2008, chapter 179, section 58, and Laws 2009, chapter 93, article 1, section 30, for the Minnesota Planetarium is canceled. The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended by Laws 2008, chapter 179, section 28, paragraph (d), is reduced by $22,000,000.

(z) $2,000,000 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2006, chapter 258, section 16, subdivision 6, for rail service improvement is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, as amended by Laws 2007, chapter 45, article 3, section 6, and Laws 2008, chapter 179, section 28, paragraph (e), is reduced by $2,000,000.

(aa) $7,771 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2006, chapter 258, section 19, subdivision 5, for an addition to the Luverne Veterans Home is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, as amended by Laws 2007, chapter 45, article 3, section 6, and Laws 2008, chapter 179, section 28, paragraph (e), is reduced by $7,771.

(bb) $2,283,263 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, subdivision 2, for flood-damaged state facilities and natural resources is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 1, is reduced by $2,283,263.

(cc) $9,000,000 of the appropriation in Laws 2008, chapter 152, article 2, section 3, subdivision 4, for the Urban Partnership Agreement is canceled. The bond sale authorization in Laws 2008, chapter 152, article 2, section 7, subdivision 1, is reduced by $9,000,000.

(dd) $9,500,000 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2008, chapter 152, article 2, section 5, for exterior repair of the

Transportation Building is canceled. The bond sale authorization in Laws 2008, chapter 152, article 2, section 7, subdivision 1, is reduced by $9,500,000.

(ee) $2,660 or the unspent and unencumbered balance, if less, of the appropriation in Laws 2008, chapter 179, section 10, to replace the roof of the potato inspection unit building is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by $2,660.

(ff) The bond sale authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 1, is reduced by $79,375,000.

(gg) The bond sale authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 2, is reduced by $5,780,000.

Sec. 25. Minnesota Statutes 2008, section 16A.105, is amended to read:

**16A.105 DEBT CAPACITY FORECAST.**

In ~~February and~~ November of each year the commissioner shall prepare a debt capacity forecast to be delivered to the governor and legislature ~~according to~~ with the November forecast of state revenue and expenditures required by section 16A.103, subdivision 1. The debt capacity forecast must include statements of the indebtedness of the state for bonds, notes, and other forms of long-term general obligation indebtedness. The forecast must show the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and the next six fiscal years, and the debt authorized and unissued~~, and the borrowing capacity for the next six fiscal years~~.

Sec. 26. Minnesota Statutes 2009 Supplement, section 16A.647, subdivision 1, is amended to read:

Subdivision 1. **Authority to issue.** When authorized by law to issue state general obligation bonds or state 911 revenue bonds under section 403.275, the commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds or a combination of the two.

Sec. 27. Minnesota Statutes 2009 Supplement, section 16A.647, subdivision 5, is amended to read:

Subd. 5. **Sale; certain costs of issuance.** Tax credit bonds and interest subsidy bonds must be sold at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest. When the commissioner determines to issue tax credit bonds or interest subsidy bonds to

achieve a net present value debt service savings over tax-exempt bonds, the commissioner is authorized to issue an additional principal amount of bonds, not to exceed two percent of the principal amount of bonds otherwise authorized to be issued by law, to pay the costs of investment banking and banking services related to the sale or placement of the bonds, provided that such additional issuance will not cause an increase in the general fund debt service transfer for the biennium during which the bonds are sold, as estimated by the commissioner. The proceeds are appropriated for this purpose.

Sec. 28. Minnesota Statutes 2008, section 16A.66, subdivision 2, is amended to read:

Subd. 2. **Special provisions for sale and issuance.** Refunding bonds may be sold publicly, or directly to the State Board of Investment without bids, or may be exchanged for bonds refunded by agreement with their holders. The refunding bonds must be prepared, executed, delivered, and secured in the same way as the refunded bonds. The proceeds of refunding bonds may be deposited, invested, and applied to accomplish the refunding as provided in section 475.67, subdivisions 5 to 10 and 13. Bids for the securities to be purchased for the escrow account may be secured, at the commissioner's election, either through the State Board of Investment or a suitable financial institution within or without the state. The interest rate on refunding bonds may exceed that on the refunded bonds if the purpose of refunding is to extend the maturities and to reduce the amount needed annually to pay and to secure the debt.

Sec. 29. **[116J.433] MINNESOTA BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner is authorized to make grants to eligible units of government to provide up to 50 percent of the capital costs of public infrastructure necessary for eligible economic development projects. The grantee must provide a match for the remainder of the costs of the project, either in cash or through in-kind contributions. The purpose of the grants is to keep or enhance jobs in the area, increase the tax base, expand or create new economic development, or expand the growth of new bioscience businesses and organizations.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Bioscience" means the following, but is not limited to:

(1) researching, developing, or manufacturing a biotechnology product or service or a biotechnology-related health sciences product or service;

(2) researching, developing, or manufacturing a biotechnology medical device product or service or a biotechnology-related medical device product or service; or

(3) promoting, supplying, or servicing a facility or operation involved in clause (1) or (2), if the business derives more than 50 percent of its gross receipts from those activities.

(c)(1) "Eligible economic development project" or "eligible project" means a project to develop public infrastructure to serve the development of the following types of activities:

(i) manufacturing;

(ii) technology;

(iii) warehousing and distribution;

(iv) research and development;

(v) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use;

(vi) industrial park development that would be used by any other business listed in this subdivision; or

(vii) bioscience business development capital improvement projects including manufacturing; technology; warehousing and distribution; research and development; bioscience business incubator; agricultural bioprocessing; or industrial, office, or research park development that would be used by a bioscience-based business.

(2) "Eligible economic development project" or "eligible project" does not mean a project to develop public infrastructure for:

(i) retail development, except as incidental to an eligible purpose;

(ii) office space development, except as incidental to an eligible purpose; or

(iii) medical clinics and nursing homes.

(d) "Eligible unit of government" means a county or city, and in the case of a bioscience-related project, a public institution of higher education.

(e) "In-kind contribution" means the value of the site, site preparation, other public infrastructure needed for the project, prepaid costs for planning and design work, or material and labor costs provided for the project.

(f) "Governing body" means the city council, county board of commissioners, or the board of trustees or board of regents for public institutions of higher education.

(g) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

(h) "Public infrastructure" means publicly owned physical infrastructure in this state including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure,

streets, roads, bridges, and parking facilities. Additionally, for bioscience projects, public infrastructure includes facilities that directly support economic development of basic science, clinical research, or research infrastructure.

Subd. 3. **Application review.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, an eligible unit of government must include in its application a resolution of the governing body certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 2, paragraph (c);

(2) the project will result in both public and private capital investment and provide measurable economic benefits to the areas in which the project would be located;

(3) the eligible project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the eligible project cannot be reasonably accommodated within the local governmental unit in which the business is currently located, or the business would otherwise relocate to another state or country; and

(4) the project is ready to proceed upon award.

(b) The commissioner must give priority to eligible projects with one or more of the following characteristics when making a determination for funding:

(1) inclusion of bioscience business development;

(2) job creation and long-term job preservation;

(3) increase in property tax base;

(4) the general public benefit, including environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development, crime reduction, blight reduction, and community stabilization;

(5) projects with committed businesses and the potential of the local governmental unit to attract viable businesses;

(6) proximity to public transit if located in a metropolitan area; or

(7) multijurisdictional eligible projects that take into account the need for affordable housing, transportation, and environmental impact.

(c) The factors in paragraph (b) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.

(d) If applications for grants exceed the available appropriations, grants must be made for public infrastructure that, in the commissioner's judgment, provides the highest return in public benefits per dollar of state investment.

(e) The determination of whether to make a grant is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the priorities are not subject to judicial review, except for abuse of discretion.

Subd. 4. **Set-asides.** (a) Thirty percent of funds available in any fiscal year for the purposes of this section must be reserved for eligible bioscience projects statewide for the first nine months of the fiscal year. If funds are not committed due to insufficient applications for projects that are ready to proceed, the balance must be made available for the general program.

(b) Fifty percent of funds available in a fiscal year for purposes of this section must be reserved for grants to cities and counties located outside the metropolitan area for the first nine months of the fiscal year. If funds are not committed due to insufficient applications for projects that are ready to proceed, the balance must be made available for the general program.

(c) Funds remaining at the end of the fiscal year are reallocated to the set-asides under paragraphs (a) and (b) and continue to be made available for the program until spent.

Subd. 5. **Maximum grant amount.** (a) Grants must be matched with local funds and may not exceed 50 percent of capital costs of public infrastructure. Other state grant awards are not local matches for purposes of this section.

(b) An eligible unit of government may receive:

(1) no more than $2,000,000 on bioscience-related projects, with preference given to requests at or below $1,000,000; or

(2) no more than $500,000 on projects without a qualifying bioscience component, with preference given to projects requesting $250,000 or less.

Subd. 6. **Program administrative costs.** Program costs incurred by the commissioner shall be reimbursed in part from a fee in the amount of two percent of the grant award payable to the Department of Employment and Economic Development from local sources prior to release of any grant funding. Fees collected shall be deposited to the general fund and are annually appropriated to the commissioner to reimburse costs incurred in administering the program.

Subd. 7. **Cancellation of grant; return of grant money.** If, after 12 months, the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner may cancel the grant and require the grantee to return all grant money disbursed for that project.

Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section and is available until spent.

Sec. 30. Minnesota Statutes 2008, section 403.275, subdivision 2, is amended to read:

Subd. 2. **Procedure; certain costs of issuance.** (a) The commissioner may sell and issue the bonds on the terms and conditions the commissioner determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner may enter any agreements or pledges the commissioner determines necessary or useful to sell the bonds that are not inconsistent with sections 403.21 to 403.40. Sections 16A.672 to 16A.675 apply to the bonds. The commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds under section 16A.647 or a combination of the two. Except for amounts appropriated to pay the costs of investment banking and banking services pursuant to section 16A.647, the proceeds of the bonds issued under this section must be credited to a special 911 revenue bond proceeds account in the state treasury.

(b) Before the proceeds are received in the 911 revenue bond proceeds account, the commissioner of management and budget may transfer to the account from the 911 emergency telecommunications service account amounts not exceeding the expected proceeds from the next bond sale. The commissioner of management and budget shall return these amounts to the 911 emergency telecommunications service account by transferring proceeds when received. The amounts of these transfers are appropriated from the 911 emergency telecommunications service account and from the 911 revenue bond proceeds account.

Sec. 31. Minnesota Statutes 2008, section 462A.36, is amended by adding a subdivision to read:

Subd. 2a. **Authorization; foreclosed affordable rental housing and permanent supportive housing.** The agency may issue up to $5,000,000 of nonprofit housing bonds in one or more series to which the payments made under this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of (a) foreclosed or vacant housing to be used for affordable rental housing and (b) permanent supportive housing for individuals and families who are experiencing homelessness.

Sec. 32. Minnesota Statutes 2008, section 462A.36, is amended by adding a subdivision to read:

Subd. 5. **Appropriation for foreclosed affordable rental housing and permanent supportive housing; payment to the agency or trustee.** (a) The agency must certify

annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2a.

(b) Each July 15, beginning in 2011 and through 2033, if any nonprofit housing bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed $400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 33. Laws 2005, chapter 20, article 1, section 23, subdivision 12, as amended by Laws 2006, chapter 171, section 2, and Laws 2006, chapter 258, section 50, is amended to read:

| | |
|---|---|
| Subd. 12. Bioscience Development | 18,500,000 |
| For grants to political subdivisions to predesign, design, acquire, construct, furnish, and equip publicly owned infrastructure required to support bioscience development in this state. | |
| $2,500,000 is for a grant to the city of Worthington. | |
| $14,000,000 cumulatively is for grants to the counties of Ramsey and Anoka for public improvements to the portion of County Road J located within each county, and for road and bridge improvement costs at marked Trunk Highway 36 and Rice Street in Ramsey County in support of bioscience business development. This amount may be used to repay loans the proceeds of which were used for the public improvement. The grants to the individual counties shall be in amounts proportionate to the individual | |

counties' costs associated with the public improvements.

$2,000,000 is for bioscience business development public infrastructure grants under new Minnesota Statutes, section 116J.435.

Sec. 34. Laws 2008, chapter 152, article 2, section 3, subdivision 2, is amended to read:

Subd. 2. **State Road Construction** 1,717,694,000

(a) For the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses. This appropriation is in the following amounts:

(1) $417,694,000 in fiscal year 2009, and the commissioner may use up to $71,008,000 of this amount for program delivery;

(2) $500,000,000 in fiscal year 2010, and the commissioner may use up to $85,000,000 of this amount for program delivery; and

(3) $100,000,000 in each fiscal year for fiscal years 2011 through 2018, and the commissioner may use up to $17,000,000 of the amount in each fiscal year for program delivery.

(b) Of the amount in fiscal year 2009, $40,000,000 is for construction of interchanges involving a trunk highway, where the interchange will promote economic

development, increase employment, relieve growing traffic congestion, and promote traffic safety. The amount under this paragraph must be allocated 50 percent to the department's metropolitan district, and 50 percent to districts in greater Minnesota.

(c) Of the amount in fiscal years 2009 and 2010, the commissioner shall use $300,000,000 each year for predesign, design, preliminary engineering, right-of-way acquisition, construction, reconstruction, and maintenance of bridges in the trunk highway bridge improvement program under Minnesota Statutes, section 165.14.

(d) Of the total appropriation under this subdivision, the commissioner shall use at least $50,000,000 for accelerating transit facility improvements on or adjacent to trunk highways.

(e) Of the total appropriation under this subdivision provided to the Department of Transportation's district 7, the commissioner shall first expend funds as necessary to accelerate all projects that (1) are on a trunk highway classified as a medium priority interregional corridor, (2) are included in the district's long-range transportation plan, but are not included in the state transportation improvement program or the ten-year highway work plan, and (3) expand capacity from a two-lane highway to a freeway or expressway, as defined in Minnesota Statutes, section 160.02, subdivision 19. The commissioner shall establish as the highest

priority under this paragraph any project that currently has a final environmental impact statement completed. The requirement under this paragraph does not change the department's funding allocation process or the amount otherwise allocated to each transportation district.

(f) For each fiscal year appropriation in paragraph (a), Minnesota Statutes, section 16A.642, shall apply from the first day of such fiscal year rather than the date of enactment of the appropriation.

Sec. 35. Laws 2008, chapter 179, section 5, subdivision 4, is amended to read:

Subd. 4. ~~**Mott Memorial Hall**~~ **Technology Center Predesign** 100,000

~~To~~ For predesign ~~the renovation of Mott Memorial Hall~~ of a new technology center on the Minnesota State Academy for the Deaf campus. The predesign should include options for utilizing existing buildings located on the campus.

Sec. 36. Laws 2008, chapter 365, section 5, subdivision 2, is amended to read:

Subd. 2. **Minneapolis Veterans Home Campus**

(a) **Building 9 Demolition** 1,000,000

To demolish Building 9 ~~and~~, relocate a water main serving the campus, and make associated site improvements and modifications necessary to complete the project. This appropriation is to cover 100 percent of the cost of this portion of the project.

(b) **New Nursing Facility** 9,100,000

To design, construct, furnish, and equip a 100-bed nursing facility on the Minneapolis campus.

The appropriation is to cover the 35 percent state share of this portion of the project.

Sec. 37. **ACQUISITION; LAKE VERMILION STATE PARK.**

Notwithstanding any law to the contrary, the commissioner of natural resources may acquire by gift or purchase the lands for Lake Vermilion State Park. The commissioner may pay up to $18,000,000 for the lands for Lake Vermilion State Park.

Sec. 38. **REPEALER.**

(a) Minnesota Statutes 2008, sections 116J.431, subdivisions 3, 7, and 8; and 116J.435, subdivisions 1, 4, 5, 6, and 7, are repealed.

(b) Minnesota Statutes 2009 Supplement, sections 116J.431, subdivisions 1, 1a, 2, 4, and 6; and 116J.435, subdivisions 2 and 3, are repealed.

Sec. 39. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment.