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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2470

04/06/2021

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The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to public finance; requiring contingent termination of Nothstar Commuter
1.3 Rail and reallocation of certain funds; providing for certain redevelopment;
1.4 appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. NORTHSTAR COMMUTER RAIL TERMINATION; APPROPRIATION.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Commissioner" means the commissioner of transportation.

1.10 (c) "Council" means the Metropolitan Council.

1.11 (d) "Northstar" means the Northstar Commuter Rail line that is operated by the council
1.12 to provide rail passenger service between downtown Minneapolis and Big Lake, and includes
1.13 any subsequent rail project or service that operates wholly or primarily in the same corridor.

1.14 (e) "Redevelopment assistance account" means the redevelopment assistance account
1.15 in the special revenue fund established in section 2.

1.16 Subd. 2. Federal waiver. The council must immediately seek a federal waiver or similar
1.17 release of all obligations for payment to the United States Department of Transportation
1.18 related to the termination of Northstar.

1.19 Subd. 3. Contingent termination. If the council obtains a waiver or release of federal
1.20 payment obligations as provided in subdivision 2:

2.1 (1) the council must decommission and permanently terminate all services related to
2.2 Northstar, including stopping all passenger service, closing all stations, and ending law
2.3 enforcement services provided by the Metropolitan Transit Police along the route;

2.4 (2) the commissioner and the council must terminate all memorandums of understanding,
2.5 joint powers agreements, contracts, or any other agreement entered into with any public or
2.6 private entity pursuant to Minnesota Statutes, sections 174.82 and 473.4057, for the planning,
2.7 development, construction, operation, or maintenance of Northstar to the fullest extent
2.8 permissible without a breach under the agreements;

2.9 (3) pursuant to Minnesota Statutes, section 473.4057, subdivision 5, the commissioner
2.10 must immediately terminate any lease, license, assignment, right of access, or other agreement
2.11 provided to the council to develop, operate, and maintain Northstar;

2.12 (4) the council must convey ownership in any real or personal property related to
2.13 Northstar that was previously owned and conveyed by the commissioner or Department of
2.14 Transportation under Minnesota Statutes, section 473.4057, subdivision 5, back to the
2.15 commissioner; and

2.16 (5) the council and the commissioner must sell or otherwise dispose of all assets related
2.17 to Northstar, including but not limited to equipment, supplies, materials, rolling stock,
2.18 facilities, improvements, personal property, and real property, which must be conducted
2.19 pursuant to Minnesota Statutes, section 16B.2975.

2.20 Subd. 4. **Appropriation cancellation.** Any unspent funds remaining from the fiscal
2.21 year 2020 general fund appropriation under Laws 2019, First Special Session chapter 3,
2.22 article 1, section 2, subdivision 2, paragraph (b), for the project to extend Northstar are
2.23 canceled to the transportation development account.

2.24 Subd. 5. **Deposit of available funds.** On or before June 30, 2029, the commissioner and
2.25 the council must deposit the following in the redevelopment assistance account:

2.26 (1) any revenue received under subdivision 3; and

2.27 (2) if the council obtains a waiver or release of federal payment obligations as provided
2.28 in subdivision 2, the amount of general fund appropriations to the council and the
2.29 commissioner that would otherwise be anticipated to be expended for Northstar in that fiscal
2.30 year, absent the requirements of this section.

2.31 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
2.32 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
2.33 Scott, and Washington.

3.1 **Sec. 2. REDEVELOPMENT ASSISTANCE PROGRAM.**

3.2 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
 3.3 the meanings given.

3.4 (b) "Council" means the Metropolitan Council.

3.5 (c) "Eligible recipient" means a statutory or home rule charter city, a registered business,
 3.6 or a nonprofit organization.

3.7 (d) "Redevelopment zone" means:

3.8 (1) in Minneapolis:

3.9 (i) Lake Street between Hennepin Avenue and West River Parkway and any area within
 3.10 two city blocks of that portion of Lake Street in any direction; and

3.11 (ii) West Broadway Avenue and any area within two city blocks of West Broadway
 3.12 Avenue in any direction; and

3.13 (2) in Saint Paul, University Avenue between Rice Street and Highway 280 and any
 3.14 area within two city blocks of that portion of University Avenue in any direction.

3.15 **Subd. 2. Program established.** Subject to available funds under this section, the
 3.16 Metropolitan Council must implement a program for financial assistance to eligible recipients
 3.17 for infrastructure development activities within the redevelopment zone to assist businesses
 3.18 and nonprofit organizations adversely affected by civil unrest during the peacetime
 3.19 emergency declared in governor's Executive Order No. 20-64.

3.20 **Subd. 3. Redevelopment assistance account; appropriation.** (a) A redevelopment
 3.21 assistance account is established in the special revenue fund. The account consists of funds
 3.22 as provided in section 1 and any other money donated, allotted, transferred, or otherwise
 3.23 provided to the account.

3.24 (b) Money in the account is annually appropriated to the council for the redevelopment
 3.25 assistance program.

3.26 **Subd. 4. Program requirements.** (a) The council must establish program requirements,
 3.27 including: eligibility requirements; application procedures; a process for review and award
 3.28 of financial assistance; and terms, underwriting and security requirements, and repayment
 3.29 requirements for loans.

3.30 (b) The council may provide grants or loans to an eligible recipient, as follows:

3.31 (1) the maximum amount of financial assistance is \$75,000 per recipient;

4.1 (2) a recipient must identify a match from nonstate sources of funds that is at least equal
4.2 to the amount of financial assistance;

4.3 (3) a recipient may make subgrants to local nonprofit organizations to further the goals
4.4 of the program;

4.5 (4) an entity that receives financial assistance must:

4.6 (i) remain in the local community a minimum of three years after the date of receipt of
4.7 the assistance; and

4.8 (ii) submit a plan to the council that documents continued operation with probable success
4.9 and, for a loan, probable capability to repay the loan according to the established terms; and

4.10 (5) the maximum loan period must not exceed six years from the date the loan is
4.11 approved.

4.12 Subd. 5. **Administration.** (a) The redevelopment assistance program is under the
4.13 jurisdiction of the Transit Oriented Development Office.

4.14 (b) All loan repayments under this subdivision must be paid to the council for deposit
4.15 in the redevelopment assistance account.

4.16 (c) The council may use up to three percent of annual expenditures for program
4.17 administration.

4.18 (d) The council must maintain on a website information regarding the redevelopment
4.19 assistance program, which must include program requirements, an overview of funded
4.20 projects, and details on program finances.

4.21 Subd. 6. **Expiration.** The redevelopment assistance program expires December 31,
4.22 2029. On or after that date, any funds in the redevelopment assistance account and any funds
4.23 received under this section must be transferred to the general fund.

4.24 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
4.25 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
4.26 Scott, and Washington.