

House Research Act Summary

CHAPTER: 5

SESSION: 2015 First Special Session

TOPIC: Capital investment; disaster relief

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Date: June 17, 2015

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Overview

Chapter 5, article 1 provides for new capital project funding, almost entirely with state general obligation bond proceeds. Article 2 provides funding for disaster relief related to the June 2014 storms. Article 3 includes state appropriation bond funding for the next phase of the Lewis and Clark Regional Water System, new authority for the Housing Finance Agency to issue housing infrastructure bonds, authority to transfer of state bond-financed property, and corrections and modifications to capital projects funded in past laws.

The act is effective June 14, 2015.

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Article 1

Appropriations

- 1 Capital improvement appropriations.** States that the appropriations in this article are from the bond proceeds fund unless another fund is named. Includes generally applicable provisions governing spending of state general obligation bond proceeds. Includes the governor's 2014 recommended provision that money appropriated in this article not be used for asset preservation if the work can be done in a reasonable time frame using the state energy improvement financing program in Minnesota Statutes, section 16A.322, or the guaranteed energy savings program in section 16C.144.

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- 2 University of Minnesota.**
- Subd. 2. Willmar poultry testing lab.** \$8.529 million for renovation and expansion. This represents the full project cost.
- Subd. 3. Veterinary isolation facility replacement.** \$18 million. Represents two-thirds of the project cost and the university must provide the remaining amount needed.
- Subd. 4. Unspent appropriations.** Allows money appropriated in the section not needed to complete a project to be used for HEAPR (higher education asset preservation and replacement).
- 3 Minnesota State Colleges and Universities.**
- Subd. 2. Anoka Technical College.** \$2.114 million.
- Subd. 3. Dakota County Technical College.** \$7.733 million.
- Subd. 4. Minnesota West Community and Technical College.** \$3.267 million for projects on the Canby and Jackson campuses.
- Subd. 5. Saint Paul College.** \$18.829 million.
- Subd. 6. Debt service.** Provides for MnSCU to pay one-third the debt service on bonds issued by the state for the projects in this section.
- Subd. 7. Unspent appropriations.** Allows money appropriated in the section not needed to complete a project to be used for HEAPR on the same campus (higher education asset preservation and replacement).
- 4 Natural Resources.** \$10 million for a grant to Otter Tail County for flood hazard mitigation and \$13.549 million for other projects as prioritized by DNR. Allows money appropriated in the section not needed to complete a project to be used for asset preservation.
- 5 Pollution Control.**
- Subd. 2. Capital Assistance Program.** \$1.276 million for projects in Clay, McLeod, and Dodge counties and the Western Lake Superior Sanitary District. \$8 million for the Polk County project.
- Subd. 3. Superfund Drinking Water Program.** \$1.75 million for a drinking water system in the city of Spring Park in Hennepin County and Bayport in Washington County.
- 6 Board of Water and Soil Resources.** \$1 million for grants to local governments in Area II of the Minnesota River Basin for floodwater retention systems. Requires a 3 to 1 match.
- 7 Agriculture.** \$50,000 for window replacements on the East Grand Forks potato inspection facility.
- 8 Administration.** \$26.724 million for Capitol restoration out-of-scope projects, including addressing water infiltration, settlement, and deterioration issues; and \$6.2 million for Capitol security enhancements.

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- 9 Minnesota Amateur Sports Commission.** \$2 million from the general fund for HVAC improvement and R-22 elimination grants for ice centers.
- 10 Transportation.**
- Subd. 2. Local bridge replacement and rehabilitation.** \$7.41 million.
- Subd. 3. Local road improvement fund grants.** \$8.91million. Includes \$850,000 for a grant to Sandstone for a new road and bridge to provide access to an area of the airport being converted to a business park, subject to sufficient resources to complete it. Also includes \$3.77 million for the Willmar Wye project.
- Subd. 4. Minnesota Valley Regional Railroad Authority.** \$1 million.
- Subd. 5. Plymouth – highway-rail grade separation.** \$4.7 million for the Vicksburg Lane crossing.
- Subd. 6. Koochiching County-Highway – rail grade separation.** \$460,000 to establish an alternative route around the rail crossing.
- Subd. 7. Richfield – 77th Street Underpass.** \$10 million.
- Subd. 8. Trunk highway projects.** \$140 million in trunk highway bonds (this is intended for the Highway 53 re-route).
- 11 Metropolitan Council.** \$1.5 million for inflow and infiltration grants.
- 12 Veterans Affairs.** \$650,000 for the bridge over Minnehaha Creek to the Minneapolis Veterans Home.
- 13 Corrections.** \$1.2 million for replacement of the food processing facility at the Northeast Regional Corrections Center. No match is required.
- 14 Employment and Economic Development.**
- Subd. 2. Greater Minnesota Business Development Public Infrastructure grants.** \$1 million.
- Subd. 3. Transportation Economic Development grants.** \$2 million.
- Subd. 4. Eagle’s Healing Nest.** \$300,000 from the general fund.
- 15 Public Facilities Authority.** \$10 million for wastewater infrastructure funding.
- 16 Minnesota Historical Society.** \$500,000 to predesign a visitor’s facility at Historic Fort Snelling.
- 17 Bond sale expenses.** Appropriates money to MMB to pay the costs of selling the bonds.
- 18 Bond sale authorization.** Authorizes MMB to sell bonds to provide the money for the appropriations in this article.
- 19 Bond sale schedule.** Sets the limit on the amount that may be transferred from the general fund to the state bond fund to pay debt service during the biennium and directs MMB to time selling the bonds so as to not exceed that amount.

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- 20** **Cancellation.** Cancels the 2014 bond appropriation of \$50,000 for the Bagley library project, which is not bondable.
- 21** **Effective** June 14, 2015.

Article 2**Disaster relief**

This article appropriates money for disaster relief needed due to storms and flooding that occurred on or after June 11, 2014, in the disaster declaration area known as DR-4182. The FEMA website states that the disaster was due to severe storms, straight-line winds, flooding, landslides, and mudslides and the incident period was June 11, 2014, to July 11, 2014, with the declaration on July 21, 2014. The area includes the counties of Beltrami, Blue Earth, Brown, Carver, Chippewa, Dodge, Faribault, Freeborn, Hennepin, Jackson, Koochiching, Lac qui Parle, Lake of the Woods, Le Sueur, Lyon, Marshall, Martin, McLeod, Murray, Nicollet, Nobles, Pipestone, Ramsey, Redwood, Renville, Rice, Rock, Roseau, Scott, Sibley, Steele, Todd, Wadena, Waseca, Watonwan, Wright, and Yellow Medicine, and the Indian Reservations of Bois Forte (Nett Lake), Prairie Island Community, and Red Lake.

The article appropriates a total of \$11.3 million from the general fund, \$13.366 million from the bond proceeds fund, and \$800,000 from the state transportation fund bond proceeds account (which is not trunk highway bonding).

1 **Disaster relief appropriations.**

Subd. 1. Appropriations. Appropriations in this article are from the bond proceeds fund and other named funds for relief needed due to storms and flooding that occurred on or after June 11, 2014, in the disaster declaration area known as DR-4182. Includes generally applicable provisions governing spending of state general obligation bond proceeds. Provides that the general fund appropriations are for fiscal year 2016, are available June 14, 2015 and available until June 30, 2018. The bond proceeds appropriations are available June 14, 2015 and until the capital project is completed or abandoned, subject to the statute that provides for cancellation of a capital appropriation for any project not proceeding that was enacted more than four years before January 1 of an odd-numbered year.

Subd. 2. Transfers. Permits transfers of general fund money appropriated for a project or program for assistance in the disaster area, to another program or project funded under the disaster relief statute. Appropriation transfers must be used to cover unmet needs in a program or project under the disaster relief statute and are subject to approval by the commissioner of management and budget. Each transfer must be reported to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee.

Section**2 Natural Resources.**

Subd. 2. Facility and natural resource damage. \$2.140 million from the bond proceeds fund.

Subd. 3. Flood hazard mitigation grants. \$2.515 million from the bond proceeds fund and \$500,000 from the general fund. Includes money for a grant to the Prior Lake-Spring Lake Watershed District for restoration of the Prior Lake outlet channel.

3 Board of Water and Soil Resources.

Subd. 2. Reinvest in Minnesota (RIM) conservation easements. \$4.7 million from the bond proceeds fund.

Subd. 3. Erosion, sediment, and water quality control cost-share program. \$10,600,000 from the general fund.

4 Transportation; local road and bridge reconstruction. \$800,000 from the state transportation fund.**5 Minnesota Historical Society.** \$100,000 from the general fund for a grant to the city of Jordan.**6 Department of Employment and Economic Development.**

Subd. 2. Children's Museum. \$100,000 from the general fund for a grant to the Children's Museum of Southern Minnesota.

Subd. 3. Steele County – public works building. \$4 million to replace. This relates to an earlier disaster.

7 Bond sale expenses. \$11,000 from the bond proceeds fund to MMB.**8 Bond sale authorization.**

Subd. 1. Bond proceeds fund. \$13.366 million authorized.

Subd. 2. Transportation fund. \$800,000 authorized. These are general obligation bonds and the proceeds go into the state transportation fund.

9 Effective June 14, 2015.**Article 3****Miscellaneous****1 Lewis and Clark Appropriation Bonds.** Authorizes \$19 million in state appropriation bonds to pay for the next phase of the Lewis and Clark Regional Water System project. This includes completion of the pipeline to Magnolia, extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering, design, and easement acquisition for the final phase of the project to Worthington. Requires a nonstate match of at least \$9 million. Provides for annual debt service payments of up to \$1.351

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million from the general fund from fiscal year 2017 through fiscal year 2038. (The bond proceeds are appropriated to MMB, which will enter into an agreement with the PFA to administer the grant(s) to the Lewis and Clark Regional Water Systems, Inc.)

- 2 **Minnesota Valley Trail.** Specifies that the trail between the Bloomington Ferry Bridge pedestrian crossing and the Cedar Avenue Bridge must be a paved trail primarily for hiking and bicycling. This trail segment received funding in 2014.
- 3 **Plan Development; criteria.** Modifies the Amateur Sports Commission's grant program for ice centers to cap air quality improvement grants at \$200,000 and R-22 elimination grants at \$50,000 for indirect cooling systems and \$400,000 for direct cooling systems.
- 4 **Minnesota Housing Finance Agency – Housing Infrastructure bonds.** Authorizes the agency to issue \$10 million in bonds.
- 5 **Minnesota Housing Finance Agency – Housing Infrastructure bonds.** Appropriates up to \$800,000 per year beginning in fiscal year 2017 for debt service on the bonds authorized under section 4.
- 6 **State park and recreation area.** Extends the availability of the 2008 appropriation for specified state park projects until December 31, 2017.
- 7 **Minnesota Valley Railroad Track Rehabilitation.** Extends availability of the 2008 appropriation to December 31, 2017.
- 8 **Minnesota Valley Railroad Track Rehabilitation.** Extends availability of the 2009 appropriation to December 31, 2017.
- 9 **Minnesota Valley Railroad Track Rehabilitation.** Extends availability of the 2010 appropriation to December 31, 2017.
- 10 **Southwest Minnesota State University, Marshall.** Amends the 2012 bond appropriation for design of a project that MnSCU has determined not to do and allows that money to be used for HEAPR on the same campus.
- 11 **Veterans Affairs.** Authorizes the amount remaining from the 2012 appropriation for the Minneapolis Veterans Home to be added to the 2013 appropriation. As of January 2015, there was \$395,343 uncommitted.
- 12 **Cottage Grove – HERO center.** Corrects the location of the project in the 2014 appropriation, eliminates the match requirement, and changes the partner from MnSCU to the city of Woodbury.
- 13 **Railroad warning devices.** Modifies the project descriptions for the 2014 grants to Little Canada and Shoreview to allow replacement of safety devices as well as installing new.
- 14 **International Falls – Airport.** Modifies the project description for the 2014 appropriation.
- 15 **Minnesota Sex Offender Program, St. Peter.** Amends the 2014 appropriation to change the building being renovated from the Bartlett Building to the Tomlinson Building and parts of Green Acres and Sunrise. This accommodates the agency's plan to proceed with what had been phase 3, to provide more beds for the population that is ready for end-stage treatment

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and needed sooner than the beds for patients in the early stages of treatment. Renovation of Bartlett becomes phase 3.

- 16 Early childhood learning and child protection facilities.** Amends the 2014 appropriation for the YWCA of Minneapolis project to allow the money to also be used for the entire building's HVAC and sprinkler systems, and the pool walls and ceiling.
- 17 Alexandria redevelopment.** Modifies the project description of the 2014 appropriation.
- 18 Lake Elmo water supply.** Corrects the 2014 appropriation to refer to Inwood Avenue instead of Lake Elmo Avenue.
- 19 Minneapolis – Brian Coyle Community Center.** Allows the 2014 appropriation to be used toward the renovation and expansion of the center. The 2014 appropriation was for predesign and design.
- 20 Minneapolis – Hennepin Center for the Arts.** Changes the grantee for the 2014 appropriation from Minneapolis to Hennepin County.
- 21 Red Wing – River Renaissance.** Reduces the scope of the project funded in 2014 to match the amount appropriated.
- 22 St. Paul – Historic Palace Theater renovation.** Changes the grantee for the 2014 appropriation from the city to the St. Paul Housing and Redevelopment Authority.
- 23 Virginia – Highway 53 utilities relocation.** Modifies the 2014 project description.
- 24 St. Paul – Minnesota Children's Museum.** Reduces the 2014 nonstate contribution required from \$7.485 million to \$4 million for a general fund appropriation.
- 25 Minneapolis Community and Technical College; sale of aviation training center.** Appropriates the net proceeds of the sale of the aviation training center at the Flying Cloud Airport to MnSCU to use for HEAPR projects at the Minneapolis Community and Technical College campus, instead of going to the state, and declares that once the sale is complete the property is no longer state bond-financed property.
- 26 West Metro Education Program; property conveyance.** Authorizes the Joint Powers District No. 6069, West Metro Education Program, to convey the real and personal property of the FAIR (Fine Arts Interdisciplinary Resource) school in downtown Minneapolis to the Minneapolis school district and the FAIR school in Crystal to the Robbinsdale school district. The provisions that implement this transfer are in the omnibus education act – Laws 2015, chapter 3, article 6.
- 27 Conveyance of state bond-financed property.** Conveys state bond-financed property from the state to Hennepin County. This was a Department of Human Services site that was used for intensive residential treatment services but was shuttered several years ago. Hennepin County will be using it for community-based services. It was financed with approximately \$822,000 of \$1.5 million appropriated for the Metro Area Predischarge Program in 1994, chapter 643, section 8, subdivision 3. It will remain state bond financed property.
- 28 Responding to closure of St. Anthony Lock.** Requires chairs of the House and Senate capital investment committees to each, or jointly, convene meetings with business owners

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and other stakeholders affected by the closure of the St. Anthony Lock. Sunsets August 1, 2016.

29 **Effective** June 14, 2015.