

HOUSE RESEARCH

Bill Summary

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Overview

This is the omnibus capital investment bill. For detailed information on the appropriation amounts and funding sources, see the spreadsheet prepared by Koryn Zewers, House Fiscal Analyst.
<http://www.house.leg.state.mn.us/fiscal/tracking.htm>

Section

- 1 **Summary.** Total appropriation of \$1,065,568,000, including \$73,075,000 of user financing, \$955,426,000 general obligation bonding, \$32,000,000 from the maximum effort school loan fund, \$25,000,000 from the remediation fund, and \$6,682,000 from the general fund.
- 2 **University of Minnesota .** Appropriates a total of \$136.2 million for the state's share of project costs (approximately two-thirds of the total costs), including \$40 million for HEAPR.
- 3 **Minnesota State Colleges and Universities.** Appropriates a total of \$281.4 million in total project costs, including \$60 million for HEAPR. Requires one-third of the project costs, excluding HEAPR, to be user-financed. Requires the transfer of certain properties to the Anoka-Hennepin school district and provides for additional joint programming with Anoka Technical College .
- 4 **Education.** Appropriates a total of \$34 million, including \$32 million for the Red Lake School District to complete financing for the secondary school, and \$2 million for library accessibility and improvement grants.
- 5 **Minnesota State Academies.** Appropriates a total of \$2.8 million, including \$2.7 for asset

- preservation and \$100,000 to predesign a dorm to replace Frechette Hall.
- 6 **Perpich Center for Arts Education.** Appropriates a total of \$335,000 for asset preservation.
- 7 **Natural Resources.** Appropriates a total of \$136.5 million.

Requires prairie restorations projects to use best management practices.

Requires the commissioner of natural resources to record information for projects expected to have a carbon sequestration value to assess changes in carbon budgets resulting from bond funded restoration projects.

Subd. 2. Statewide asset preservation. Appropriates \$1 million and may be used to replace buildings if that is the most energy efficient choice.

Subd. 3. Flood hazard mitigation. Appropriates \$16 million. Includes funding for the Canisteo mine pit project, renovation of the WPA projects in the glen area of Minnehaha Creek, and other projects. Authorizes the use of the appropriation for the local share if the cost of named projects exceeds the 2% of median income.

Subd. 4. Flood control project relocation. For a grant to city of Crookston to design, construct, furnish and equip a new ice arena complex to replace the existing one that must be removed for the planned flood control project. Requires a local match.

Subd. 5. Stillwater flood control phase III. Requires a commitment of \$2 million in nonstate sources.

Subd. 6. Red River basin digital elevation model. From the general fund.

Subd. 7. Groundwater monitoring wells. For new groundwater level monitoring wells for the Mt. Simon aquifer and to seal nonfunctioning monitoring wells.

Subd. 8. Dam renovation and removal. For project priorities and named projects. Authorizes the transfer of any remaining money from completed projects to other priority list projects.

Subd. 9. Water control structures.

Subd. 10. Mississippi River aquatic invasive species barrier. For predesign and design and to match federal and other funds.

Subd. 11. Stream protection and restoration. Must be used for projects in flood areas for downstream flooding protection.

Subd. 12. Shoreline and critical aquatic habitat acquisition.

Subd. 13. Fish hatchery improvements.

Subd. 14. Water access acquisition. May be used for fishing piers and

shoreline access.

Subd. 15. Native prairie bank acquisition and development. Requires the use of native prairie species of a local ecotype.

Subd. 16. Scientific and natural area acquisition and development. Not less than five percent of the appropriation is for restoration. Names projects that may be funded.

Subd. 17. Wildlife area acquisition and improvement. Not less than five percent of the appropriation is for restoration of existing wildlife management areas, not less than 10 percent is for restoration on land acquired with the appropriation, and 20 percent is for acquisition in the seven county metropolitan area. Requires prairie restorations to use native species of a local ecotype as defined in statute.

Subd. 18. RIM critical habitat match.

Subd. 19. Forest roads and bridges.

Subd. 20. State forest land reforestation.

Subd. 21. Big Bog state recreation area. For improvements.

Subd. 22. Cuyuna Country state recreation area. For a natural surface trail and improvements.

Subd. 23. State park and recreation area facility improvements. For projects in the ten-year project list for named areas according to priorities set by the commissioner.

Subd. 24. State park rehabilitation and development. For deferred maintenance, rehabilitation, renovation, and development projects on the ten-year list for named areas according to priorities set by the commissioner.

Subd. 25. Lake Vermillion state park acquisition and development. For land purchase and design and for minimal infrastructure improvements for a new state park.

Subd. 26. State park prairie reconstruction and forest restoration projects. For prairie and savanna reconstruction, using native prairie species of a local ecotype, at named parks and for forest restoration projects at named parks.

Subd. 27. Regional and local park grants. Requires appropriations to be used for named parks if they have a permanent status as a public park.

Subd. 28. State trail acquisition and development. For acquisition, design, construction and renovation of state trails, including named trails. Permits the reallocation of funds for projects that are not ready to proceed with notice to the legislature.

Subd. 29. Regional and local trail grants. For named trails. Establishes requirements for any lighting funded with the appropriation for the Grand Rounds in Minneapolis . Permits the reallocation of funds for projects that are not ready to proceed with notice to the legislature.

Subd. 30. Old Cedar Avenue bridge.

Subd. 31. Fort Snelling Upper Bluff Emergency Building Stabilization. Requires an agreement to use Sentence to Serve labor for the project.

Subd. 32. Bell Museum landscaping. For landscape design and construction for a new museum funded under section 2.

Subd. 33. Diseased shade tree removal and replacement. For grants for costs related to dead and dying trees.

Subd. 34. Lake Zumbro . For a grant to design the lake restoration, including public access.

8 Pollution Control Agency. Appropriates a total of \$32.5 million.

Subd. 2. Closed landfill cleanup revenue bonds. Appropriates money from a new remediation fund for use at qualified landfill facilities at named locations and locations determined by the PCA. Requires a report to the legislature on the need for additional revenue to cleanup closed landfills.

Subd. 3. Remedial systems; Albert Lea. For design and construction of remedial systems at the Albert Lea landfill.

Subd. 4. Beneficial reuse of wastewater grant program. For grants of up to half the cost to predesign, design and implement projects demonstrating beneficial reuse.

9 Board of Water and Soil Resources.

Subd. 1. Total appropriation. Appropriates a total of \$39,275,000 million. Requires a central recording system for projects with carbon sequestration value to assess carbon budget changes. Requires prairie restoration to use best management practices as defined in law. Extends the waivers authorized for the 2007 Southeast Minnesota Floods to June 30, 2010 .

Subd. 2. RIM reserve program. Authorizes the use of ten percent of the funds for administration. Authorizes the Board to establish alternative payment rates for restoration of native prairies and upland protection. Provides funding for named projects including additional funding for the recovery from the 2007 Southeast Minnesota floods. Authorizes agreements for restoration for energy production that does not devalue other benefits of areas enrolled in an easement. Allows five percent of the appropriation for restoration, including overseeding.

Subd. 3. Wetland replacement due to public road projects. Authorizes the Board to establish alternative payment rates for easements and practices for native prairie restoration. Authorizes up to ten percent of the appropriation for

administration of the program. Requires a fair market value purchase price for easements. Land or easements may be conveyed or acquired in the name of a political subdivision.

10 **Minnesota Zoological Gardens.** Appropriates a total of \$9.5 million.

Subd. 2. Asset preservation.

Subd. 3. Master plan.

11 **Administration.** Appropriates a total of \$15.725 million.

Subd. 2. Property acquisition.

Subd. 3. State Capitol building restoration.

12 **Amateur Sports Commission.** Appropriates a total of \$5 million.

Subd. 2. National Sports Center , Blain.

Subd. 3. National Volleyball Center , Rochester .

13 **Military Affairs.** Appropriates a total of \$6 million for asset preservation, life/safety improvements and ADA compliance.

14 **Public Safety.** Appropriates a total of \$7.655 million.

Subd. 2. Public safety training center – Camp Ripley . Gives priority to nonmilitary public safety personnel from Minnesota in scheduling. Fees charged nonmilitary public safety personnel from Minnesota cannot exceed fees charged military personnel and units.

Subd. 3. Southeastern Minnesota regional public safety training center – Olmsted County . Requires a nonstate match.

Subd. 4. Crime labs strategic plan. Requires the commissioner of public safety to develop a long-term strategic plan for maintenance and staffing of state and regional crime labs and report to the legislative committees with responsibility for public safety finance by February 1, 2009 .

15 **Transportation.** Appropriates a total of \$14.5 million.

Subd. 2. Port development assistance.

Subd. 3. High-speed rail line (St. Paul to Chicago). Cannot use money for work outside state. Directs MnDOT to work with Wisconsin 's department of transportation to coordinate application for federal capital assistance for the project and to develop a comprehensive rail plan as part of the state transportation plan. Requires legislative review and comment before final adoption of the plan.

Subd. 4. Northshore express.

Subd. 5. Railroad track rehabilitation. Railroad track rehabilitation between Norwood-Young America and Hanley Falls .

Subd. 6. Southeast express.

Metropolitan Council. Appropriates a total of \$111.7 million.

Subd. 2. Central corridor light rail transit. Limits preliminary engineering to \$20 million. Provides that Hennepin and Ramsey counties do not need to commit their matching money at a rate faster than dollar for dollar with this appropriation. Provides that district heating and cooling nonprofits are eligible to get grants and federal money for costs of relocating facilities from public rights of way to prevent interference with public light rail projects.

Subd. 3. Urban partnership agreement.

Subd. 4. Bottineau corridor transit way.

Subd. 5. Cedar Avenue BRT.

Subd. 6. I-94 corridor transit way.

Subd. 7. I-494 corridor transit way.

Subd. 8. Red Rock corridor transit way.

Subd. 9. Robert Street corridor transit way.

Subd. 10. Rush Line corridor transit way.

Subd. 11. Southwest corridor transit way.

Subd. 12. Union Depot.

Subd. 13. Metropolitan regional parks capital improvements. Requires priority for park rehabilitation and land acquisition. Prohibits use of money for purchase of easements.

Subd. 14. St. Paul National Great River Park .

Subd. 15. Upper Landing shoreline protection.

Subd. 16. Springbrook Nature Center .

Subd. 17. Father Hennepin regional park.

Human Services. Appropriates a total of \$13.185 million.

Subd. 2. Systemwide asset preservation/safety and security.

Subd. 3. Systemwide campus redevelopment, reuse, and demolition.

Subd. 4. Early childhood facilities.

Subd. 5. Multicounty regional chemical dependency treatment facility and

correctional center.

Subd. 6. Hennepin County Medical Center .

Subd. 7. Ah Gwah Ching regional treatment center. Provides that if the campus is sold to a local government, the unused portion of the appropriation may be granted to the local government.

Subd. 8. Remembering with dignity. For grave markers or memorial monuments for unmarked graves at state hospitals or regional treatment centers.

18 Veterans Affairs. Appropriates a total of \$11.227 million.

Subd. 2. Asset preservation.

Subd. 3. Kandiyohi County . For a skilled nursing facility.

Subd. 4. Silver Bay campus renovation.

Subd. 5. Veterans Memorial, Eden Prairie .

Subd. 6. All Veterans memorial, Richfield . Specifies elements of the memorial. Requires a nonstate match.

Subd. 7. Veterans memorial, Virginia . States that city spending for the park constitutes the city's match.

19 Corrections. Appropriates a total of \$27 million for asset preservation and phase III of the expansion of the correctional facility at Faribault .

20 Employment and Economic Development. Appropriates a total of \$133.625 million.

Subd. 2. Greater Minnesota business development infrastructure grant program.

Subd. 3. Bioscience business development public infrastructure grant program. Requires funded projects to document the benefit to consumers and a report to the legislature. Provides funding for named projects.

Subd. 4. Redevelopment account.

Subd. 5. Bemidji regional event center. Requires a \$25 million nonstate match.

Subd. 6. Chisholm – Sewer and Water.

Subd. 7. Duluth entertainment and convention center expansion. Specifies the dimension and components of the project.

Subd. 8. Duluth Lake Superior Zoo. For improvements related to achieving accreditation. Requires an equal match.

Subd. 9. Floodwood Business park development. Requires an equal match.

Subd. 10. Hibbing Memorial building. Requires an equal match.

Subd. 11. Itasca County infrastructure. For support of a steel plant.

Subd. 12. Minneapolis predesign of Orchestra Hall and Peavey Plaza .

Subd. 13. Rochester Mayo civic center complex.

Subd. 14. Roseville Guidant John Rose Minnesota Oval.

Subd. 15. St. Cloud civic center expansion. Requires a \$15 million nonstate commitment.

Subd. 16. St. Paul Asian Pacific cultural center.

Subd. 17. St. Paul Como Zoo.

Subd. 18. Wildlife rehabilitation center. From the general fund.

21 **Public Facility Authority.** Appropriates \$56.45 million.

Subd. 2. State match for federal USEPA capitalization grants.

Subd. 3. Wastewater infrastructure funding program. For the projects on the 2008 project priority list in order of priority. Includes a \$300,000 general fund appropriation for administration. Authorizes loans for Litchfield and Willmar above the statutory limits.

Subd. 4. Total maximum daily load (TMDL) grants.

Subd. 5. Phosphorus reduction grants.

Subd. 6. Small community wastewater grants.

Subd. 7. Bayport storm sewer. Additional appropriations to complete the system through the Stillwater prison grounds to the St. Croix river .

22 **Housing Finance Agency.** Appropriates \$2 million.

23 **Minnesota Historical Society.** Appropriates \$9.3 million.

Subd. 1. Historic sites asset preservation.

Subd. 2. Oliver H. Kelley Farm Historic Site. Allows unexpended funds to be used for construction of visitor amenities.

Subd. 3. Historic preservation grants. For grants to local jurisdictions, including named projects with a requirement that recipients must be public entities that provide an equal match.

24 **Bond sale expenses.**

25 **Bond sale schedule.** Directs the commissioner of finance to issue bonds so that general fund expenditures for debt service do not exceed the budgeted amount.

26 **Bond sale authorizations.** Authorizes the sale of state general obligation bonds for

appropriations from the bond proceeds fund and from the bond proceeds account in the maximum effort school loan program.

27

Bond sale authorization cancellations; reductions.

- Cancels the unspent portion of the 2002 Northwest busway appropriation and reduces the bond sale authorization accordingly.
- Cancels the unspent remainder of the 2003 appropriation to the University of Minnesota for the teaching and technology center, now complete, and reduces the bond sale authorization accordingly.
- Reduces the 2003 bond sale authorization related to the cancellation of the Larsmont portion of the Knife River-Larsmont sanitary district WIF set aside.
- Reduces the 2005 and 2006 bond sale authorizations corresponding to the change in funding from bonding to general fund for the Lewis and Clark rural water system.

28

Sale of state bond financed property. Provides that if (1) no state bonds that financed a project are outstanding on the date of the sale of state bond financed property, (2) no more than \$100,000 in state bond funds were used for the project and other funds besides bond funds were used in the project, and (3) the property was owned and directly operated and managed by a political subdivision, then the net proceeds of the sale go to the political subdivision.

29

Onsite energy generation from renewable sources. Requires a state agency's predesign for a new building to consider meeting at least two percent of the building's energy needs from renewable sources located onsite. Defines renewable sources as wind and sun. Requires analysis and reasons if not using onsite renewable energy sources for at least two percent of needs and prohibits additional state funding for design and construction unless the standard is met or the commissioner determines the reasons are supportable by evidence in the record.

30

Sustainable building guidelines. Directs the commissioner of administration to develop sustainable building design guidelines for major renovations of state buildings by February 1, 2009. Provides for the guidelines to define "major renovations" but also provides that a major renovation must not be less than 10,000 square feet or less than the complete replacement of the mechanical, ventilation, or cooling system of a building or section of a building. Directs the commissioners of administration and commerce to review the guidelines periodically and incorporate performance standards developed.

31

Other projects (notice to legislative chairs on capital project design). Exempts asset preservation projects from the requirement that the agency notify the chairs of legislative committees with jurisdiction over finance and capital investment that work is ready to begin. CAPRA, ADA and HEAPR projects are already exempt from this requirement.

32

Borrowing funds. Increases from \$200,000 to \$600,000 the total amount of loans that a watershed district may have from counties and financial institutions.

33

Requirements (wetland replacement). Modifies the provision relating to wetland replacement for road projects to change "transportation" project to "road" project. Defines public road authority to mean the state, counties, cities, and townships.

34

Appropriation (remediation fund). Technical, related to the closed landfill cleanup revenue bonding authorized below.

35

Revenues (remediation fund). Technical, related to the closed landfill cleanup revenue bonding authorized below.

36

Closed landfill cleanup revenue bonds. Authorizes issuance of \$25 million in revenue

- bonds for closed landfill cleanup. Provides that revenue in the remediation fund will pay the debt service on the bonds issued. States that the bonds are not general obligation bonds.
- 37 **Beneficial use of wastewater; capital grants for demonstration projects.** Establishes the grant program funded through the PCA above. Defines “beneficial use of wastewater” to mean use of effluent from a wastewater treatment plant that replaces use of groundwater. Authorizes grants to political subdivisions for up to 50 percent of predesign and design costs, up to \$500,000. Requires the design work to be made publicly available and free to others. Authorizes grants to political subdivisions to acquire, construct, install, furnish and equip demonstration projects. Directs the agency to give preference to projects that will reduce the use of the greatest volume of groundwater from aquifers with the slowest rate of recharge. Requires a report by February 1 of each year to the chairs of the legislative committees with jurisdiction over environment policy and finance and capital investment.
- 38 **Grants authorized (Minnesota Minerals 21st Century Fund).** Allows use of the fund to make grants to a county or county regional rail authority for public infrastructure needed to support an eligible project.
- 39 **Early childhood learning and child protection facilities.** Restructures the section without substantive change except for increasing the maximum grant amounts for an individual facility from \$200,000 to \$300,000 for each program in the facility, and from \$500,000 to \$750,000 for a facility with three programs or more.
- 40 **Purpose (UM biomedical research facilities funding).** States the purpose of the biomedical research funding program is to benefit the economy, the industry, and human health and to facilitate research collaboration. Requires the statutory appropriations for these projects to be treated the same as the statutory appropriations for the stadium for the purposes of the Department of Finance debt management guidelines.
- 41 **Definitions (UM Biomedical Research Facilities Funding).** Defines:
- “biomedical science research facility” as a facility on the campus of the University used for research for biomedical science and technology;
- “commissioner” as the commissioner of finance;
- “project costs” as the sum of the costs required to design, construct and complete a research facility; and
- “project” as the components necessary for a biomedical science research facility.
- 42 **Biomedical science research facilities funding program.** Establishes a program for the state to pay up to 80 percent of the costs of four projects and for the Board of Regents to be responsible for at least 20 percent of the costs.
- 43 **Conditions for payments to university.**

Subd. 1. Certifications. Requires the commissioner of finance to certify that the projects and costs have been certified by the Board of Regents before making payments. Requires the Board to annually certify the state payment up to the state’s share of the debt service on the University bonds.

Subd. 2. Payments. Requires state payments on July 1 each year beginning in 2009 for its share of project costs. Payments continue while University bonds, up to a maximum of \$233.6 million, for these projects are outstanding.

Subd. 3. Appropriations. Establishes a schedule for maximum general fund appropriations for payments to the Board beginning at \$1 million for fiscal year 2010

and increasing to \$16.575 million in fiscal year 2015, or later. Maximum payment amounts continue for up to 25 years after certification of the last project.

Subd. 4. Report to the legislature. Requires the Board to report to the legislature by January 15 of each even numbered year on the biomedical science research facility projects.

Subd. 5. Reinvestment. Requires the Board, consistent with federal law and university policy, to place a priority on reducing the state's payment of debt service by dedicating a portion of the proceeds from any revenues attributable to research conducted in the facilities funded in this section.

Subd. 6. Services to individuals and firms. Requires the Board, consistent with its mission and policies and to the extent allowed for tax exempt bonds to make available laboratories and services on a fee basis to Minnesota firms and individuals without asserting university patent rights unless the services involve its intellectual contributions.

- 44 No full faith and credit (UM biomedical research facilities funding).** Provides that bonds issued for these projects are not the obligation of the state.
- 45, 46 Nonprofit housing bonds, Minnesota Housing Finance Agency.** Authorizes the Minnesota Housing Finance Agency to issue up to \$30 million in nonprofit housing bonds to make loans to finance the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families. Establishes a standing general fund appropriation of up to \$2.4 million per year, for up to 20 years beginning with fiscal year that begins July 1, 2009 , to pay debt service on the bonds issued by the agency.
- 47 Nashwauk gas utility.** Amends the 1997 special law authorizing the city of Nashwauk to construct and own one gas distribution line and establish a municipal gas utility. Authorizes the municipal gas utility to construct, own, and operate additional gas pipelines and distribute to customers within and outside the city's boundaries. Effective after local approval.
- 48 Wastewater infrastructure funding.** Strikes the \$1.5 million set aside for the Larsmont portion of the Knife River-Larsmont sanitary district in the 2003 WIF appropriation. The bond sale authorization is correspondingly reduced in an earlier section.
- 49 State park and recreation area acquisition.** Amends the 2005 appropriation set aside for land acquisition in Greenleaf Lake state park to refer to the Greenleaf Lake state recreation area.
- 50 Public safety.** Changes the grantee for the 2005 appropriation for the Blue Earth fire and police station from the city to the EDA.
- 51, 59 Lewis and Clark Rural Water system.** Changes funding source for the 2005 and 2006 appropriations from bonds to general fund.
- 52 Minnesota Planetarium.** Amends the 2005 appropriation so it is a grant to Hennepin County in place of Minneapolis , effective on the same date as the merger of the Hennepin County and Minneapolis library systems, if the enabling legislation for the merger is enacted in 2007.
- 53 Lake Superior safe harbors (Two Harbors).** Amends the 2006 appropriation language to allow the commissioner of natural resources to provide up to \$625,000 to complete the design specifications and environmental work underway.
- 54 Water control structures.** Amends the 2006 appropriation to DNR for water control structures to allow the appropriation to also be used for public water reserves, which are shallow lakes that are important for waterfowl but are not included in wildlife management areas.

- 55 **Itasca county – infrastructure.** Amends the 2006 appropriation to strike the reference to the innovative energy project and allow the infrastructure to also support economic development projects in the surrounding area. Specifies that the utility is the Nashwauk Municipal Utility.
- 56 **Regional trails.** Amends the 2006 appropriation for the Agassiz Recreational ATV trail to allow snowmobile trail grant funds and ATV trail grant funds to be used as the county's nonstate match.
- 57 **Northeast Minnesota rail initiative.** Amends the 2006 appropriation to specify the amounts for the Heritage and Arts Center and the passenger rail service. Also directs the rail appropriation to the regional rail authority.
- 58 **Redevelopment account.** Amends the 2006 appropriation for cleanup of the former Campbell Soup factory site in Worthington to exempt it from the match requirement. The appropriation was for the entire project cost. Also amends the definition of the Winona project to provide that it is a multipurpose events center and arena for the Beethoven Festival and Minnesota State University-Winona events, as well as the Shakespeare Festival.
- 60 **Historic Fort Snelling Museum and Visitor Center .** Amends the 2006 appropriation so it is for design of the museum and visitor center and other site improvements to revitalize historic Fort Snelling instead of restoration and renovation of the 1904 cavalry barracks building for the museum.
- 61 **Itasca County infrastructure.** Amends the 2006 appropriation for roads and rail lines for this project to include predesign, design, construct and equip electric infrastructure.
- 62 **Stakeholder consultation, report.** Direct the Minnesota Housing Finance Agency to meet with identified stakeholders on a variety of housing issues and report to the legislative committees with jurisdiction over housing policy and finance by January 1, 2009 .
- 63 **Report on East Phillips Cultural and Community Center.** Requires the Metropolitan Council to report by January 1, 2009 , to the Capital Investment Division on the terms of the grant agreement with the Minneapolis Park and Recreation Board for, and on the progress on design and construction of, the East Phillips Cultural and Community Center. The 2005 Legislature appropriated \$3.5 million for the project.
- 64 **Effective** the day after enactment, unless otherwise specified.