Overview

This bill appropriates bond proceeds for various capital projects and amends certain conditions relating to prior capital project appropriations. The bill also adopts standards for review of requests for capital project grants to political subdivisions, allows certain capital projects to be undertaken with money from nonstate sources, and amends the authority of MnSCU and other state agencies with regard to capital projects.

This bill authorizes the combined boards of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association to acquire or construct a common administration building using either state pension funds or the proceeds of revenue bonds to be issued by the funds.

1 Appropriations Summary. Summarizes bond fund appropriations.

2 Minnesota State Colleges and Universities. Appropriation to replace or renovate the Winona State University boiler. Appropriation for land acquisition at Metropolitan State University. Directs use of 1998 HEAPR appropriation for specified purposes.

3 Natural Resources.
   Subd. 1. To the commissioner of natural resources.
   Subd. 2. For dike construction for the East Grand Forks flood damage reduction program. No local match required.
   Subd. 3. For dike construction for the city of Warren's flood damage reduction program. No local match required.

4 Office of Environmental Assistance. Appropriation for a grant to retrofit and reconstruct a solid waste resource recovery facility in the city of Perham.

5 Trade and Economic Development.
   Subd. 1. To the commissioner of trade and economic development for the purposes specified.
Subd. 2. For a grant to the city of St. Paul for a dry basin holding pond for flood mitigation in the Hoyt Avenue area of St. Paul.

Subd. 3. For a grant to the city of St. Paul to acquire a roadway right-of-way in the Phalen corridor.

6 Public Facilities Authority. Provides state matching money for the drinking water revolving fund and the water pollution control revolving fund.

7 Administration.
Subd. 1. To the commissioner of administration for the purposes specified.
Subd. 2. Appropriation for capital asset preservation and replacement account (CAPRA) which may not be used for renovation of the Luverne veterans home. $190,000 of this appropriation is for repairs to certain roofs at the Hastings veterans home.
Subd. 3. For a grant to Itasca County for design of infrastructure improvements in connection with the construction of a steel mill.
Subd. 4. For design and architectural drawings for a World War II Veterans' Memorial.

8 Transportation. For a loan to the city of Brooklyn Park for a pedestrian bridge.

9 Corrections. To design renovation of storm and sanitary sewer lines at correctional facility at Faribault.

10 Bond Sale Expenses. For expenses of selling bonds authorized in bill.

11 Bond Sale Schedule. Provides schedule for payment of debt service on state bonds.

12 Bond sale authorization. Authorizes sale of state bonds to provide the money appropriated in the bill from the bond proceeds fund and from the transportation fund.

13 Transfer of balances allowed. Amends statute to allow transfer of unencumbered balances of agency operating funds to cover bids on projects in excess of estimates. Current law allows such transfers only from other projects within the same section of an appropriation act. Also changes requirement that reports of transfers be made appropriate legislative chairs to requirement that approval be obtained from the commissioner of finance and the legislative chairs.

14 Capital project grants to political subdivisions.
Subd. 1. Projects covered. Provisions of bill apply only to capital improvement projects not covered by another state program of assistance.
Subd. 2. Budget request. Provides that political subdivisions seeking either general fund or state general obligation bond proceeds for local capital improvement projects are encouraged to submit their requests to the commissioner of finance by June 1 in the odd-numbered years. Requires requests filed on time to be forwarded to the legislature in the same manner as agency capital budget requests (due July 1st).
Subd. 3. Evaluation. Provides that the commissioner of finance will evaluate all requests based on the nine criteria identified in the bill. Further provides that the commissioner must forward all requests, with the commissioner's evaluation and the governor's recommendation, to the legislature.
Subd. 4. Funding. Provides that if a project covered by this section is funded, the amount of the funding may be no more than one-half of the total project cost, except when projects are needed as a result of, or to prevent, a disaster, or when projects are located in political subdivisions with very low average net tax capacities. Further provides that this section does not prevent the governor from recommending or the legislature from funding, projects that do not meet the established criteria when a compelling reason exists.

15 Capital project authority. Allows the commissioner of administration to undertake certain
repairs or minor capital projects if the work does not materially increase the cost of agency programs and either: (a) the project is for code compliance or asset preservation, or (b) the project does not materially increase the square footage of a facility.

16 **Storage and retention of documents.** Allows MnSCU board to store certain original documents at the respective technical colleges.

17 **Easements.** Allows MnSCU board to grant permanent or temporary easements across board-controlled land.

18 **Provision of offices.** Statute amended to permit, rather than require, the commissioner of administration to provide suitable office space to the board of the public employees retirement fund.

19 **Provision of offices.** Statute amended to permit, rather than require, the state to provide suitable office for the teachers retirement association.

20 **Authority to build and own building.**

Subd. 1. Authorizes the Minnesota state retirement system, the public employees retirement association and the teachers retirement association to purchase or construct a common administrative office facility using either pension funds or the proceeds of revenue bonds. Project is not subject to the capital improvements provisions of sections 16B.30 through 16B.33, relating to the authority of the commissioner of administration and the design selection board over state building projects. Also not covered by competitive acquisition process if the process in subdivision 2 is followed. Project is subject to legislative review of plans and projects under chapter 16B.335 and requires approval of chairs of House ways and means committee and Senate state government finance committee.

Subd. 2. Authorizes the three boards to contract for the facilities on the basis of request for qualifications and competitive responses received through an RFP process which must include the following specified items:

- preparation of performance criteria and specifications.
- solicitation of statements of qualifications from eligible contractors.
- request for proposal to contractors selected.
- contract selected must comply with sections 574.26 through 574.261, relating to public contractors' performance bonds.
- sites in St. Paul and surrounding suburbs may be considered.
- facility to be held by three retirement systems as tenants in common.
- boards may lease portions of the building and lands to other governmental subdivisions.
- boards to adopt agreement for common ownership and operation of the facility.

Subd. 3. Authorizes the boards to issue revenue bonds to pay for the building

Subd. 4. Provides that bonds for this purpose are to be sold and issued in the same manner as municipal revenue bonds, and without requirement of an election

Subd. 5. Bonds issued by the boards not a general or moral obligation of the state.

Subd. 6. No members or employees of the boards are personally liable on the bonds.

21 **Use agreements.** Allows a port authority to retain revenues received under leases or management contracts relating to bond-financed property.

22 **Pine Technical College.** Amends 1998 appropriation to allow construction of an addition.

23 **Isle Community Center.**Reduces the 1998 appropriation for Isle Community Center from $1,000,000 to $700,000 and makes the appropriation available on a dollar-for-dollar basis as the nonstate match is committed.
Metropolitan trail grants. Amends 1998 appropriation for metro regional trail grants to permit Anoka county to change the allocation of the county's $1.4 million appropriation between two specified projects.

Beaver Island Trail. Amends 1998 appropriation to specify manner of availability of grant for Beaver Island trail in Stearns county.


Bond sale expense canceled. Cancels 1998 appropriation for bond sale expenses relating to amounts changed from bond funding to general fund appropriations.

Veterans homes improvements. Allows veterans homes board to make certain capital improvements using donated money.

Itasca Community College. Allows MnSCU to construct to building additions at Itasca Community College with specified funding from nonstate sources.

Legislative Audit Commission request. Requests legislative audit commission to investigate the mold problem at the Luverne veterans home.

Railroad Assistance Bonds reauthorized. Reauthorizes 1984 railroad assistance bonds and provides that the bonds will be included in the next finance department report of bonds to cancel if not reauthorized.

Effective date. Effective the day following final enactment.