

# HOUSE RESEARCH

## Bill Summary

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### Overview

This is the omnibus capital investment bill. For information on appropriation amounts and fund sources, see the spreadsheet by Andrew Lee, House Fiscal Analyst, available on the session tracking sheet web page <http://www.house.leg.state.mn.us/fiscal/tracking.asp>

#### Section

**1 Capital improvement appropriations.** Overview and summary by agency and fund.

**2 University of Minnesota.**

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

**Subd. 3. Eddy Hall renovation.**

**Subd. 4. Tate Laboratory renovation.**

**Subd. 5. James Ford Bell Natural History Museum and Planetarium.**

**Subd. 6. Laboratory replacement.**

**Subd. 7. Research facilities improvements.**

**Subd. 8. University share.** Except for the appropriations for HEAPR and the Bell Museum, appropriations for the projects in this section are for approximately two-thirds of the costs and the University is expected to pay the remaining one-third.

**Subd. 9. Unspent Appropriations.** Money remaining after a project is completed

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must be used for HEAPR. Requires a report to the legislature.

### **3 Minnesota State Colleges and Universities.**

**Subd. 2. HEAPR.**

**Subd. 3. Central Lakes College, Staples.**

**Subd. 4. Metropolitan State University.** Science education center construction.

**Subd. 5. Minnesota State Community and Technical College, Moorhead.**  
Transportation center.

**Subd. 6. Riverland Community College, Albert Lea.** Main building renovation.

**Subd. 7. Rochester Community and Technical College.** Classroom renovation design.

**Subd. 8. Winona State University.** Classroom renovation.

**Subd. 9. Systemwide Science, Technology, Engineering, and Math Initiative.**  
For Century College, MSU-Moorhead, NHED-Itasca, and Mesabi Range Community and Technical College, Eveleth.

**Subd. 10. Systemwide classroom renovation.** Century College, Inver Hills, NHED-Vermilion, and St. Paul College.

**Subd. 11. Systemwide energy renovation and additions.** Century College, Minnesota West- Canby and Jackson, NHED-Itasca.

**Subd. 12. Debt service.** Requires MnSCU to pay debt service on one-third of the principal amount of state bonds sold for projects in this section, except for HEAPR.

**Subd. 13. Unspent appropriations.** Requires MnSCU to use money remaining from an appropriation in this section for a project that is substantially completed for HEAPR on the same campus. Requires notice to the commissioner of management and budget and a report to the legislature.

### **4 Education.**

**Subd. 2. School energy conservation revolving loan program.** Funds the new program created in the bill.

**Subd. 3. Independent School District No. 38, Red Lake.** Maximum effort loan for the kitchen and cafeteria to serve the high school and middle school, a receiving area and dock, adjacent drives, utilities, grading.

### **5 Minnesota State Academies.** To design a new residence hall.

### **6 Natural Resources.**

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**Subd. 1. Total appropriation.**

**Subd. 2. Natural resources asset preservation.**

**Subd. 3. Flood hazard mitigation.** Includes money for projects in Ada, Oslo, Montevideo, Moorhead, South St. Paul, and Inver Grove Heights.

**Subd. 4. Dam renovation.** For Rapidan dam and Champlin Mill Pond dam.

**Subd. 5. State trails development.** For the following trails: Blazing Star, Camp Ripley/Veterans State Trail, Casey Jones, Cuyuna Lakes, Gateway, Gitchi-Gami, Glacial Lakes, Goodhue Pioneer, Heartland, Luce Line, Mill Towns, and Minnesota River.

**Subd. 6. RIM critical habitat match.**

**Subd. 7. Groundwater monitoring and observation wells.**

**Subd. 8. Fountain Lake restoration.** For the Shell Rock River Watershed District.

**Subd. 9. Fort Snelling Upper Post.**

**7 Board of Water and Soil Resources.** RIM conservation reserve.

**8 Minnesota Zoological Gardens.** Asset preservation.

**9 Administration.** For the Capitol renovation and restoration.

**10 Minnesota Amateur Sports Commission.**

**Subd. 2. Mighty Ducks grants.** For air quality improvements in indoor arenas.

**Subd. 3. Southwest regional amateur sports center.** For a grant to the city of Marshall.

**Subd. 4. National Sports Center expansion.**

**11 Military Affairs.** Asset preservation.

**12 Transportation.**

**Subd. 2. Local bridge replacement and rehabilitation.**

**Subd. 3. Local road improvement fund grants.** Includes money for a grant to Anoka County for the interchange of U.S. Highway 10 and Anoka County Highway 83 (Armstrong Boulevard) in the city of Ramsey, and for a grant to Pine Lake Township in Otter Tail County for improvements to Nitche Lake Road.

**Subd. 4. Greater Minnesota transit.** Includes funding for Mankato, Rainbow Rider Transit (Elbow Lake, Morris, Wheaton, Lowery, and Alexandria), St. Cloud, and

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Kandiyohi Area Joint Powers Board.

**Subd. 5. Minnesota Valley Regional Railroad Track Rehabilitation.**

**Subd. 6. Railroad warning devices replacement.**

**Subd. 7. Intercity passenger rail projects.**

**Subd. 8. Safe Routes to School.**

**Subd. 9. Range Regional Airport.**

**Subd. 10. Port development assistance.**

**13 Metropolitan Council.**

**Subd. 2. Transit capital improvements.** For the Lake Street and I-35W transit station and the following transitway corridors: Bottineau, East 7<sup>th</sup> St. in St. Paul, I-94 Gateway, Nicollet Avenue, Red Rock, Riverview, Robert Street, Rush Line, Snelling Avenue, and Southwest.

**Subd. 3. Metropolitan regional parks and trails capital improvements.**

(a) Old Cedar Avenue Bridge, Bloomington

(b) Springbrook Nature Center, Fridley

(c) Heritage Village - Rock Island Swing Bridge, Inver Grove Heights

(d) Fish Creek Trail, Maplewood

(e) Minneapolis Sculpture Garden

**Subd. 4. Metropolitan cities inflow and infiltration grants.**

**14 Human Services.**

**Subd. 2. Minnesota Security Hospital - St. Peter; phase one.**

**Subd. 3. Remembering with Dignity.**

**Subd. 4. Hennepin County; St. David's Center for Child and Family Development.**

**Subd. 5. Maplewood; Harriet Tubman Center East.**

**15 Veterans Affairs.** Asset preservation at the Fergus Falls, Hastings, Luverne, Minneapolis, and Silver Bay veterans homes, and at the Little Falls cemetery.

**16 Corrections.** Asset Preservation.

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### **17 Employment and Economic Development.**

**Subd. 2. Public Building Accessibility Grants.** Funds the new grant program.

**Subd. 3. Brainerd, sewer and water extension to the Brainerd Lakes Regional Airport.**

**Subd. 4. Chatfield, Center for the Arts.**

**Subd. 5. Duluth.**

(a) NorShor Theatre.

(b) Wade Stadium design.

**Subd. 6. Mankato, Arena and Events Center Auditorium.**

**Subd. 7. Minneapolis.** Masonic Temple at Hennepin Center for the Arts.

**Subd. 8. Red Wing, River Renaissance.**

**Subd. 9. Rochester, Mayo Civic Center Complex.**

**Subd. 10. St. Cloud, River's Edge Convention Center.**

**Subd. 11. St. Paul.**

(a) Minnesota Children's Museum.

(b) Ordway Center for the Performing Arts

(c) Twin Cities Public Television Building Renovation.

(d) University Enterprise Laboratories.

**Subd. 12. Truman, stormwater project.**

**Subd. 13. Virginia, utilities and trails relocation.**

**Subd. 14. Voyageurs National Park Clean Water Joint Powers Board.**

### **18 Public Facilities Authority.**

**Subd. 2. State match for federal grants.** For clean water revolving fund and the drinking water revolving fund.

**Subd. 3. Wastewater infrastructure funding program.**

**Subd. 4. Big Lake Area Sanitary District.**

### **19 Minnesota Housing Finance Agency.** (a) For public housing rehabilitation and

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preservation.

(b) Directs the agency to give consideration in using the housing infrastructure bond proceeds (authorized below) for supportive housing for homeless youth, and for women and children seeking to escape exploitation and trafficking.

### 20 **Minnesota Historical Society.**

#### **Subd. 2. Historic sites asset preservation.**

#### **Subd. 3. Oliver H. Kelley Farm historic site.**

### 21 **Bond sale expenses.**

22 **Bond sale schedule.** Directs the commissioner of management and budget to schedule bond sales so that no more than \$1,347,152,000 is transferred from the general fund during the biennium to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds.

### 23 **Bond sale authorizations.**

24 **Cancellations, bond sale authorization reduction.** Cancels the 2009 \$2 million appropriation for the Alexandria aircraft surveillance facility.

25 **Waivers authorized (statute governing state assistance after a natural disaster).** Modifies the cross reference to reflect the change in the local bridge grant program made in this bill and for grants under the fracture-critical bridges provision, section 174.50, subdivision 6c, that was added to the statutes after the state assistance after a natural disaster statute was first enacted.

26 **Negotiated sales.** Makes permanent MMB's authority to use negotiated sales for sales of state general obligation bonds. Originally authorized in 2009 and extended in 2011.

27 **Renting out state property.** Related to the Capitol renovation project, provides that the commissioner of administration must not collect rent to recover bond interest costs or building depreciation costs for appropriations used for the project between 2012 and 2017.

28 **Guaranteed energy-savings agreement (state).** Relates to the new school energy conservation revolving loan program. Modifies the statute that allows the commissioner of administration to enter into guaranteed energy-savings agreements. Provides that the commissioner must find that the cost of utility savings measures will not exceed the savings in utility operation and maintenance costs over 20 years, increased from 15 years.

29 **Lease purchase agreement (state).** Relates to the new school energy conservation revolving loan program. Extends the lease-purchase agreement period from 15 to 20 years in the statute that authorizes the commissioner of administration to enter into an agreement for guaranteed energy savings.

30 **Public building accessibility grant program.** Establishes a new grant program in DEED for

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making accessibility improvements in city, county, or town buildings. Caps a local government at \$150,000 total in grants.

- 31**     **Definitions (school guaranteed energy-savings agreements).** Relates to the new school energy conservation revolving loan program. Modifies the statute that allows school districts to enter into guaranteed energy-savings agreements. Provides that contract costs may be made over 20 years, increased from 15 years.
- 32**     **District action (school guaranteed energy-savings agreements).** Relates to the new school energy conservation revolving loan program. Cross-reference to the new school energy conservation loan program, related to review of a guaranteed energy savings contract. Requires the school board to find that the cost of energy conservation measures are not likely to exceed the savings in energy operation and maintenance costs over 20 years, increased from 15 years.
- 33**     **Powers and duties of board.** Relates to transfer of Crosswinds school. Gives the Perpich Center for Arts Education authority to care for, manage, and control any school as authorized in the statute.
- 34**     **Interdistrict voluntary integration magnet program.** Relates to transfer of Crosswinds. Authorizes the Perpich Center for Arts Education to establish and operate an interdistrict integration magnet program.
- 35**     **Crosswinds Integration Magnet School.** Allows the Perpich Center for Arts Education to operate the Crosswinds school in Woodbury.
- 36**     **Bridge costs in smaller cities.** Reinstates without an end date the grant program for small cities; grants were allowed until June 30, 2007 under current law. Strikes the limitation to cities with a net tax capacity of under \$200,000 and provides that engineering, not preliminary engineering, is an eligible use of grant money. Provides that grants may be used for 100 percent of design, engineering, and approach work costs that exceed \$10,000. Provides that grants for construction are for 100 percent of costs. Finally, eliminates the \$200,000 cap on grant amounts.
- 37**     **Bridge grant program; rulemaking.** Incorporates into the statute governing bridge grants the language that has been in the rider for the appropriation of bond funds for local bridge replacement and renovation.
- 38**     **Commissioner powers (commerce).** Permits the commissioner of commerce to charge fees to other state agencies, local governments, schools, and others for technical support services related to various energy savings programs in order to make the department's services self-funding.
- 39**     **Definitions.** For the school energy conservation revolving loan program.
- 40**     **School energy conservation revolving loan program.** Establishes the revolving loan program for energy improvements in public school buildings. Requires the energy improvements to be capital improvements within the meaning of the state constitutional

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provision for use of state general obligation bonds. Specifies application information required. Requires a loan be for no more than one-half the total project cost, have a repayment term of no longer than 20 years, bear interest at or below market rate, and finance energy improvements whose useful life is at least as long as the loan term. Requires a biennial report.

- 41 Development plan, criteria (Mighty Ducks grants).** Adds renovation and indoor air quality improvements at existing indoor ice arenas to the list of priority projects for funding. Increases the cap on grants from \$100,000 to \$200,000.
- 42 Definitions (housing infrastructure bonds).** Adds to the definition of the bonds, those bonds issued by the MHFA that finance qualified residential rental projects.
- 43 Additional authorization (MHFA).** Authorizes an additional \$35 million in housing infrastructure bonds.
- 44 Additional appropriation (MHFA).** Appropriates \$2,590,000 per year from the general fund to the MHFA for debt service on the agency housing infrastructure bonds issued, beginning in fiscal year 2015. As under current law, housing infrastructure bonds may be used to finance supportive housing, acquisition, and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing, acquisition of foreclosed or abandoned property attributable to land to be leased by community land trusts, and acquisition and rehabilitation of federally assisted rental housing. As provided in section 19, they may also be used for loans for supportive housing for homeless youth, and for women and children to provide them protection from and the means to escape exploitation and trafficking. The bonds are not GO and not backed by state's full faith and credit.
- 45 Fergus Falls regional treatment center.** Modifies and extends the 2002 bond appropriation.
- 46 Fergus Falls regional treatment center.** Modifies and extends the 2005 bond appropriation.
- 47 Bioscience development (Worthington reauthorization).** Reauthorizes use of the remaining money from a 2005 appropriation for a grant to the city of Worthington.
- 48 Old Cedar Avenue Bridge.** Modifies and extends time to use the 2006 appropriation.
- 49 Fergus Falls - systemwide redevelopment, reuse, or demolition.** Modifies and extends the 2006 bond appropriation.
- 50 Regional and local parks grants (Sartell reauthorization).** Reauthorizes, modifies, and extends the use of the 2008 bond appropriation to Sartell to acquire park property.
- 51 Bioscience Business Development (Granary Road).** Extends the availability of the 2008 appropriation until June 30, 2015.
- 52 Old Cedar Avenue Bridge.** Modifies and extends the 2008 appropriation for the project.
- 53 Effective date.** Amends the effective date relating to MMB's authority to use negotiated sales by striking the expiration date.



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- 54**      **Old Cedar Avenue Bridge.** Modifies and extends the 2010 appropriation for the project.
- 55**      **Options for transfer of Crosswinds school facilities.** Permits the Crosswinds school to be transferred to either the Perpich Center for Arts Education or the South Washington County School district, but only for use as an east metropolitan area integration magnet. Provides that if the school is not transferred to either of those entities, then it may be sold at public sale for an amount at least equal to the total amount of state general obligation bond proceeds used to acquire and better the school.
- 56**      **Crosswinds school transition to Perpich Center for Arts Education.** Provides for the transition if the Perpich Center gets the school.
- 57**      **Crosswinds transition to South Washington County District.** Provides for the transition if the South Washington County school district gets the school.
- 58**      **Harambee Community School Transition.** Authorizes the East Metro Integration District to transfer the Harambee Community School to the Roseville district.
- 59**      **Repealer.** Repeals the Business Development Through Capital Projects Grant Program established in DEED to provide competitive matching grants to local governments for capital projects, scheduled to sunset June 30, 2016. It was enacted in 2012.
- 60**      **Effective date.** Effective the day after enactment.