

1.1 A bill for an act

1.2 relating to capital investment; authorizing spending to acquire and better public
 1.3 land and buildings and other improvements of a capital nature with certain
 1.4 conditions; amending Minnesota Statutes 2012, section 16B.24, subdivision 5.

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

1.6 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

1.7 The sums shown in the column under "Appropriations" are appropriated from the
 1.8 bond proceeds fund, or another named fund, to the state agencies or officials indicated,
 1.9 to be spent for public purposes. Appropriations of bond proceeds must be spent as
 1.10 authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire
 1.11 and better public land and buildings and other public improvements of a capital nature or
 1.12 as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j),
 1.13 or article XIV. Unless otherwise specified, money appropriated in this act for a capital
 1.14 program or project may be used to pay state agency staff costs that are attributed directly
 1.15 to the capital program or project in accordance with accounting policies adopted by the
 1.16 commissioner of management and budget. Unless otherwise specified, the appropriations
 1.17 in this act are available until the project is completed or abandoned subject to Minnesota
 1.18 Statutes, section 16A.642.

1.19 **SUMMARY**

1.20	<u>Administration</u>	<u>131,680,000</u>
1.21	<u>Bond Sale Expenses</u>	<u>132,000</u>
1.22	<u>Cancellations; Reductions</u>	<u>(2,000,000)</u>
1.23	<u>TOTAL</u>	<u>\$ 129,812,000</u>
1.24	<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>109,132,000</u>

2.1	<u>Bond Proceeds Fund (User Financed Debt Service)</u>	<u>22,680,000</u>
2.2	<u>Bond Proceeds Cancellations</u>	<u>(2,000,000)</u>

2.3 **APPROPRIATIONS**

2.4 **Sec. 2. ADMINISTRATION**

2.5	<u>Subdivision 1. Total Appropriation</u>	<u>131,680,000</u>
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2.6 To the commissioner of administration for
 2.7 the purposes specified in this section.

2.8	<u>Subd. 2. Capitol Renovation and Restoration</u>	<u>109,000,000</u>
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2.9 This appropriation may be used for one or
 2.10 more of the following purposes:

2.11 (1) to complete the design of, and to
 2.12 construct, repair, improve, renovate, restore,
 2.13 furnish, and equip the State Capitol building
 2.14 and grounds; including but not limited
 2.15 to exterior stone repairs and window
 2.16 replacement; asbestos and hazardous
 2.17 materials abatement; mechanical, electrical,
 2.18 plumbing, and security systems replacement;
 2.19 general construction, including but not
 2.20 limited to demolition, site improvements, life
 2.21 safety improvements, accessibility, security
 2.22 and telecommunications; roof replacement;
 2.23 and finish work; and

2.24 (2) to predesign, design, conduct hazardous
 2.25 materials abatement, construct, repair,
 2.26 renovate, remodel, furnish, and equip
 2.27 the State Office Building, Administration
 2.28 Building, Centennial Office Building, 321
 2.29 Grove Street Building, and other buildings
 2.30 and parking facilities located on the Capitol
 2.31 campus as determined by the commissioner
 2.32 of administration to meet temporary and
 2.33 permanent office, storage, parking, and other
 2.34 space needs occasioned by and in furtherance

3.1 of an efficient restoration of the State Capitol
3.2 Building and for the efficient and effective
3.3 function of the tenants currently located in
3.4 the Capitol Building.

3.5 The commissioner must incorporate life
3.6 safety (Tier 1), water management (Tier 2),
3.7 and selective restoration of architectural
3.8 features (Tier 3), as described in the
3.9 Minnesota State Capitol Exterior Stone
3.10 Repair Project report dated May 8, 2013,
3.11 into repair work on the exterior stone
3.12 of the Capitol that is funded under this
3.13 appropriation.

3.14 The commissioner of administration must not
3.15 construct or place any permanent building,
3.16 structure, or facility for offices, parking,
3.17 storage, or other use, in the area commonly
3.18 known as Leif Erikson Park in the Capitol
3.19 complex.

3.20 Subd. 3. **Tenant approval**

3.21 (a) The commissioner of administration must
3.22 not prepare final plans and specifications
3.23 for any construction authorized under
3.24 subdivision 2 until the program plan and
3.25 cost estimates for all elements necessary to
3.26 complete the project have been approved by
3.27 each tenant representative as to the space
3.28 proposed for that tenant. The program
3.29 plans and cost estimates must be presented
3.30 to a tenant representative at least 30 days
3.31 before the approval is needed from that
3.32 representative. In addition, the appropriation
3.33 in House File No. 677, article 12, section
3.34 22, if enacted, is not available for relocation
3.35 of a tenant until that tenant representative

4.1 approves a relocation plan submitted by
4.2 the commissioner of administration for that
4.3 tenant at least ten days before approval
4.4 is needed from that representative. The
4.5 relocation plan shall:

4.6 (1) describe when each person who currently
4.7 occupies office space located in the Capitol
4.8 building will be moved out of the Capitol
4.9 building;

4.10 (2) identify the building and office space
4.11 assigned to each person relocated during
4.12 renovation of the Capitol building;

4.13 (3) identify the parking spaces that will be
4.14 assigned to each person relocated during
4.15 renovation, including the funding mechanism
4.16 for any new parking spaces;

4.17 (4) state when each person relocated
4.18 during renovation will be moved back into
4.19 permanent office space and where the office
4.20 space will be located; and

4.21 (5) include a written, signed tenant agreement
4.22 for tenancy in the Capitol building after
4.23 renovation.

4.24 For the purposes of this paragraph, "tenant
4.25 representative" includes the secretary of the
4.26 senate, on behalf of the senate; the chief clerk
4.27 of the house of representatives, on behalf of
4.28 the house of representatives; the governor;
4.29 the court administrator, on behalf of the
4.30 judicial branch; and the attorney general, on
4.31 behalf of the attorney general's office.

4.32 (b) The commissioner of administration
4.33 must not install new windows in the Capitol
4.34 building office spaces that cannot be opened

5.1 by the tenants of the building, unless
 5.2 otherwise approved by a tenant occupying
 5.3 an office.

5.4 (c) The commissioner of administration shall
 5.5 consult and collaborate with the director
 5.6 of the Historical Society on plans and
 5.7 specifications for construction authorized
 5.8 under subdivision 2.

5.9 Subd. 4. **Parking Facilities** 22,680,000

5.10 To design, construct, furnish, and equip
 5.11 one or more parking facilities in the
 5.12 Capitol complex to accommodate up to
 5.13 approximately 880 parking stalls, with a net
 5.14 replacement of approximately 675 parking
 5.15 stalls, including to address temporary parking
 5.16 needed during construction of permanent
 5.17 parking facilities.

5.18 The parking facilities developed with
 5.19 this appropriation are exempt from the
 5.20 requirements for design competition under
 5.21 Minnesota Statutes, section 15B.10.

5.22 Notwithstanding any law to the contrary,
 5.23 under Minnesota Statutes, sections 16C.32
 5.24 and 16C.33, if the commissioner elects to
 5.25 utilize a design-build delivery method to
 5.26 design and construct one or more parking
 5.27 facilities with this appropriation, the Capital
 5.28 Area Architectural and Planning Board, in
 5.29 cooperation with the commissioner, shall
 5.30 create a selection committee to act as the
 5.31 board under Minnesota Statutes, sections
 5.32 16C.32 and 16C.33. Notwithstanding
 5.33 Minnesota Statutes, section 16B.33, if the
 5.34 commissioner elects to contract with a
 5.35 primary designer to design one or more

6.1 parking facilities with this appropriation,
 6.2 the Capital Area Architectural and Planning
 6.3 Board, in cooperation with the commissioner,
 6.4 shall create a selection committee to conduct
 6.5 the selection process in accordance with the
 6.6 standards in Minnesota Statutes, chapters
 6.7 15B and 16B. Notwithstanding Minnesota
 6.8 Statutes, section 16C.33, subdivision 5,
 6.9 paragraph (b), after obtaining and evaluating
 6.10 qualifications from each design-builder,
 6.11 in accordance with the weighted criteria
 6.12 and subcriteria and procedures set forth in
 6.13 the request for qualifications, the selection
 6.14 committee shall select a short list of up to
 6.15 five proposals.

6.16 If the commissioner does not receive any
 6.17 proposals, the commissioner may either
 6.18 (1) solicit new proposals, (2) revise the
 6.19 request for qualifications and thereafter
 6.20 solicit new proposals using the revised
 6.21 request for qualifications, or (3) request
 6.22 selection of a primary designer pursuant to
 6.23 Minnesota Statutes, section 16B.33, 16C.08,
 6.24 or 16C.095, and proceed with competitive
 6.25 bidding pursuant to Minnesota Statutes,
 6.26 sections 16C.25 to 16C.29.

6.27 The bond debt will be user-financed from
 6.28 parking fees collected and deposited into
 6.29 the state parking account under Minnesota
 6.30 Statutes, section 16A.643.

6.31 **Sec. 3. BOND SALE EXPENSES \$ 132,000**

6.32 To the commissioner of management
 6.33 and budget for bond sale expenses under
 6.34 Minnesota Statutes, section 16A.641,
 6.35 subdivision 8.

7.1 Sec. 4. **BOND SALE SCHEDULE.**

7.2 The commissioner of management and budget shall schedule the sale of state
7.3 general obligation bonds so that, during the biennium ending June 30, 2015, no more
7.4 than \$1,275,500,000 will need to be transferred from the general fund to the state bond
7.5 fund to pay principal and interest due and to become due on outstanding state general
7.6 obligation bonds. During the biennium, before each sale of state general obligation bonds,
7.7 the commissioner of management and budget shall calculate the amount of debt service
7.8 payments needed on bonds previously issued and shall estimate the amount of debt service
7.9 payments that will be needed on the bonds scheduled to be sold. The commissioner shall
7.10 adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this
7.11 section. The amount needed to make the debt service payments is appropriated from the
7.12 general fund as provided in Minnesota Statutes, section 16A.641.

7.13 Sec. 5. **BOND SALE AUTHORIZATION.**

7.14 To provide the money appropriated in this act from the bond proceeds fund, the
7.15 commissioner of management and budget shall sell and issue bonds of the state in an
7.16 amount up to \$131,812,000 in the manner, upon the terms, and with the effect prescribed
7.17 by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution,
7.18 article XI, sections 4 to 7.

7.19 Sec. 6. **CANCELLATION; BOND SALE AUTHORIZATION REDUCTION.**

7.20 The \$2,000,000 appropriation in Laws 2009, chapter 93, article 1, section 11,
7.21 subdivision 7, for the Alexandria aircraft surveillance facility, is canceled. The bond sale
7.22 authorization in Laws 2009, chapter 93, article 1, section 21, subdivision 1, is reduced
7.23 by \$2,000,000.

7.24 Sec. 7. Minnesota Statutes 2012, section 16B.24, subdivision 5, is amended to read:

7.25 Subd. 5. **Renting out state property.** (a) **Authority.** The commissioner may rent
7.26 out state property, real or personal, that is not needed for public use, if the rental is not
7.27 otherwise provided for or prohibited by law. The property may not be rented out for
7.28 more than five years at a time without the approval of the State Executive Council and
7.29 may never be rented out for more than 25 years. A rental agreement may provide that
7.30 the state will reimburse a tenant for a portion of capital improvements that the tenant
7.31 makes to state real property if the state does not permit the tenant to renew the lease at
7.32 the end of the rental agreement.

8.1 (b) **Restrictions.** Paragraph (a) does not apply to state trust fund lands, other state
8.2 lands under the jurisdiction of the Department of Natural Resources, lands forfeited for
8.3 delinquent taxes, or lands acquired under section 298.22.

8.4 (c) **Rental of living accommodations.** The commissioner shall establish rental rates
8.5 for all living accommodations provided by the state for its employees. Money collected as
8.6 rent by state agencies pursuant to this paragraph must be deposited in the state treasury
8.7 and credited to the general fund.

8.8 (d) **Lease of space in certain state buildings to state agencies.** The commissioner
8.9 may lease portions of the state-owned buildings under the custodial control of the
8.10 commissioner to state agencies and the court administrator on behalf of the judicial branch
8.11 of state government and charge rent on the basis of space occupied. Notwithstanding any
8.12 law to the contrary, all money collected as rent pursuant to the terms of this section shall
8.13 be deposited in the state treasury. Money collected as rent to recover the bond interest
8.14 costs of a building funded from the state bond proceeds fund shall be credited to the
8.15 general fund. Money collected as rent to recover the depreciation costs of a building
8.16 funded from the state bond proceeds fund and money collected as rent to recover capital
8.17 expenditures from capital asset preservation and replacement appropriations and statewide
8.18 building access appropriations shall be credited to a segregated asset preservation and
8.19 replacement account in a special revenue fund. Fifty percent of the money credited to the
8.20 account each fiscal year must be transferred to the general fund. The remaining money
8.21 in the account is appropriated to the commissioner to be expended for asset preservation
8.22 projects as determined by the commissioner. Money collected as rent to recover the
8.23 depreciation and interest costs of a building built with other state dedicated funds shall
8.24 be credited to the dedicated fund which funded the original acquisition or construction.
8.25 All other money received shall be credited to the general services revolving fund. The
8.26 commissioner shall not collect rent to recover bond interest costs or building depreciation
8.27 costs for any appropriations utilized for the Capitol restoration project, between calendar
8.28 years 2012 and 2017.

8.29 (e) **Lease of space in Andersen and Freeman buildings.** The commissioner may
8.30 lease space in the Elmer L. Andersen and Orville L. Freeman buildings to state agencies
8.31 and charge rent on the basis of space occupied. Money collected as rent under this
8.32 paragraph to fund future building repairs must be credited to a segregated account for each
8.33 building in the special revenue fund and is appropriated to the commissioner to make
8.34 the repairs. When the state acquires title to each building, the account for that building
8.35 must be abolished and any balance remaining in the account must be transferred to the
8.36 appropriate asset preservation and replacement account created under paragraph (d).

9.1 Sec. 8. **EFFECTIVE DATE.**

9.2 This act is effective the day following final enactment.