

# House Research Act Summary

**CHAPTER:** 179

**SESSION:** 2008 Regular Session

**TOPIC:** Omnibus Capital Investment Act

**Date:** June 11, 2008

**Analyst:** Deborah A. Dyson

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## Overview

Chapter 179 (H.F. 380/S.F. 3295) is the first omnibus capital investment act, signed by the Governor on April 7, 2008, with line-item vetoes. In general, the act is effective April 8, 2008. For detailed information on the appropriation amounts and funding sources, see the spreadsheets prepared by Koryn Zewers, House Fiscal Analyst. ([www.house.leg.state.mn.us/fiscal/tracking.htm](http://www.house.leg.state.mn.us/fiscal/tracking.htm))

Chapter 365 (H.F. 4072) is the second omnibus capital investment act of the 2008 session, and includes corrections to chapter 179. Chapter 365 is effective May 30, 2008. This summary includes references to chapter 365. Chapter 370 is the corrections act and includes corrections to several provisions in chapter 179 that are also in chapter 365. The chapter 370 corrections are effective April 8, 2008.

In addition, chapter 152, article 2, the omnibus transportation finance act, includes general obligation bonding appropriations (\$50 million for local bridges and \$10 million for local roads) and trunk highway bonding appropriations.

### Section

#### **1 Summary.**

	<b>Ch. 179, as passed</b>	<b>Veto Amounts</b>	<b>Total after vetoes</b>
Total	\$1,085,767,000	(\$224,213,000)	\$861,554,000
Bond proceeds fund, general fund	\$934,098,000	(\$192,018,000)	\$742,080,000

debt service			
Bond proceeds fund, user financed debt service	\$72,512,000	(\$15,570,000)	\$56,942,000
Maximum effort school loan fund	\$16,000,000	(16,000,000)	0
State transportation fund (g.o. bonds)	\$2,000,000		\$2,000,000
Remediation fund	\$25,000,000		\$25,000,000
General fund	\$15,057,000	(\$625,000)	\$14,432,000
Trunk highway fund (federal funds)	\$48,200,000		\$48,200,000
Bond proceeds cancellations	(\$27,100,000)		(\$27,100,000)

**2 University of Minnesota.** Appropriates a total of \$131.2 million, \$105.166 million after vetoes, for the state's share of project costs (approximately two-thirds of the total costs).

**Subd. 2. HEAPR.** \$35 million.

**Subd. 3. Twin Cities Campus.** (a) \$48.333 million for science teaching and student services building. (b) \$24 million for the Bell Museum was **vetoed**.

**Subd. 4. Duluth campus.** \$10 million for the Voss-Kovach civil engineering addition.

**Subd. 5. Morris campus.** \$5 million for the community services building renovation.

**Subd. 6. Research and outreach centers.** \$3.5 million for the Northwest ROC, Crookston and the West Central ROC, Morris.

**Subd. 7. Classroom renewal.** \$2 million was **vetoed**.

**Subd. 8. Laboratory renovation.** \$3.333 million for laboratory renovations on the Crookston, Duluth, Morris and Twin Cities campuses.

**Subd. 9. University share.** Provides that except for HEAPR, the appropriations in this section are for approximately two-thirds the cost of each project and the university must cover the remainder of the costs.

**Subd. 10. Unspent appropriations.** Requires the university to use any money remaining after completion of a project funded in this section for HEAPR. Requires a report to the legislature.

**3 Minnesota State Colleges and Universities.** Appropriates a total of \$280.935 million, \$234.225 million after vetoes. Note: see section 21, subdivision 15, for the appropriation to St. Cloud State University for the National Hockey Center.

**Subd. 2. HEAPR.** \$55 million.

**Subd. 3. Alexandria Technical College.** \$10.5 million for law enforcement center.

**Subd. 4. Anoka Ramsey Community College, Coon Rapids.** \$3.8 million for classrooms and labs.

**Subd. 5. Bemidji State University.** \$8.9 million for Sattgast science building addition and renovation.

**Subd. 6. Century College.** \$7.9 million for classroom and student support space renovation.

**Subd. 7. Dakota County Technical College.** \$200,000 to design transportation and emerging technologies labs.

**Subd. 8. Hennepin Technical College.** \$2.4 million to renovate space at the Eden Prairie campus and to design renovations at Eden Prairie and Brooklyn Park campuses.

**Subd. 9. Inver Hills Community College.** \$13.2 million for classroom addition and renovation.

**Subd. 10. Lake Superior Community and Technical College.** \$11 million for the health and science center addition was **vetoed**.

**Subd. 11. Mesabi Range Community and Technical College, Eveleth.** \$5 million for the carpentry and industrial mechanical technology and shops was **vetoed**.

**Subd. 12. Metropolitan State University.** (a) \$4.98 million for smart classrooms was **vetoed**. (b) \$13.9 million for a law enforcement training center. Chapter 370, section 5, and chapter 365, section 17, amend this paragraph to allow MnSCU to use up to \$2 million of college or university money for the project.

**Subd. 13. Minneapolis Community and Technical College.** \$400,000 to design workforce program space.

**Subd. 14. Minnesota State University, Mankato.** \$25.5 million for the Trafton Science Center renovation.

**Subd. 15. Minnesota State University, Moorhead.** (a) \$13.1 million for Lommen Hall renovation. (b) \$400,000 for design for Livingston Lord library.

**Subd. 16. Minnesota West Community and Technical College, Worthington.** \$450,000 for design of fieldhouse renovation.

**Subd. 17. Moorhead Community and Technical College.** \$2.5 million for trades addition and library design.

**Subd. 18. Normandale Community College.** \$7 million for classroom addition and renovation.

**Subd. 19. North Hennepin Community College.** (a) \$13.3 million for business

and technology center was **vetoed**. (b) \$900,000 for science, technology, engineering, and math facilities.

**Subd. 20. Northland Community and Technical College, East Grand Forks.** \$7.8 million for nursing, health care, and learning resources center.

**Subd. 21. Owatonna College and University Center.** \$3.5 million for property acquisition.

**Subd. 22. Ridgewater College, Willmar.** \$3.5 million for technical instruction space.

**Subd. 23. Rochester Community and Technical College.** \$200,000 for design of an addition to the Heinz Center. Permits the college to use other funds to complete the design.

**Subd. 24. South Central College, Faribault.** \$400,000 to design classroom renovation and addition.

**Subd. 25. St. Cloud State University.** (a) \$14.8 million for Brown Hall. (b) \$900,000 for design of a science and engineering lab.

**Subd. 26. St. Cloud Technical College.** \$200,000 to design renovation of allied health center.

**Subd. 27. St. Paul College.** \$13.5 million for the transportation and applied technology labs and shops.

**Subd. 28. Southwest Minnesota State University.** (a) \$9 million for science and hotel and restaurant labs. (b) \$200,000 to design science lab renovations.

**Subd. 29. Winona State University.** \$8.4 million to renovate Memorial Hall. This project is exempt from the one-third debt service requirement.

**Subd. 30. Systemwide initiatives.** (a) \$5.775 million for science labs and classroom renovations. (b) \$3.625 million for classroom renovations was **vetoed**. (c) \$8.805 million for property acquisition was **vetoed**.

**Subd. 31. Debt service.** Requires one-third of the project costs, excluding HEAPR and Winona State University Memorial Hall, to be user-financed.

**Subd. 32. Anoka Technical College; Anoka-Hennepin School District Partnership.** Requires the transfer of certain properties to the Anoka-Hennepin school district and provides for additional joint programming with Anoka Technical College.

**Subd. 33. Unspent appropriations.** Requires any unused funds for completed projects in this section to be used for HEAPR on the same campus. Requires biennial reports to the legislature on activity under this subdivision.

4 **Education.** Appropriates a total of \$19.74 million, \$3.5 million after vetoes.

**Subd. 2. Independent School District No. 11, Anoka-Hennepin.** \$240,000 to acquire and develop a wetland and native prairie habitat next to Riverview Elementary School was **vetoed**.

**Subd. 3. Independent School District. No. 38, Red Lake.** \$16 million for the high school-middle school project was **vetoed**. Extends the time the school district has to enter into contracts for use of the 2005 appropriation.

**Subd. 4. Independent School District No. 279, Osseo.** \$2 million for the Northwest Hennepin Family Center in Brooklyn Center.

**Subd. 5. Library accessibility and improvement grants.** \$1.5 million for library accessibility and improvement grants, \$2 million.

5 **Minnesota State Academies.** Appropriates a total of \$2.8 million, including \$2.4 million for asset preservation, \$100,000 each to predesign a dorm to replace Frechette Hall and predesign the renovation of Mott Memorial Hall, and \$200,000 to construct, furnish and equip renovation of Pollard Hall. Chapter 370, section 7, and chapter 365, section 18, correct the description of the Pollard Hall project.

6 **Perpich Center for Arts Education.** Appropriates a total of \$335,000 for asset preservation.

7 **Natural Resources.** Appropriates a total of \$104.8 million, \$103.8 million after vetoes, subject to the natural resources capital improvement program in Minnesota Statutes, section 86A.12, unless a more specific statute or purpose is referred to in this section. Requires prairie restorations projects to use best management practices.

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

**Subd. 3. Flood hazard mitigation.** Appropriates \$33.9 million. Includes \$3.5 million funding for the Canisteo mine pit project, which does not require a local match and requires DNR to maintain the project after completion, and \$3.9 million in general fund for Browns Valley, and other projects. Authorizes the use of the appropriation for the local share if the cost of named project exceeds the 2 percent of median income.

**Subd. 4. Red River basin digital elevation model.** \$600,000 from the general fund.

**Subd. 5. Groundwater monitoring wells.** \$500,000 for new groundwater level monitoring wells for the Mt. Simon aquifer and to seal nonfunctioning monitoring wells.

**Subd. 6. Dam renovation and removal.** \$2 million for project priorities and named projects. Authorizes the transfer of any remaining money from completed projects to other priority list projects.

**Subd. 7. Water control structures.** \$500,000.

**Subd. 8. Mississippi River aquatic invasive species barrier.** \$500,000 to predesign and design and to match federal and other funds.

**Subd. 9. Stream protection and restoration.** \$1 million. Must be used for projects in flood areas for downstream flooding protection on one or more of named rivers.

**Subd. 10. Shoreline and critical aquatic habitat acquisition.** \$1 million.

**Subd. 11. Lake Zumbro.** \$175,000 for a grant to Olmsted and Wabasha counties design the lake restoration, including public access.

**Subd. 12. Water access acquisition, betterment and fishing piers.** \$650,000 for fishing piers and shoreline access.

**Subd. 13. Fish hatchery improvements.** \$1.5 million.

**Subd. 14. RIM - Wildlife area acquisition and improvement.** \$5 million. Not less than 5 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 50 percent is for land acquisition in the seven-county metropolitan area (intended for a project in Dakota County). Requires prairie restorations to use native species of a local ecotype as defined in statute. Requires a plan to the legislature on using native prairie vegetation for energy mass or carbon sequestration.

**Subd. 15. RIM critical habitat match.** \$3 million.

**Subd. 16. Native prairie conservation and protection.** \$4 million. Requires the use of native prairie species of a local ecotype.

**Subd. 17. Scientific and natural area acquisition and development.** \$1 million. Not less than 5 percent of the appropriation is for restoration. Names projects that may be funded.

**Subd. 18. Forest land and forest legacy conservation easements.** \$3 million. Requires the easements to guarantee public access, including hunting and fishing.

**Subd. 19. State forest land reforestation.** \$3 million.

**Subd. 20. Forest roads and bridges.** \$1 million.

**Subd. 21. Diseased shade tree removal and replacement.** \$500,000. For grants to local governments to remove and replace dead and dying trees on public property.

**Subd. 22. State park and recreation area acquisition, rehabilitation, and development.** \$19.041 million. For projects in the ten-year project list for named

areas according to priorities set by the commissioner. Includes \$2.4 million to acquire land for Greenleaf Lake State Recreation Area and \$200,000 to develop campgrounds at Red River State Recreation Area.

**Subd. 23. Big Bog state recreation area.** \$1.6 million for improvements.

**Subd. 24. Fort Snelling Upper Bluff emergency building stabilization.** \$500,000 to Hennepin County. Requires an agreement to use Sentence to Serve labor for the project.

**Subd. 25. State park prairie reconstruction and forest restoration projects.** \$545,000. For prairie and savanna reconstruction, using native prairies species of a local ecotype, at named parks and for forest restoration projects at named parks.

**Subd. 26. Regional and local park grants.** \$1.621 million for grants for named parks. Each park must have a covenant on the land to insure it will always be a public park.

**Subd. 27. State trail acquisition, rehabilitation, and development.** \$15.32 million. 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. 28. Regional trails.** \$156,000. For a grant to city of Cambridge for the Cambridge-Isanti bike/walk trail.

**Subd. 29. Trail connections.** \$697,000 for three named trails. Permits the reallocation of funds for projects that are not ready to proceed with notice to the legislature.

**Subd. 30. Drill core library and field office renovation.** \$500,000 for facility in Hibbing.

**Subd. 31. Wildlife rehabilitation center.** \$500,000 from the general fund was **vetoed**.

**Subd. 32. Bell Museum landscaping.** \$500,000 for landscape design and construction for a new museum funded under section 2 was **vetoed**.

**Subd. 33. Unspent appropriations.** Permits up to 10 percent of an appropriation not needed for a specific project, other than flood hazard mitigation, to be used for asset preservation.

**Note:** Chapter 365, section 2, appropriates \$20 million to acquire and begin to develop Lake Vermilion State Park. Chapter 368 also includes provisions establishing the park.

**8 Pollution Control Agency.** Appropriates a total of \$30 million, \$27.5 million after vetoes.

**Subd. 2. Albert Lea.** \$2.5 million. For a grant to the city of Albert Lea to design

and construct remedial systems at the Albert Lea landfill.

**Subd. 3. Closed landfill cleanup revenue bonds.** \$25 million from revenue bonds 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. See sections 34 to 36.

**Subd. 4. Beneficial reuse of wastewater grant program.** \$2.5 million for grants of up to half the cost to predesign, design and implement projects demonstrating beneficial reuse was **vetoed**. The program is established in section 37.

**9 Board of Water and Soil Resources.** Appropriates a total of \$30.475 million. 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.** \$25 million. Up to 10 percent may be for implementation. Authorizes the use of ten percent of the funds for implementation. Authorizes the board to establish alternative payment rates for restoration of native prairies and upland protection. Provides at least \$2 million for Austin area and up to \$8 million for Red River Valley area. Gives priority 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 5 percent of the appropriation for restoration, including overseeding.

**Subd. 3. Wetland replacement due to public road projects.** \$4.2 million. Authorizes the board to establish alternative payment rates for easements and practices for native prairie restoration. \$720,000 is to implement 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.

**Subd. 4. Clean water legacy.** \$800,000 for Grass Lake in Kandiyohi county, subject to a nonstate match, and \$475,000 for Lake Titlow.

**10 Agriculture.** \$20,000 to replace the roof of the potato inspection building in East Grand Forks.

**11 Minnesota Zoological Gardens.** Appropriates \$2.5 million for asset preservation and specifies that priority use of the money is for water management, including the inflow and infiltration project. Chapter 370, section 4, and chapter 365, section 19, strike the specific dollar amount for the inflow and infiltration project in order and make it a priority.

**12 Administration.** Appropriates a total of \$15.725 million, of which \$2.325 million is to acquire property in St. Paul, and \$13.4 million is for renovation of the State Capitol building.

Note: Chapter 365 appropriates \$3.4 million for the capital asset preservation and rehabilitation account (CAPRA).

**13 Amateur Sports Commission.** Appropriates a total of \$7.725 million for facilities in Blaine, Rochester, Arden Hills, Moorhead, St. Paul, and Marshall, all **vetoed**.

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

**15 Public Safety.** Appropriates a total of \$13.135 million, \$12.955 million after vetoes.

**Subd. 2. Anoka County forensic crime laboratory.** \$3 million, contingent on \$7.5 million from nonstate.

**Subd. 3. Camp Ripley training and exercising center.** \$5 million for phase 1 of a tier 3 center. Allows any unused money to be used for predesign of phase 2. Requires nonmilitary public safety personnel from Minnesota to be given access to the facility.

**Subd. 4. Gonvick public safety training center.** \$55,000 for predesign, contingent on nonstate match was **vetoed**.

**Subd. 5. Marshall – Minnesota emergency response and industry training center (MERIT).** \$300,000 to predesign phase 2, contingent on nonstate match.

**Subd. 6. Nassau public safety facility.** \$125,000 from the general fund was **vetoed**.

**Subd. 7. Scott County public safety training center.** \$1 million to expand the center, contingent on nonstate match. Nonstate amounts spent since June 2, 2006, may count for the nonstate match. Chapter 370, section 8 and chapter 365, section 20 correct the project description as an expansion.

**Subd. 8. Southeastern Minnesota regional public safety training center – Olmsted County.** \$3.655 million. Requires a nonstate match.

**Subd. 9. 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.

**16 Transportation.** Appropriates a total of \$65.7 million, \$57.7 million after vetoes.

**Subd. 2. Local bridge replacement and rehabilitation.** \$2 million for Ramsey County for predesign, design, and preliminary engineering of a new Rice Street bridge over Highway 36 to support expansion of St. Jude Medical.

**Subd. 3. Urban partnership agreement.** (a) \$4.3 million from general fund and trunk highway fund for technology improvements, telecommuting and outreach efforts. (b) \$47.4 million of federal funds from trunk highway fund.

**Subd. 4. Greater Minnesota transit.** \$1 million for up to 80 percent of nonfederal share of capital assistance.

**Subd. 5. Minnesota Valley railroad track rehabilitation.** \$3 million for rehabilitation of a portion of railroad track between Norwood-Young America and Hanley Falls.

**Subd. 6. Northshore express.** \$1.5 million was **vetoed**.

**Subd. 7. St. Paul to Chicago high-speed rail line.** \$4 million for environmental

analysis was **vetoed**. The vetoed provision also directed 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.

**Subd. 8. Southeast express.** \$500,000 was **vetoed**.

**Subd. 9. Port development assistance.** \$2 million was **vetoed**.

**17 Metropolitan Council.** Appropriates a total of \$139.2 million, \$36.217 million after vetoes.

**Subd. 2. Urban partnership agreement.** \$16.672 million. Contingent on federal funding. Chapter 365, section 21, modifies the language in this appropriation to strike the specific dollar amounts for aspects of the project.

The following corridor transit way appropriations were **vetoed**: Bottineau Boulevard, I-94 corridor transit way, I-494 corridor transit way, Red Rock corridor transit way, Robert Street corridor transit way, Rush Line corridor transit way, Southwest corridor transit way

**Subd. 4. Cedar Avenue BRT (bus rapid transit).** \$4 million.

**Subd. 5. Central corridor light rail transit.** \$70 million was **vetoed** but chapter 365, section 4, includes the appropriation for with the same amount and language.

**Subd. 13. Union Depot.** \$2 million was **vetoed**.

**Subd. 14. Metropolitan regional parks capital improvements.** (a) \$10.5 million for regional park priorities. Priority for rehabilitation and land acquisition. Prohibits use of money for purchase of easements.

(b) \$2 million for removal and replacement of the Old Cedar Avenue bridge in Bloomington was **vetoed**, but chapter 365, section 4, appropriated the same amount.

(e) \$1.4 million for the span arch bridge in Dakota County North Urban Regional Trail.

(k) \$2.9 million for renovation of the WPA projects in the glen area of Minnehaha Creek, contingent on nonstate match.

(p) \$745,000 for the Tamarack Nature Center.

Appropriations for the following projects were **vetoed**: the polar bear and gorilla exhibits at Como Zoo (but note that chapter 363, article 5, section 6, appropriated \$200,000 from the general fund for the Como zoo projects), a bicycle and pedestrian trail in Coon Rapids, Grand Rounds, bridge, roadways and lighting in Minneapolis, Heritage Village Park in Inver Grove Heights, renovation of the swing bridge in Inver Grove Heights, Lower Afton Road trail, National Great River Park and upper landing shoreline protection in St. Paul, Rice Creek north regional trail, and Springbrook

Nature Center.

**18 Human Services.** Appropriates a total of \$9.505 million, \$7.505 million after vetoes.

**Subd. 2. Asset preservation.** \$3 million.

**Subd. 3. Systemwide campus redevelopment, reuse, or demolition.** \$3.4 million to facilitate redevelopment or reuse of facilities consistent with the redevelopment plan concepts developed and approved under Laws 2003, first special session, chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local government, the unspent portion of the appropriation may be granted to that local government for the same purposes. Includes a set aside for Ah Gwah Ching.

**Subd. 4. Early childhood facilities.** \$2 million was vetoed.

**Subd. 5. West Central multicounty secured treatment facility.** \$150,000 for a grant to Pope County to predesign the facility. Requires a report to the legislature by February 1, 2009.

**Subd. 6. Hennepin County Medical Center.** \$820,000 for a grant to Hennepin County to predesign and design a clinic and education facility.

**Subd. 7. Remembering with dignity.** \$135,000 for grave markers or memorial monuments for unmarked graves at state hospitals or regional treatment centers.

**19 Veterans Affairs.** Appropriates a total of \$11.282 million.

**Subd. 2. Asset preservation.** \$4 million.

**Subd. 3. Fergus Falls.** \$2.7 million for a skilled nursing facility.

**Subd. 4. Minneapolis veterans home, Building 17 HVAC.** \$3.955 million.

Notes: Chapter 365, section 5, appropriates \$1 million to cover all costs to demolish Building 9 and relocate a water main, and \$9.1 million to pay the 35 percent state share to design, construct, furnish and equip a new veterans' nursing home on the Minneapolis campus.

Chapter 297, article 2, sections 24 and 25, direct the Veterans Affairs Strategic Planning Group to conduct additional in-depth planning and cost analysis for the Minneapolis Veterans Home, including a feasibility study of alternative models for use at that home and any other state veterans homes within the seven-county metro area. The planning must consider both the existing and alternative models for veterans health care delivery, including the use of private veterans-only nursing homes and the possibility of partnering for home-based services. They also direct the Commissioner of Veterans Affairs to continue to plan, develop, and pursue federal funding for the capital investment projects on the 2008 department priority listing, and in that planning must consider possible options for treatment for traumatic brain injury, posttraumatic stress disorder, and psycho-geriatric care. Reports required.

**Subd. 5. Silver Bay campus renovation.** \$227,000.

**Subds. 6 to 9. Veterans memorials.** \$100,000 each for a Veterans Memorial in the Purgatory Creek Recreation Area in Eden Prairie, an All Wars Memorial in Sheridan Memorial Park in Minneapolis, an All Veterans Memorial in Richfield (with elements of the memorial specified and requiring a nonstate match), and an Iron Range Veterans Memorial in Virginia.

**20 Corrections.** Appropriates a total of \$32 million for asset preservation, phase III of the expansion of the correctional facility at Faribault, and Red Wing vocational building.

**21 Employment and Economic Development.** Appropriates a total of \$143.125 million, \$132.65 million after vetoes.

**Subd. 2. Greater Minnesota business development infrastructure grant program.** \$7.5 million, of which the \$500,000 for Floodwood was **vetoed**. Provides that for the first 120 days, up to \$1.75 million is reserved for grants and loans to cities, counties, and school districts to make improvements to use Minnesota biomass energy products.

**Subd. 3. Bioscience business development public infrastructure grant program.** \$9 million of which \$3.5 million for Granary Road project in Minneapolis and \$1 million for Worthington to support an agricultural-based bioscience project.

**Subd. 4. Redevelopment account.** \$8.5 million of which the \$750,000 for St. Louis County for sewer and water to the fairgrounds was **vetoed**. Includes \$1.89 million, until January 1, 2009, for Cass County to redevelop Ah Gwah Ching site.

**Subd. 5. Bemidji regional event center.** \$20 million. Requires a \$25 million nonstate match.

**Subd. 6. Crookston.** \$10 million for a new ice arena to replace the one torn down for flood hazard mitigation. Requires \$1,720,825 in local funds.

**Subd. 7. Duluth – DECC Arena.** \$38 million. Specifies the dimension and components of the project. Chapter 322, section 8, allows the DECC authority to use enter into a construction manager at risk contract for the project.

**Subd. 8. Hibbing - Memorial building.** \$250,000 was **vetoed**.

**Subd. 9. Itasca County infrastructure.** \$28 million for public infrastructure to support a new steel plant. See also sections 38, 66, 69, and 71.

**Subd. 10. Mankato – Theater and hockey center.** \$975,000 was **vetoed**.

**Subd. 11. Minneapolis predesign of Orchestra Hall and Peavey Plaza.** \$3 million was **vetoed**.

**Subd. 12. Rochester Mayo civic center complex.** \$3.5 million for design.

**Subd. 13. Roseville Guidant John Rose Minnesota Oval.** \$600,000 for

improvements.

**Subd. 14. St. Cloud civic center expansion.** \$2 million. Requires a nonstate match.

**Subd. 15. St. Cloud State University – National Hockey Center.** \$6.5 million to MnSCU to renovate the center. Although this appropriation is not subject to the normal 1/3 debt service requirement of other appropriations to MnSCU, the appropriation does not cover the full costs of the project and chapter 370, section 6, and chapter 365, section 22, allow MnSCU to use university and nonstate money to pay for the remainder of the costs of construction.

**Subd. 16. St. Paul.** (a) \$5 million for the Asian Pacific Cultural Center was **vetoed**. (b) \$300,000 from the general fund for Gillette Children’s Specialty Healthcare. Requires nonstate match.

**22 Public Facility Authority.** Appropriates \$49.8 million.

**Subd. 2. State match for federal grants.** \$30 million for clean water and drinking water fund programs.

**Subd. 3. Wastewater infrastructure funding program.** \$15.3 million for the projects on the 2008 project priority list in order of priority. Includes a \$300,000 for implementation. Allows use of up to \$2 million for corrective action grants for projects listed in 2005 law. Authorizes loans for Litchfield and Willmar above the statutory limits.

**Subd. 4. Upper Sioux Community water system.** \$750,000 from general fund. Requires nonstate contribution.

**Subd. 5. Total maximum daily load (TMDL) grants.** \$2 million.

**Subd. 6. Small community wastewater grants.** \$1.5 million.

**Subd. 7. Streamlined infrastructure financing.** \$100,000 from general fund to develop a credit enhanced pooled bond program for municipal infrastructure projects.

**Subd. 8. Bayport storm sewer.** \$150,000 to complete the system through the Stillwater prison grounds to the St. Croix river.

**23 Housing Finance Agency.** Appropriates \$1 million for publicly owned emergency shelters and transitional housing.

**24 Minnesota Historical Society.** Appropriates \$9.594 million, \$9.194 million after vetoes.

**Subd. 2. Historic sites asset preservation.** \$4 million.

**Subd. 3. Historic Fort Snelling museum and visitor center.** \$3 million.

**Subd. 4. County and local preservation grants.** \$2 million (\$1.6 million after vetoes) for grants to local jurisdictions, including named projects with a requirement that recipients must be public entities that provide an equal match. Includes \$100,000

for renovation of the Wells Train Depot. The \$400,000 for the Chatfield Brass Band Music Lending Library was **vetoed**. See section 49, the new statutory program for these grants.

**Subd. 5. Oliver H. Kelley Farm Historic Site.** \$300,000 for predesign and design. Allows unexpended funds to be used for construction of visitor amenities.

**Subd. 6. Heritage trails.** \$294,000 to complete trail system at Fort Ridgely.

25 **Bond sale expenses.**

26 **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. Chapter 365, section 23, reduces the amount to match the lower total bonding amount.

27 **Bond sale authorizations.** Chapter 365, sections 7 and 26, reduce this amount to correspond with final totals after vetoes.

28 **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.
- Reduces the 2006 bond sale authorization related to the Xcel Energy trail.

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.

Chapter 365, section 9, strikes "complete" from the language that states the definition may not allow it to encompass less than *complete* replacement of the mechanical, ventilation, or cooling system of the building or section of the building. Chapter 278 also amends this

section of law to require the commissioners of administration and commerce to periodically review the guidelines and as soon as practicable, revise them to incorporate performance standards developed under new Minnesota Statutes, section 216B.241, subdivision 9.

- 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).** Provides that airport projects are not included in the provision relating to wetland replacement for transportation projects.
- 34 to 36 **Closed landfill cleanup revenue bonds.** Authorizes issuance of \$25 million in revenue bonds for closed landfill cleanup. Provides that motor vehicle transfer fee revenue is transferred to the remediation fund to pay the debt service on the bonds issued. States that the bonds are not general obligation bonds.

Chapter 370, section 3, and 365, section 8, include a conforming amendment to Minnesota Statutes, section 16A.531, subdivision 1a, related to use of the motor vehicle transfer fee revenue to back these bonds.

- 37 **Beneficial use of wastewater; capital grants for demonstration projects.** Establishes the grant program in the PCA. The appropriation for this program was **vetoed**. 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 21<sup>st</sup> Century Fund).** Allows use of the fund to make grants to a municipality, county or county regional rail authority for public infrastructure needed to support an eligible project. This will support the Itasca steel 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 **Designation (MnSCU).** Designates the Owatonna center as a MnSCU institution.
- 41 **Disposition of surplus property (MnSCU).** Expands the authority of the MnSCU Board of Trustees to dispose of surplus lands to provide for disposal of improvements.
- 42 **General authority; construction; improvements (MnSCU).** Raises the threshold for legislative review of construction projects at MnSCU campuses from \$50,000 to \$1.5 million.
- 43 **Issuance of bonds (MnSCU).** Increases from \$150 million to \$200 million the authority of the MnSCU Board of Trustees to issue revenue bonds to construct dormitories, student unions, and parking facilities.
- 44 **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.

45 **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.

46 **Biomedical science research facilities funding program.** Establishes a program for the state to pay up to 75 percent of the costs of four projects and for the Board of Regents to be responsible for at least 25 percent of the costs. Prohibits the Board of Regents from using tuition to pay the university’s share.

47 **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 15 each year beginning in 2009 for its share of project costs. Payments continue while university bonds, up to a maximum of \$219 million, for these projects are outstanding.

**Subd. 3. Appropriations.** Establishes a schedule for maximum general fund appropriations for payments to the board beginning at \$850,000 for fiscal year 2010 and increasing to \$15.55 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.

**48 No full faith and credit (UM biomedical research facilities funding).** Provides that bonds issued for these projects are not the obligation of the state.

Note: Chapter 300, section 47, requires any bioscience or biotechnology project financed in whole or in part by state appropriations or other public subsidies to document how and to what extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance. Effective August 1, 2008.

**49 County and local historic preservation capital grants.** Establishes a matching grant program under the Minnesota Historical Society for capital projects.

**50, 51 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.

**52 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.

**53 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.

**54 Public safety.** Changes the grantee for the 2005 appropriation for the Blue Earth fire and police station from the city to the city's EDA.

**55 Wastewater infrastructure funding.** Extends by six months the time available for the Bayport sewer project, funded in 2005.

**56, 67 Lewis and Clark Rural Water system.** Changes funding source for the 2005 and 2006 appropriations from bonds to general fund.

Chapter 365, sections 13 and 16, clarify the changes made in chapter 179 and allow money spent by members of the Lewis and Clark joint powers board since April 11, 2005, to count towards the nonstate match.

**57 Redevelopment account.** Amends the 2005 appropriation for the Willmar airport and provides that no match is required.

**58 Minnesota Planetarium.** Amends the 2005 appropriation so it is a grant to Hennepin County in place of Minneapolis. This is due to the merger of the Hennepin County and Minneapolis library systems.

**59 Flood hazard mitigation grants.** Adds Roseau to the list of eligible projects in the 2006 appropriation.

**60 Lake Superior safe harbors (Two Harbors).** Amends the 2006 appropriation language to allow the DNR to provide up to \$1,500,000 to complete the design specifications and environmental work underway.

**61 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.

**62 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.

Strikes the appropriation for the Xcel Energy Great River Woodland Trail.

- 63 **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. **Vetoed.**

Chapter 365, section 14, modifies the language of the 2006 appropriation to strike the provision that specified the appropriation is to match federal funds.

- 64 **Metropolitan regional parks and capital improvements.** Specifies that the 2006 grant of \$6 million to acquire land for the Empire Wetlands Wildlife Management Area and Regional Park in Dakota County be given to Dakota County and changes the description to regional park and wildlife area adjacent to the Vermillion Highlands Research, Recreation, and Wildlife Management Area. It also specifies that the appropriation for the Cedar Lake Trail includes money for land acquisition. Effective retroactively to June 2, 2006.

- 65 **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 Winona State University events, as well as the Shakespeare Festival.

- 66 **Itasca county – infrastructure.** Amends the 2006 capital appropriation to strike the reference to the “innovative energy project” (the Excelsior project) and allow the infrastructure to also support economic development projects in the surrounding area. Specifies that the utility is the Nashwauk Municipal Utility.

- 68 **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.

- 69 **Itasca County infrastructure.** Amends a 2006 general fund appropriation for roads and rail lines for this project to include predesign, design, construct and equip electric infrastructure.

- 70 **Legislative Coordinating Commission.** Allows the 2007 appropriation for the Capitol building planning process to continue into the second year of the biennium.

- 71 **Nashwauk gas utility.** Authorizes the city of Nashwauk to establish without an election a 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.

- 72 **Stakeholder consultation, report.** Directs 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.

- 73 **Report on East Phillips Cultural and Community Center.** Requires the Metropolitan Council to report by January 1, 2009, to the legislative committees with jurisdiction over capital investment 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.

- 74 **Public Facilities Authority.** Carries over to the 2009 intended use plan for potential funding from the clean water revolving fund projects on the 2008 intended use plan that were based on the 2006 project priority list. This is to benefit the Central Lakes Sanitary District.

- 75 **Calculation of debt service.** Directs the commissioner of finance, in calculating the debt

service limits under the department's guidelines, to assume that the bonding amount in future odd-numbered years will be at the same amount assumed in the budget forecast and to assume a bonding amount in future even-numbered years will be an amount that will allow general fund debt service payments to meet the guidelines.

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**Effective** April 8, 2008, unless otherwise specified.