A bill for an act

relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature; authorizing the issuance of state bonds; appropriating money for higher education, economic development, and public facilities capital projects; establishing programs; modifying appropriations; amending Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, section 23, subdivision 8; Laws 2006, chapter 258, section 21, subdivisions 6, 15; proposing coding for new law in Minnesota Statutes, chapter 469.

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

ARTICLE 1
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

APPROPRIATIONS

ARTICLE 2
HIGHER EDUCATION

Section 1. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation**	**$**	**226,358,000**
To the Board of Regents of the University of Minnesota for the purposes specified in this section.		
Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**		100,000,000
To be spent in accordance with Minnesota Statutes, section 135A.046.		
Subd. 3. **Duluth Campus**		
Civil Engineering Addition		10,000,000
To design, construct, furnish, and equip an addition to Voss-Kovach Hall on the University of Minnesota Duluth campus for the Department of Civil Engineering. The addition will include teaching laboratories, research laboratories, classrooms, and administrative offices.		
Subd. 4. **Morris Campus Community Services Building Renovation**		5,000,000
To design, construct, furnish, and equip a renovation of the Community Services Building on the University of Minnesota Morris campus to serve as the campus gateway center. This appropriation includes money to improve infrastructure required to serve the renovated building.		
Subd. 5. **Twin Cities Campus**		
(a) Science Teaching Student Services		48,333,000
To design, construct, furnish, and equip a new science teaching and student services building on the Twin Cities campus near the Washington Avenue Bridge. This appropriation includes money to demolish		

the existing science classroom building and to construct infrastructure required to serve the new building.

(b) Bell Museum	24,000,000

To design, construct, furnish, and equip a new Bell Museum of Natural History on the St. Paul Campus as the state's official natural history center, a repository for a collection documenting Minnesota's biodiversity and a research museum.

(c) Folwell Hall	26,000,000

To design, construct, furnish, and equip a renovation of Folwell Hall on the University of Minnesota Twin Cities campus to better serve language instruction and to house the university's writing programs.

Subd. 6. **Research and Outreach Centers**	3,733,000

(a) Northwest Research and Outreach Center, Crookston

To design, construct, furnish, and equip new maintenance and farm support facility.

(b) West Central research and Outreach Center, Morris

Administration Building

To construct, furnish, and equip an addition to the administration building for research in renewable energy.

Milking Facility and Pasture

To predesign, design, construct, furnish, and equip a milking facility for an organic dairy herd and to improve pasture land.

The Board of Regents shall report to the legislative committees with jurisdiction over higher education and agriculture by June 15, 2008, on the University Agriculture Experiment Station and Minnesota Extension Service's work to promote alternative livestock research and outreach, and for an ongoing organic research and education program, funded in Laws 2007, chapter 144, article 1, section 5, subdivision 4.

Subd. 7. **Classroom Renewal** 2,000,000

To renovate, furnish, equip, and upgrade instructional spaces on all university campuses, including technology upgrades and accessibility improvements to provide quality teaching and learning environments.

Subd. 8. **Laboratory Renovation** 6,667,000

To renovate, furnish, equip, and upgrade research laboratories on all university campuses.

Subd. 9. **Wildlife Rehabilitation Center** 625,000

For a grant to the Wildlife Rehabilitation Center of Minnesota to retire construction loans incurred by the Wildlife Rehabilitation Center of Minnesota for construction of its facility in the city of Roseville, and for completion of educational technology infrastructure at the center.

Subd. 10. **University of Minnesota Biomedical Sciences Facilities Funding**

Funding for the University of Minnesota Biomedical Science Facilities in H. F. 3166 is supported with the following conditions:

(1) the Board of Regents must be responsible for one-third of the total project costs and the state of Minnesota must be responsible for

debt service on bonds issued to support the biomedical science facilities; and

(2) the Board of Regents must, as permitted under federal law, dedicate a share of the proceeds from any commercialization or licensing revenues attributable to research conducted in the biomedical science facilities to reduce the state's share of debt service for the facilities.

Subd. 11. **University Share**

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 12. **Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

Sec. 2. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation**	**$**	**364,130,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section

Subd. 2. **Higher Education Asset Preservation and Replacement**	110,000,000

This appropriation is for the purposes specified in Minnesota Statutes, section 135A.046.

Subd. 3. **Minnesota State University Mankato**	25,500,000

Trafton Science Center Renovation

To construct, furnish, and equip a renovation of the south and center sections of Trafton Science Center. This appropriation includes funding to renovate the roof, exterior masonry, and outdoor plaza.

Subd. 4. **St. Cloud State University**	14,800,000

Brown Hall Science Renovation

To complete design, construct, furnish, and equip a renovation of Brown Hall for classrooms and other instructional and ancillary spaces. This appropriation includes funding to reglaze the existing skyway from the building and to construct a new skyway to Centennial Hall.

Subd. 5. **St. Paul College**	13,500,000

Transportation and Applied Technology Lab

To construct, furnish, and equip the renovation of classrooms, the transportation, and applied technology and trades laboratories on the ground floor, and an expansion of the truck mechanics shop.

Subd. 6. **Bemidji State University**	8,900,000

Sattgast Science Building Addition and Renovation

To construct, furnish, and equip an addition to and renovation of the Sattgast Science Building for biology and chemistry labs, science classrooms, and associated spaces.

Subd. 7. **Normandale Community College**	7,000,000

Classroom Addition and Renovation

To complete the design, construct, furnish, and equip an addition to and renovation of the Health and Wellness Building for general classrooms, and to renovate physical education spaces. This appropriation includes funding to install an elevator to make the building ADA accessible.

Subd. 8. **Inver Hills Community College**	13,200,000

Classroom Addition and Renovation

To construct, furnish, and equip a classroom addition to and renovation of the Fine Arts Building to include classrooms, teaching labs, and a renovated auditorium. This appropriation includes funding to demolish obsolete space in the building. College funds may be added to this appropriation up to a total project cost of $13,450,000.

Subd. 9. **North Hennepin Community College**	13,300,000

Business and Technical Addition and Renovation

To construct furnish and equip an addition to the center for business and technology building and to renovate, furnish and equip the existing building.

Subd. 10. **Northland Community and Technical College**	7,800,000
Classroom Addition and Renovation	
To renovate, furnish, and equip existing space, and to construct, furnish, and equip an addition for health care classrooms and labs for the nursing and allied health programs at the East Grand Forks campus.	
Subd. 11. **Minnesota State University, Moorhead**	13,100,000
Lommen Hall Renovation	
To renovate, construct, furnish, and equip Lommen Hall for academic purposes, including improved classrooms and labs.	
Subd. 12. **Century College**	
Classroom and Student Support Space	7,900,000
To design, renovate, furnish, and equip phase 2 of the science and library project to renovate existing spaces for classrooms, labs and offices.	
Subd. 13. **Southwest Minnesota State University**	
Lab Renovation	9,000,000
To renovate, furnish and equip teaching labs in the Individualized Learning Center for hotel and restaurant administration and to renovate, furnish and equip biology and chemistry labs.	
Subd. 14. **Lake Superior Community and Technical College**	
Health and Science Center Addition	11,000,000

To construct, furnish and equip a health and science center addition and to renovate existing spaces as phase 1 and to design phase 2 renovation of existing spaces vacated by health and science.

Subd. 15. **Metropolitan State University**

(a) Classroom Center Addition	4,980,000

To construct, renovate, furnish and equip the final phase of the St. Paul campus quad development. This appropriation includes funding to demolish the power plant annex to enable the new construction.

(b) Law Enforcement Center Addition	13,900,000

To design, construct, furnish and equip a regional law enforcement training facility for all metro area public higher education institutions, to be located on the campus of Hennepin Technical College at Brooklyn Park.

Subd. 16. **Alexandria Technical College**

Law Enforcement Center Addition	10,500,000

To design, construct, furnish, and equip a law enforcement center addition and to renovate, furnish, and equip existing space for a teaching lab and general classrooms.

Subd. 17. **Mesabi Range Community and Technical College**	5,000,000

Shop Space Addition and Renovation

To construct, furnish and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for ADA compliance.

Subd. 18. **Winona State University**

Memorial Hall Addition and Renovation	8,400,000

To construct, furnish, and equip a renovation and expansion of Memorial Hall to house the Health and Wellness Center.

Subd. 19. **Minnesota State Community and Technical College, Moorhead**

Trades Addition and Classroom-Library Design	2,800,000

To design, construct, furnish and equip an addition for the mechanical construction trades, and to design a classroom-library addition. This appropriation includes funding to demolish an obsolete building for placement of the classroom-library addition.

Subd. 20. **Anoka-Ramsey Community College**

Classroom Building Addition	3,800,000

To design, construct, furnish, and equip an addition for classrooms and offices and to design a phase 2 renovation of the industrial arts and music facility.

Subd. 21. **Hennepin Technical College**	2,400,000

Science Addition and Library and Student Service Design

To design, renovate, furnish and equip existing space at the Eden Prairie campus for science labs and shared classrooms, and to design a renovation of existing space at the Brooklyn Park and Eden Prairie campuses for a library and student services.

Subd. 22. **Minneapolis Community and Technical College**

Workforce Program and Infrastructure Renovation	700,000

To design the renovation of instructional space, support space and infrastructure for the workforce program, technical programs and an upgrade of the T-building infrastructure.

Subd. 23. **Ridgewater College; Willmar**

Technical Instruction Design and Construction	3,500,000

To design, construct, furnish and equip new instructional space, including "smart" classrooms, and to renovate, furnish and equip existing instructional space. This appropriation includes funding to demolish outdated structures.

Subd. 24. **Minnesota West Community and Technical College; Worthington**

Fieldhouse Renovation and Addition	4,000,000

To design, construct, furnish and equip an addition to and renovation of the fieldhouse.

Subd. 25. **South Central College.**

Classroom Renovation and Design	700,000

To design the addition to and renovation of existing space for technical instructional space, labs and classrooms and the demolition of obsolete space.

Subd. 26. **Owatonna College and University Center.**

Property Acquisition	3,500,000

To acquire the currently leased Owatonna College and University Center Building in Steele County, including the purchase of adjacent vacant land.

Subd. 27. **North Hennepin Community College and Anoka Ramsey Community College.**

Collaborative Bioscience and Health Education	1,900,000

For predesign and schematic design for facilities to expand collaborative bioscience and health careers education.

Subd. 28. **Minnesota State University, Moorhead**

Livingston Lord Library	700,000

To design the renovation of Livingston Lord Library, including infrastructure replacement.

Subd. 29. **Southwest Minnesota State University**

Science Labs Renovation	300,000

To design, through construction documents, the renovation of science labs in the Science and Math building and to design an addition to the plant science learning center.

Subd. 30. **St. Cloud State University**

Integrated Science and Engineering Laboratory	1,900,000

To design a new integrated science and engineering laboratory facility, including flexible teaching and research laboratories and academic support space.

Subd. 31. **Dakota County Technical College.**

Transportation and Emerging Technologies	300,000

To design renovation of existing space for transportation related program areas and emerging technology fields.

Subd. 32. **St. Cloud Technical College.**

Allied Health Building Renovation	300,000

To design the renovation of existing space in the Allied Health Building into a state of the art medical training facility.

Subd. 33. **Rochester Community and Technical College.**

Workforce Center Colocation	2,500,000

To design an addition to the Heintz Center for co location of a workforce center, a career and technical education center, and for classroom renovation.

Subd. 34. **Systemwide Initiatives**

(a) Science Lab Initiatives	5,775,000

To design, renovate, furnish, and equip teaching laboratories and classrooms for science and applied technology at campuses statewide. Campuses may use nonstate funds to increase the size of the projects. This appropriation may be used at the following campuses: Alexandria Technical College; Anoka Technical College; Anoka Ramsey Community College; Bemidji State University; Central Lakes College, Brainerd; Century College; Inver Hills Community College; Hennepin Technical College, Brooklyn Park and Eden Prairie; Northeast Higher Education District, Vermilion Community College; and Ridgewater Community Technical College.

(b) Classroom Renovations	3,625,000

To design, renovate, furnish and equip obsolete classroom space at campuses statewide. This appropriation may be used at the following campuses: Central Lakes College, Brainerd; Minnesota State Community and Technical College, Wadena, Moorhead and Pipestone; Northland Community and Technical College, Thief

River Falls; Pine Technical College; and Rochester Community and Technical College.

(c) Property Acquisition	13,100,000

To acquire real property adjacent to the state college and university campuses or within the boundaries of the campus master plan. This appropriation may be used at: Bemidji State University; Dakota County Technical College; Fond du Lac Tribal and Community College; Metropolitan State University; Minnesota State College Southeast Technical, Red Wing; Minnesota State Community and Technical College, Moorhead; Minnesota State University, Moorhead; North East Higher Education District, Vermillion.

(d) Demolition	2,830,000

To demolish obsolete structures or buildings on campuses statewide. This appropriation may be used at the following campuses: Bemidji State University; Hennepin Technical College; and North East Higher Education District, Vermillion Community College.

Subd. 35. **St. Cloud State University; National Hockey Center**	11,000,000

To predesign, design, construct, furnish, and equip the renovation of the National Hockey Center.

Subd. 36. **Debt Service**

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 37. **Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the

Board of Trustees must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete, is available for higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 23 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

ARTICLE 3
DEVELOPMENT

Section 1. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**	**$**	**520,630,000**

To the commissioner of employment and economic development or other named agency for the purposes specified in this section.

Subd. 2. **Greater Minnesota Business Development Infrastructure Grant Program**	3,000,000

For grants under Minnesota Statutes, section 116J.431.

Subd. 3. **Redevelopment Account**	20,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

Subd. 4. **Bioscience Business Development Public Infrastructure Grant Program**	7,000,000

For grants under Minnesota Statutes, section 116J.435.

Any bioscience or biotechnology project financed in whole or in part by state bond funds or other public subsidies must document how and to what it extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance.

Subd. 5. **Biomass Heating Grants and Loans**	15,000,000

For grants and loans for capital projects to produce heat from renewable processes under section 9.

Subd. 6. **Transit Improvement Account; Bond Fund**	20,000,000

For the purposes of the transit improvement area loan program under Minnesota Statutes, section 469.351.

Subd. 7. **Duluth Entertainment and Convention Center Expansion**	40,283,000

For a grant to the Duluth Entertainment and Convention Center Authority to design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center. The capital improvements and renovations must include an arena of at least 200,000 square feet with an ice sheet of at least 200 feet by 85 feet; trade show and concert space; seating capacity of at least 6,500 with suites, club seats, and concessions; updated locker and training facilities; and accessible and expanded media space.

Subd. 8. **Thief River Falls Pedestrian and Bicycle Paths** 340,000

For a grant to the city of Thief River Falls to acquire land, predesign, design, construct, furnish, and equip phase 1 of the city's pedestrian and bicycle pathways system, as described in the city's adopted comprehensive plan. Phase 1 is to connect the Ralph Engelstad Arena, Arctic Cat, and Digi-Key to the city's existing Riverwalk pedestrian walkway and then to Northland Community and Technical College and the Multi-Events Center. This appropriation is not available until the commissioner of finance determines that at least $50,000 is committed to the project from nonstate resources. The nonstate contribution may be in kind.

Subd. 9. **Pemberton Community Center** 200,000

For a grant to the city of Pemberton to furnish and equip the renovation of the Pemberton Elementary School building into a community center.

Subd. 10. **Upsala Community Center** 500,000

For a grant to the city of Upsala to construct, furnish, and equip a regional community center in the city of Upsala.

Subd. 11. **Jackson County Prairie Ecology Center**	2,500,000

For a grant to Jackson County to design, construct, furnish, and equip a 10,500 square foot facility providing an exhibit hall, and programming, classroom, and office space for the Prairie Ecology Center to be located in Sparks County Park in Jackson County.

Subd. 12. **Bemidji Regional Event Center**	22,000,000

For a grant to the city of Bemidji to acquire land, predesign, design, construct, furnish, and equip a regional event center. This appropriation is not available until the commissioner of finance determines that at least $25,000,000 is committed to the project from nonstate sources.

Subd. 13. **Yellow Medicine County Agriculture and Transportation Museum**	200,000

For a grant to Yellow Medicine County to upgrade the electrical system of the Yellow Medicine County Agriculture and Transportation Museum.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 14. **Koochiching County Renewable Energy Clean Air Project**	7,500,000

For a grant to Koochiching County for a new plasma torch gasification facility to be located in International Falls. Grant money may be used to design, construct, furnish, and equip the facility.

Subd. 15. **Yellow Medicine County AgLan Centr** 900,000

For a grant to Yellow Medicine County to design, construct, furnish, and equip the AgLan Centr, a new agricultural education and exhibit center to be located in Yellow Medicine County.

Subd. 16. **Crookston Flood Control Project; Ice Arena Replacement** 12,888,000

For a grant to the city of Crookston to predesign, design, construct, furnish, and equip a new ice arena complex to replace the existing one that will be removed to accommodate a flood control project. This appropriation is not available until the commissioner of finance determines that at least $1,720,825 has been committed to the project from nonstate sources.

Subd. 17. **Mankato Theater and Hockey Exposition Center** 1,200,000

For a grant to the city of Mankato to predesign and design a performing arts theater and Southern Minnesota Women's Hockey Exposition Center attached to the Mankato Civic Center for use by Minnesota State University, Mankato.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 18. **Cold Spring Downtown Riverfront Redevelopment** 2,118,000

For a grant to the city of Cold Spring to acquire land for, and to predesign, design, construct, furnish, and equip public facilities located in the city of Cold Spring, including: expanded docking facilities; a community center housing the Cold Spring Public Library, the Cold Spring History Museum, and a senior center; a riverfront promenade connecting Lions Park to Frogtown Park; a regional trail head park and shelter; and a canoe portage route.

Subd. 19. **Paynesville Washburne Avenue**	925,000

For a grant to the city of Paynesville to acquire land for, and to design and construct infrastructure improvements to, Washburne Avenue in the city of Paynesville connecting the downtown and industrial park areas to the new Trunk Highway 23 route.

Subd. 20. **Rochester Mayo Civic Center Complex**	37,500,000

For a grant to the city of Rochester to design, construct, furnish, and equip the renovation and expansion of the Mayo Civic Center Complex.

Subd. 21. **St. Paul Youth Services**	500,000

For a grant to the city of St. Paul to purchase and make renovations to the building at 2100 Wilson Avenue to provide office and program space for St. Paul Youth Services, subject to Minnesota Statutes, section 16A.695.

Subd. 22. **St. Paul Asian Pacific Cultural Center**	9,750,000

For a grant to the city of St. Paul to construct, furnish, and equip an Asian Pacific Cultural

Center, subject to Minnesota Statutes, section 16A.695.

Subd. 23. **St. Paul Convention Center Bonds** 43,000,000

For a grant to the city of St. Paul to be used to pay, redeem, or defease the entire amount of bond obligations issued by the city of St. Paul in 1996 for the convention center.

Subd. 24. **Austin; Flood Damage and Mitigation** 5,000,000

For grants to the city of Austin to assist with the cost of rehabilitation and replacement of publicly owned infrastructure including storm sewers, wastewater and municipal utility service, drinking water systems, and other infrastructure damaged by flooding in the area designated under Presidential Declaration of Major Disaster, DR-1569, whether included in the original declaration or added later by federal government action. This appropriation may also be used to acquire real property substantially damaged by flooding, or to prevent or alleviate flooding in the area included in DR-1569.

For the purposes of this appropriation, criteria, limitations, and repayment requirements in Minnesota Statutes, sections 103F.161; 446A.07; 446A.072; and 446A.081, are waived.

Subd. 25. **Eden Prairie; Camp Eden Wood** 6,210,000

For a grant to the city of Eden Prairie to improve and expand Camp Eden Wood, subject to Minnesota Statutes, section 16A.695. The grant money may be used to acquire land; demolish and remove buildings; predesign, design, construct, furnish, and equip new residential dormitory facilities; design and construct landscape improvements; and renovate historically significant buildings on the site. This appropriation is not available until the commissioner of finance determines that at least $1,760,000 is committed to the project from nonstate sources.

Subd. 26. **Roseville; Guidant John Rose Minnesota Oval**	1,696,000

For a grant to the city of Roseville to predesign, design, construct, or install, furnish, and equip multiple improvements to the Guidant John Rose Minnesota Oval including a geothermal heating and cooling system for the facility.

Subd. 27. **Mora; Senior Center**	700,000

For a grant to the Mora Housing and Redevelopment Authority to construct, furnish, and equip a senior center in the city of Mora.

Subd. 28. **Steele County; Wildlife Art Museum**	1,254,000

For a grant to Steele County to predesign, design, construct, furnish, and equip the Minnesota Wildlife Art Museum near Owatonna in Steele County. Steele County may enter into a lease or management agreement to operate the museum, subject to Minnesota Statutes, section 16A.695.

Subd. 29. **Burnsville Performing Arts Center**	10,000,000

For a grant to the city of Burnsville to design, construct, furnish, and equip the Burnsville Performing Arts Center. This appropriation is not available until the commissioner of finance determines that at least $10,000,000 has been committed to the project from nonstate sources. This appropriation is from the general fund.

Subd. 30. **Inver Grove Heights Veterans Memorial Community Center**	5,500,000

For a grant to the city of Inver Grove Heights to fund existing debt service of the Inver Grove Heights Veterans Memorial Community Center.

Subd. 31. **Brainerd; Downtown Infrastructure Improvements**	500,000

For a grant to the city of Brainerd to reconstruct street and utility infrastructure in the historic downtown area of the city. This appropriation is not available until the commissioner of finance has determined that at least $970,000 has been committed to the project from nonstate sources.

Subd. 32. **Motley; Tri-County Regional Services Center**	250,000

For a grant to the city of Motley to establish a Tri-County Regional Services Center.

Subd. 33. **Richfield; Athletic Fields**	550,000

For a grant to the city of Richfield to predesign, design, construct, and equip the replacement of four athletic fields lost to airport expansion. This appropriation is not available until the commissioner of finance determines that at least an equal amount is available from nonstate sources.

Subd. 34. **Richfield; Creation of Arterial Street**	4,632,000

For a grant to the city of Richfield to acquire land for, design, and construct a new north-south arterial street at 17th Avenue in the city.

Subd. 35. **Chisholm; Street Improvement Project** 1,300,000

For a grant to the city of Chisholm to predesign, design, and construct and install improvements on 6th Street SW/SE in the city.

Subd. 36. **Virginia; Mining Haul Road Project** 1,825,000

For a grant to the city of Virginia to predesign, design, construct, and install public infrastructure and other public site improvements for the Mining Haul Road economic development project.

This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from other sources.

Subd. 37. **Hibbing; Memorial Building** 25,000,000

For a grant to the city of Hibbing to acquire land for, and to design, construct, furnish, and equip a 60,000 square foot expansion of the Memorial Building, to include an ice sheet for skating and hockey, a pool, a community and fitness center, and additional parking space, and to renovate and make other improvements of a capital nature to existing space within the Memorial Building.

Subd. 38. **McGregor; Wastewater Discharge Rerouting** 100,000

For a grant to the city of McGregor to acquire land for, design, construct, and equip a new system of pipes and ditches to reroute wastewater treatment effluent from the Big Sandy Lake watershed to a southern discharge location.

Subd. 39. **Red Wing; Biosolids Facility** 8,800,000

For a grant to the city of Red Wing to design, construct, furnish, and equip a regional biosolids processing facility adjacent to the city's municipal waste-to-energy incinerator.

Subd. 40. **Floodwood; Business Park Development** 1,200,000

For a grant to the city of Floodwood for acquisition of land and site preparation, including public water and wastewater infrastructure and turn lanes, to support development of a business park. This appropriation is not available until the commissioner of finance has determined that at least an equal amount is committed to the project from nonstate sources.

Subd. 41. **Nassau Fire Station** 125,000

For a grant to the city of Nassau to predesign, design, construct, furnish, and equip a new fire station.

Subd. 42. **St. Cloud Civic Center Expansion** 15,000,000

For a grant to the city of St. Cloud to acquire land for and to design, construct, furnish, and equip an expansion of the St. Cloud Civic Center. The expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. This appropriation is not available until the commissioner of finance determines that at least $15,000,000 is committed to the project from nonstate sources.

Subd. 43. **Coleraine; Downtown Redevelopment** 860,000

For a grant to the city of Coleraine for redevelopment of the downtown corridor. This appropriation is not available until the commissioner of finance has determined that at least an equal amount is committed to the project from nonstate sources.

Subd. 44. **Grand Rapids; North Central Technology Laboratories Facility** 6,165,000

For a grant to the Grand Rapids Economic Development Authority to design, construct, furnish, and equip a research and technology innovation facility to be located in Itasca County.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 45. **Ortonville; Minnesota River Regional Park** 129,000

For a grant to the city of Ortonville to construct improvements of a capital nature for the Minnesota River Regional Park in the city of Ortonville.

Subd. 46. **Hallock; Water Tower** 475,000

For a grant to the city of Hallock to design, construct, and install a new water tower in the city. This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 47. **Spicer; Historic Plane Enclosure** 415,000

For a grant to the city of Spicer to design, construct, furnish, and equip a historic military airplane enclosure and visitor center adjoining the Glacial Lakes Trail in the city of Spicer.

The appropriation is not available until the commissioner determines that an equal amount has be committed to the project from nonstate sources.

Subd. 48. **Itasca County; Steel Mill** 67,000,000

For a grant to Itasca County for the building of a steel mill. Grant money will be used by Itasca County for roadway, railroad access, pipeline, water, sewer and electrical lines, and in cooperation with the Nashwauk municipal public utility to predesign, design, construct, and equip such lines.

Subd. 49. **Virginia; Iron Range Veterans Memorial** 150,000

For a grant to the city of Virginia for acquisition of a bronze statue to complete an Iron Range Veterans Memorial in City Center Park. Any expenditures by the city for development and construction of the veterans memorial and City Center Park shall be considered the city's match for this project.

Subd. 50. **Fairmont; Community Center** ....

For a grant to the city of Fairmont to design, construct, furnish, and equip a community center, to include an indoor pool, an indoor ice rink, a gymnasium, meeting rooms, and other facilities.

Subd. 51. **Fairmont; Sport Complex** 500,000

For a grant to the city of Fairmont to design, construct, furnish, and equip a multi-field sports complex in the city of Fairmont.

Subd. 52. **Minneapolis; University Research Park**	6,850,000

For a grant to the city of Minneapolis to acquire land for and design and construct public infrastructure improvements in the University Research Park (URP) project area.

Subd. 53. **Arden Hills; County Road H and I-35 Interchange**	6,000,000

For a grant to the city of Arden Hills to acquire right-of-way and to predesign, design, and construct public improvements for the County Road H and marked Interstate Highway 35W interchange and the County Road 96 and marked Trunk Highway 10 interchange. This appropriation is from the general fund.

Subd. 54. **Columbia Heights; Pedestrian Bridge**	1,672,000

For a grant to the city of Columbia Heights to acquire land for and to predesign, design, and construct a new pedestrian and bicycle bridge to replace an existing pedestrian and bicycle bridge over Central Avenue Northeast at 49th Avenue Northeast. This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 55. **North Mankato; Property Acquisition for Caswell Park**	100,000

For a grant to the city of North Mankato to acquire four acres of land to expand

Caswell Park in the city of North Mankato. This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 56. **Wadena Regional Wellness Center** 7,500,000

For a grant to the city of Wadena to construct, furnish, and equip the Wadena Regional Wellness Center.

Subd. 57. **Minneapolis; Phillips Cultural and Community Center; Education and Training Portion** 1,000,000

For a grant to the Minneapolis Park and Recreation Board to build the second floor of the community center including the classroom and flexible meeting spaces to accommodate homework help, tutoring, English language learning, employment training, GED preparation, technology education, nutrition and parenting classes, and classes and training in a variety of occupations.

Subd. 58. **Ramsey County; Rice Street Bridge** 2,000,000

For a grant to Ramsey County for the preliminary planning, design, and engineering of the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County. This appropriation is from the general fund.

Subd. 59. **Minneapolis; Target Center** 71,000,000

For a grant to the city of Minneapolis to pay the principal on outstanding bonds of the city of Minneapolis and Minneapolis Community Development Agency issued to finance the

Target Center, subject to Minnesota Statutes, section 16A.695.

Subd. 62. **New Brighton; Environmental Remediation and Gas Collection System**	6,000,000

For a grant to the city of New Brighton for capital costs of environmental remediation and installation of a gas collection system on publicly owned land in the area described in Laws 1998, chapter 389, article 11, section 24, subdivision 1, commonly known as the northwest quadrant of the city of New Brighton.

Subd. 63. **St. Paul; Youth Drop-In Center**	586,000

For a grant to the city of St. Paul to renovate a city-owned building for use by the St. Paul police as a drop-in center with education and other programs for juveniles who have violated curfew. The city may enter into an agreement with a nongovernmental entity that will lease the building from the city and operate the program, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 2. **PUBLIC FACILITIES AUTHORITY**

Subdivision 1. **Total Appropriation**	**$**	**61,400,000**

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. **Streamlined Infrastructure Financing**	100,000

This appropriation is from the general fund for staff and consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects. This appropriation is onetime.

Subd. 3. **State Match for Federal USEPA Capitalization Grants**	40,000,000

(a) The appropriation in this subdivision is:

(1) to match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07; and

(2) to match federal grants for the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) The expenditure and allocation of state matching money between funds described in paragraph (a), clauses (1) and (2), must ensure that the matching funds required for the drinking water revolving fund are available to match the 2009 and 2010 federal grants, with the balance to be made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects.

Subd. 4. **Wastewater Infrastructure Funding Program**	10,000,000

Of this appropriation, $10,000,000 is for grants and loans to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority must use the appropriation for projects on the 2008 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and

Community Development by June 30, 2009, or for projects on the 2009 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by December 31, 2009.

Of this appropriation, $300,000 is from the general fund to implement the wastewater infrastructure funding program.

Subd. 5. **Small Community Wastewater Grants**	2,000,000

This appropriation is for the small community wastewater treatment account for loans and grants under Minnesota Statutes, section 446A.075.

Subd. 6. **Total Maximum Daily Load (TMDL) Grants**	2,000,000

This appropriation is for total maximum daily load (TMDL) grants under Minnesota Statutes, section 446A.073.

Subd. 7. **Phosphorus Reduction Grants**	2,000,000

This appropriation is for the phosphorus reduction grant program for grants under Minnesota Statutes, section 446A.074. A grant must not exceed $500,000 per project.

Subd. 8. **Public Facilities Grants and Loans**	5,000,000

For grants and loans to predesign, design, construct, install, furnish and equip public infrastructure projects to the following political subdivisions and eligible entities: Amador Township-Almelund Sanitary Sewer District; Aurora; Austin; Barnum; Baudette; Bayport; Big Fork; Big Lake Area Sanitary

District; Blooming Prairie; Bovey; Brainerd; Brownsville; Carlton; Cass Lake; Central Lakes Regional Sanitary District; Clear Lake; Coleraine; Darwin; Dassel; Deer River; Duluth; Effie; Ellendale; Elbow Lake; Faribault; Fountain; Garrison, Kathio, West Mille Lacs Lake Sanitary District; Gilbert; Grand Rapids; Greenbush; Hibbing; Iron Junction; La Crescent; Lafayette; Lansing Township; Litchfield; Medford; Middle River; Midway Township; Moose Lake; Mora; Nashwauk; New Munich; Nicoville; Nisswa; Northome; Olivia; Peterson; Pine City; Quamba; Racine; Richmond; Rose Creek; Rush City; Sandstone; Shafer; St. Martin; Upper Sioux Community; Walker; Whalan; Wheeler Point Sanitary Sewer District; and Willmar.

Notwithstanding Minnesota Statutes, section 446A.072, subdivision 5a, clause (b), a loan for the city of Litchfield may be up to $....... above the maximum set in statute and a loan for the city of Willmar may be up to $....... above the maximum set in statute.

Sec. 3. **[469.35] TRANSIT IMPROVEMENT AREA ACCOUNTS.**

Two transit improvement area accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants or loans as provided in section 469.351 and for the commissioner's costs in reviewing applications and making loans or grants. Money in the accounts must not be used to pay for the operation of transit lines or the construction or operating costs of transit stations.

Sec. 4. **[469.351] TRANSIT IMPROVEMENT AREA LOAN PROGRAM.**

Subdivision 1. **Definitions.** (a) The terms defined in this section have the meanings given them and apply to sections 469.35 and 469.351.

(b) "Applicant" means a local governmental unit or a joint powers board, established under section 471.59.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible organization" means an applicant that has been designated as a transit improvement area by the commissioner.

(e) "Local governmental unit" means a statutory or home rule charter city or town, or a county.

(f) "Transit improvement area" means a geographic area designated by the commissioner composed of land parcels that are in proximity to a transit station.

(g) "Transit station" means a physical structure to support the interconnection of public transit modes including at least one of the following modes: bus rapid transit, light rail transit, and commuter rail.

Subd. 2. **Designation of transit improvement areas.** A transit improvement area must increase the effectiveness of a transit project by incorporating one or more public transit modes with commercial and housing development and by providing for safe and pleasant pedestrian use. The commissioner, in consultation with effected state and regional agencies, must designate transit improvement areas that meet the objectives under this subdivision. Effected state and regional agencies include, but are not limited to, the Minnesota Department of Transportation, the Minnesota Housing Finance Agency, and the Metropolitan Council for transit improvement areas located in the seven-county metropolitan region. To be eligible for designation, an applicant must submit a transit area improvement plan according to the requirements and timelines established by the commissioner. At a minimum, the plan must include the information specified under subdivision 3. The commissioner may modify an applicant's plan to better achieve the objectives of transit improvement areas. The commissioner must notify applicants of the designations and must provide a statement of any changes to an applicant's plan with justification for all changes.

Subd. 3. **Transit area improvement plan.** (a) An applicant must adopt a transit area improvement plan by resolution before submitting the application to the commissioner with the information required in this subdivision. Each transit area improvement plan must include the following:

(1) a map indicating the geographic boundaries of the transit improvement area;

(2) an analysis of the demographic mix of people who are anticipated to use the transit station;

(3) a description of the ownership and intended use of public and private facilities to be constructed in the transit improvement area, including infrastructure, buildings and other structures, and parks;

(4) a description of pedestrian-friendly improvements to be provided, including walkways, parkways, and signage;

(5) a statement of findings that the redevelopment or development of the transit improvement area promotes higher density land uses resulting in increased transit ridership;

(6) a statement of the anticipated sources and amounts of local public funds;

(7) a statement of the anticipated sources and amounts of private funds;

(8) a statement of the anticipated sources and amounts of leveraged regional, state, and federal funds;

(9) a description of the linkages to existing and proposed local, regional, and state transit systems; and

(10) a description of other factors in the proposed development to increase ridership.

(b) Transit improvement area plans with a residential component must propose at least 12 residential units per acre or a density bonus that allows for an increase in the number of residential units over what is permitted by the underlying zoning. The plan must include a description of the variety of housing types, including housing appropriate for low income persons, disabled persons, and senior citizens and the prices for each housing type within the transit improvement area.

Subd. 4. **Transit improvement area loans.** (a) The commissioner may make low or no-interest loans to eligible organizations to be used for eligible costs under paragraph (b). A loan must be used for a designated transit improvement area, under the following terms:

(1) the eligible organization must guarantee repayment of 100 percent of the loan;

(2) a loan must be for a term of ten years, unless repayment is from a tax increment financing district or other state or federal funds, at an interest rate to be negotiated by the commissioner;

(3) the eligible organization must make annual interest-only payments during the ten-year term of the loan;

(4) the eligible organization must pay the entire principal amount of the initial loan at the end of the ten-year term;

(5) a loan may not exceed $2,000,000;

(6) the commissioner must advance the full amount of the loan to the eligible organization upon execution of a formal loan agreement specifying the terms of the loan, as well as reporting and other requirements outlined in subdivision 5;

(7) the eligible organization must maintain the funds in accounts that allow the funds to be readily available for business investments;

(8) the eligible organization and the commissioner may agree on contract specifications that are consistent with payback from a tax increment financing district or from any other state and federal funds that may be forthcoming; and

(9) an eligible organization that receives a loan must report annually, in a format prescribed by the commissioner, on the nature and amount of the business investments in the transit improvement area, including an account of each financing transaction involving loans received under this section, the types and amounts of financing from sources other than the transit improvement area loan, the number of jobs created, and the amount of private sector and nonstate investment leveraged.

(b) Loans under this section must be used to supplement and not replace funding from existing sources or programs. Loans must not be used for the construction costs of transit stations; transit systems; or the operating costs of public transit or transportation, including, but not limited to, the costs of maintaining, staffing, or operating transit stations. Loans from the bond proceeds fund must be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature. Loans can be used for the following eligible expenditures according to an approved transit area improvement plan:

(1) clearing land;

(2) relocation costs;

(3) corrections for soil, including removing or remediation of hazardous substances;

(4) construction or installation of walkways, bridges or tunnels for pedestrians, bikeways, parking facilities, and signage;

(5) improvements to streetscapes;

(6) construction of public infrastructure to support construction of new affordable housing, senior housing, or housing for disabled persons;

(7) construction of public infrastructure to support job creation in the area, especially small business development;

(8) developing green spaces and parks; and

(9) administrative expenses of the authority.

(c) All loan repayments under this section must be made to the appropriate account under section 1 for reinvestment in transit improvement areas.

Subd. 5. **Loan requirements.** All loans under this section are subject to an investment agreement that must include:

(1) a description of the eligible organization, including business finance experience, qualifications, and investment history;

(2) a description of the uses of investment proceeds by the eligible organization;

(3) an explanation of the investment objectives; and

(4) a description of the method of payment.

Subd. 6. **Report.** The commissioner must report annually to the legislative committees with jurisdiction over economic development and transportation on the status of the transit improvement center program.

Sec. 5. Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3, is amended to read:

Subd. 3. **Wastewater Infrastructure Funding Program**	15,000,000

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority should use the grants for projects on the 2002 project priority list in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2003.

$1,500,000 is for grants to the ~~Larsmont portion of the Knife River-Larsmont~~ Duluth/North Shore sanitary district. This appropriation must be used to reduce the amount of the municipality's loan from the water pollution revolving fund that exceeds five percent of the market value of the properties in the project service area. This appropriation is in addition to grants from other appropriations.

Sec. 6. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

Subd. 8. **Lewis and Clark Rural Water System, Inc.**	2,000,000

This appropriation is from the general fund.

To the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln-Pipestone rural water system, and Rock County rural water system to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

The grants must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent matched by at least $1 of local money paid to the Lewis and Clark Rural Water System, Inc. for each $1 of state money to be used to reimburse costs incurred on eligible projects.

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 7. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

Subd. 6. **Redevelopment Account**	9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory.<u> This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.</u>

$250,000 is for a grant to the city of Winona to predesign facilities for the Shakespeare Festival as part of the riverfront redevelopment plan. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 8. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

Subd. 15. **Lewis and Clark Rural Water System, Inc.**	3,282,000

<u>This appropriation is from the general fund.</u>

To the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln-Pipestone rural water system, and Rock County rural water system to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

The grants must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available to the extent that each $1 of state money is matched by at least $1 of local money paid to the Lewis and Clark Rural Water System, Inc. to reimburse the system for costs incurred on eligible projects.

Sec. 9. **BIOMASS HEATING GRANTS AND LOANS.**

Subdivision 1. **Definitions.** (a) "Biomass heating project" means a capital improvement project that produces energy for heating air or water from organic matter that is available on a renewable basis from agricultural processes, including:

(1) agricultural crops, switch grass, cultivated prairie grass, trees, aquatic plant matter, animal waste, agricultural waste; and

(2) wood production waste and residues.

(b) "Commissioner" means the commissioner of the Department of Employment and Economic Development.

(c) "Energy project study" means a study of a biomass heating project analyzed in sufficient detail to support a grant application. At a minimum, it must include one year of energy consumption and cost data, a description of existing and proposed energy facilities, energy sources, and conditions, a detailed description of the costs of the project, and calculations sufficient to document the proposed energy and cost savings.

(d) "Qualified facility" means a K-12 public school, public institution of higher education, or a building owned by a local unit of government.

Subd. 2. **Eligibility.** Subject to the availability of funds, the commissioner shall approve grants and loans to qualified facilities. A grant or loan may be made to a qualified facility that has demonstrated that it has complied with all the provisions of this section and has made adequate provisions to assure proper and efficient operation of the qualified facility after improvements and modifications are completed.

Subd. 3. **Application.** Application for a grant or loan under this section shall be made by a qualified facility to the commissioner on a form the commissioner prescribes. An applicant may apply for a grant, a loan, or both. The grants and loans may each account for up to 50 percent of the total installed costs of capital investments associated with biomass heating projects. The commissioner of employment and economic development and the commissioner of commerce shall review each application to determine:

(1) whether the application is complete;

(2) whether the calculations and estimates contained in the energy project study are appropriate, accurate, and reasonable;

(3) whether the project is eligible for a grant or loan;

(4) the amount of the grant or loan for which the project is eligible; and

(5) other funding sources the qualified facility proposes to use to finance the project in addition to a grant or loan authorized by this section.

Subd. 4. **Additional information.** During application review, the commissioner may request additional information about a proposed biomass heating project, including information on project cost. Failure to provide information requested disqualifies a grant application.

Subd. 5. **Public accessibility of grant application data.** Data contained in an application submitted to the commissioner for a grant or loan under this section, including supporting technical documentation, is classified as "public data not on individuals" under section 13.02, subdivision 14.

Subd. 6. **Conditions for grant and loan approval.** In awarding grants, the commissioner must determine, at a minimum, the following:

(1) that the physical condition of the qualified facility is sufficient to support the efficient operation of the biomass heating project;

(2) that, for a project in which the qualified facility is a K-12 public school, enrollment projections for the school indicate no significant possibility that the school may close within 20 years; and

(3) that the projected cumulative energy cost savings exceed the grant amount and the corresponding debt service within 20 years.

ARTICLE 4
AUTHORIZATION

Section 1. **BOND SALE AUTHORIZATION.**

(a) To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $....... in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

(b) The commissioner of finance may propose additional conditions on the use and investment of the proceeds of bonds issued for article 2, section 3, subdivision 23, as may be necessary in the commissioner's judgment to ensure that the interest on the state bonds issued to fund this appropriation is exempt from federal income taxation.

(c) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by $2,000,000.

(d) The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by $3,282,000.

Sec. 2. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment.