

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 380

**DATE:** April 1, 2008

**Version:** Conference committee report

**Authors:** Hausman, Solberg, Wagenius, Scalze and Tinglestad

**Subject:** Omnibus capital investment bill

**Analyst:** Deborah A. Dyson

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

### Overview

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

#### Section

- 1 **Summary.**
- 2 **University of Minnesota .**
- 3 **Minnesota State Colleges and Universities.**
- 4 **Education.**
- 5 **Minnesota State Academies.**
- 6 **Perpich Center for Arts Education.**
- 7 **Natural Resources.**

**Subd. 2. Statewide asset preservation.**

**Subd. 3. Flood hazard mitigation.**

**Subd. 4. Red River basin digital elevation model.** From the general fund.

**Subd. 5. Groundwater monitoring wells.**

**Section**

**Subd. 6. Dam renovation and removal.**

**Subd. 7. Water control structures.**

**Subd. 8. Mississippi River aquatic invasive species barrier.**

**Subd. 9. Stream protection and restoration.**

**Subd. 10. Shoreline and critical aquatic habitat acquisition.**

**Subd. 11. Lake Zumbro restoration.**

**Subd. 12. Water access acquisition, betterment, and fishing piers.**

**Subd. 13. Fish hatchery improvements.**

**Subd. 14. RIM wildlife area acquisition and improvement.**

**Subd. 15. RIM critical habitat match.**

**Subd. 16. Native prairie conservation and protection.**

**Subd. 17. Scientific and natural area acquisition and development.**

**Subd. 18. Forest land and forest legacy conservation easements.**

**Subd. 19. State forest land reforestation.**

**Subd. 20. Forest roads and bridges.**

**Subd. 21. Diseased shade tree removal and replacement.**

**Subd. 22. State park and recreation area facility acquisition, rehabilitation, and development.**

**Subd. 23. Big Bog state recreation area.**

**Subd. 24. Fort Snelling Upper Bluff emergency building stabilization.**

**Subd. 25. State park prairie reconstruction and forest restoration projects.**

**Subd. 26. Regional and local park grants.**

**Subd. 27. State trail acquisition, rehabilitation, and development.**

**Section**

**Subd. 28. Regional trails.**

**Subd. 29. Trail connections.**

**Subd. 30. Drill core library and field office renovation.**

**Subd. 31. Wildlife rehabilitation center.** From the general fund.

**Subd. 32. Bell Museum landscaping.**

**Subd. 33. Unspent appropriations.**

**8 Pollution Control Agency.**

**Subd. 2. Albert Lea landfill.**

**Subd. 3. Closed landfill cleanup revenue bonds.**

**Subd. 4. Beneficial reuse of wastewater grant program.**

**9 Board of Water and Soil Resources.**

**Subd. 2. RIM conservation reserve.**

**Subd. 3. Wetland replacement due to public road projects.**

**Subd. 4. Clean water legacy.**

**10 Agriculture.** To replace the roof of the potato inspection unit building in East Grand Forks

**11 Minnesota Zoological Gardens.**

**12 Administration.**

**Subd. 2. Property acquisition.**

**Subd. 3. State Capitol building restoration.**

**13 Amateur Sports Commission.**

**Subd. 2. National Sports Center - Blaine .**

**Subd. 3. National Volleyball Center - Rochester .**

**Subd. 4. Metro north regional sports center – Arden Hills.**

**Subd. 5. Northwestern Minnesota regional sports center – Moorhead .**

**Subd. 6. St. Paul regional amateur sports facility.**

**Subd. 7. Southwest regional amateur sports center – Marshall .**

**Section**

- 14 Military Affairs.**
- 15 Public Safety.**

**Subd. 2. Anoka County forensic crime laboratory.**

**Subd. 3. Camp Ripley training and exercising center.**

**Subd. 4. Gonvick public safety training center.**

**Subd. 5. Marshall – Minnesota emergency response and industry training center (MERIT).**

**Subd. 6. Nassau public safety facility.**

**Subd. 7. Scott County public safety training center.**

**Subd. 8. Southeastern Minnesota regional public safety training center.**

**Subd. 9. Crime labs strategic plan.** Requires the commissioner of public safety to develop a long-term strategic plan for maintenance and staffing of existing state and regional crime labs, and for the creation, maintenance, and staffing of new labs. Requires the plan to be submitted to the legislature by February 1, 2009 .

- 16 Transportation.**

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

**Subd. 3. Urban partnership agreement.**

**Subd. 4. Greater Minnesota transit.**

**Subd. 5. Minnesota Valley railroad track rehabilitation.**

**Subd. 6. Northshore express.**

**Subd. 7. St. Paul to Chicago high-speed rail line.**

**Subd. 8. Southeast express.**

**Subd. 9. Port development assistance.**

- 17 Metropolitan Council.**

**Subd. 2. Urban partnership agreement.**

**Subd. 3. Bottineau corridor transit way.**

**Section**

**Subd. 4. Cedar Avenue BRT.**

**Subd. 5. Central corridor light rail transit.**

**Subd. 6. I-94 corridor transit way.**

**Subd. 7. I-494 corridor transit way.**

**Subd. 8. Red Rock corridor transit way.**

**Subd. 9. Robert Street corridor transit way.**

**Subd. 10. Rush Line corridor transit way.**

**Subd. 11. Southwest corridor transit way.**

**Subd. 12. Unspent transit way appropriations.**

**Subd. 13. Union Depot.**

**Subd. 14. Metropolitan regional parks capital improvements.**

- Metropolitan Council priorities. Priority must be given to rehabilitation and land acquisition; must not use money to acquire easements.
- Old Cedar Avenue bridge
- Como Zoo
- Coon Rapids 85<sup>th</sup> Avenue bicycle trail
- Dakota County north urban regional trail
- Grand Rounds bridge
- Grand Rounds National Scenic Byways
- Heritage Village Park
- Inver Grove Heights – swing bridge
- Lower Afton road trail
- Minnehaha Creek glen restoration
- National Great River Park
- Upper landing shoreline protection
- Rice Creek north regional trail
- Springbrook Nature Center
- Tamarack Nature Center

**Section**

**Subd. 2. Asset preservation.**

**Subd. 3. Systemwide campus redevelopment, reuse, and demolition.** Includes \$400,000 for Ah Gwah Ching.

**Subd. 4. Early childhood learning and child protection facilities.**

**Subd. 5. West Central multicounty secured treatment facility.**

**Subd. 6. Hennepin County Medical Center .**

**Subd. 7. Remembering with dignity.**

**19 Veterans Affairs.**

**Subd. 2. Asset preservation.**

**Subd. 3. Fergus Falls .**

**Subd. 4. Minneapolis Veterans Home campus.**

**Subd. 4. Silver Bay campus renovation.**

**Subd. 5. Veterans Memorial, Eden Prairie .**

**Subd. 6. All Wars Memorial, Minneapolis .**

**Subd. 6. All Veterans Memorial, Richfield .**

**Subd. 7. Veterans memorial, Virginia .**

**20 Corrections.**

**Subd. 2. Asset preservation.**

**Subd. 3. Minnesota Correctional Facility – Faribault, phase 3 expansion.**

**Subd. 4. Minnesota Correctional Facility – Red Wing vocational education building.**

**21 Employment and Economic Development.**

**Subd. 2. Greater Minnesota business development infrastructure grant program.** Includes a grant for Floodwood business park development and grants and loans for biomass energy projects.

**Subd. 3. Bioscience business development public infrastructure grant program.**

**Section**

**Subd. 4. Redevelopment account.** Includes funding for redevelopment of Ah Gwah Ching and St. Louis County regional competition and event center.

**Subd. 5. Bemidji regional event center.**

**Subd. 6. Crookston.** For replacement ice arena complex.

**Subd. 7. Duluth – DECC Arena.**

**Subd. 8. Hibbing Memorial building.**

**Subd. 9. Itasca County – Steel plant infrastructure.**

**Subd. 10. Mankato – Theater and hockey center.**

**Subd. 11. Minneapolis - Orchestra Hall.**

**Subd. 12. Rochester Mayo civic center complex.**

**Subd. 13. Roseville Guidant John Rose Minnesota Oval.**

**Subd. 14. St. Cloud civic center expansion.**

**Subd. 15. St. Cloud State University – national hockey center.**

**Subd. 16. St. Paul**

- **Asian Pacific cultural center**
- **Gillette Children’s Specialty Healthcare**

**22 Public Facility Authority.**

**Subd. 2. State match for federal grants.**

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

**Subd. 4. Upper Sioux Community water system.**

**Subd. 5. Total maximum daily load (TMDL) grants.**

**Subd. 6. Small community wastewater grants.**

**Subd. 7. Streamlined infrastructure financing.** To develop a credit enhanced pooled bond program for municipal infrastructure projects.

**23 Housing Finance Agency.**

**Section**

**24 Minnesota Historical Society.**

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

**Subd. 3. Historic Fort Snelling museum and visitor center.**

**Subd. 4. County and local preservation grants.**

**Subd. 5. Oliver H. Kelley Farm Historic Site.**

**Subd. 6. Heritage trails.**

**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.

**27 Bond sale authorizations.**

**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.

**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



## Section

- 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.
- 37 Beneficial use of wastewater; capital grants for demonstration projects.** Establishes the grant program funded through the PCA above. Defines “beneficial use of wastewater” to mean use of effluent from a wastewater treatment plant that replaces use of groundwater. Authorizes grants to political subdivisions for up to 50 percent of predesign and design costs, up to \$500,000. Requires the design work to be made publicly available and free to others. Authorizes grants to political subdivisions to acquire, construct, install, furnish and equip demonstration projects. Directs the agency to give preference to projects that will reduce the use of the greatest volume of groundwater from aquifers with the slowest rate of recharge. Requires a report by February 1 of each year to the chairs of the legislative committees with jurisdiction over environment policy and finance and capital investment.
- 38 Grants authorized ( Minnesota Minerals 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.
- 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. Requires the statutory appropriations for these projects to be treated the same as the statutory appropriations for the stadium for the purposes of the Department of Finance debt management guidelines.
- 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;

**Section**

“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 two-thirds of the costs of four projects and for the Board of Regents to be responsible for at least one-third 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.

**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

## Section

- 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 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.
- 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 commissioner of natural resources 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.
- 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.
- 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.
- 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

## Section

reference to the innovative energy project and allow the infrastructure to also support economic development projects in the surrounding area. Specifies that the utility is the Nashwauk Municipal Utility.

- 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 the 2006 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.** Direct the Minnesota Housing Finance Agency to meet with identified stakeholders on a variety of housing issues and report to the legislative committees with jurisdiction over housing policy and finance by January 1, 2009 .
- 73 **Report on East Phillips Cultural and Community Center.** Requires the Metropolitan Council to report by January 1, 2009 , to the Capital Investment Division on the terms of the grant agreement with the Minneapolis Park and Recreation Board for, and on the progress on design and construction of, the East Phillips Cultural and Community Center. The 2005 Legislature appropriated \$3.5 million for the project.
- 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.
- 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.
- 76 **Effective** the day after enactment, unless otherwise specified.