

A bill for an act

relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.325, as amended; 16B.335, subdivision 2, as amended; 85.012, by adding a subdivision; 473.4051, as amended; Minnesota Statutes 2007 Supplement, section 16A.531, subdivision 1a; Laws 2005, chapter 20, article 1, section 23, subdivision 8, as amended; Laws 2006, chapter 258, sections 16, subdivision 5; 19, subdivision 4; 21, subdivision 15, as amended; Laws 2008, chapter 179, sections 3, subdivision 12; 5, subdivision 5; 11; 15, subdivision 7; 17, subdivision 2; 21, subdivision 15; 26; repealing Laws 2008, chapter 179, section 27, subdivision 2.

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

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.

SUMMARY

<u>Natural Resources</u>	<u>20,000,000</u>
<u>Administration</u>	<u>3,400,000</u>
<u>Metropolitan Council</u>	<u>72,000,000</u>
<u>Veterans Affairs</u>	<u>10,100,000</u>

2.1	<u>TOTAL</u>	<u>\$</u>	<u>105,500,000</u>
2.2	<u>Bond Proceeds Fund (General Fund Debt Service)</u>		<u>105,500,000</u>
2.3			<u>APPROPRIATIONS</u>
2.4	Sec. 2. <u>NATURAL RESOURCES</u>		
2.5	<u>Lake Vermilion State Park</u>	<u>\$</u>	<u>20,000,000</u>
2.6	<u>To the commissioner of natural resources</u>		
2.7	<u>to acquire land for Lake Vermilion State</u>		
2.8	<u>Park. Any amount not needed for acquisition</u>		
2.9	<u>may be used to predesign, design, construct,</u>		
2.10	<u>furnish, and equip park facilities for the</u>		
2.11	<u>development of Lake Vermilion State Park.</u>		
2.12	Sec. 3. <u>ADMINISTRATION</u>		
2.13	<u>Capital Asset Preservation and Replacement</u>	<u>\$</u>	<u>3,400,000</u>
2.14	<u>To the commissioner of administration to</u>		
2.15	<u>be spent for capital asset preservation and</u>		
2.16	<u>replacement in accordance with Minnesota</u>		
2.17	<u>Statutes, section 16A.632.</u>		
2.18	Sec. 4. <u>METROPOLITAN COUNCIL</u>		
2.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>72,000,000</u>
2.20	<u>To the Metropolitan Council for the purposes</u>		
2.21	<u>specified in this section.</u>		
2.22	<u>Subd. 2. Central Corridor Transit Way</u>		<u>70,000,000</u>
2.23	<u>(a) For one or more of the following activities</u>		
2.24	<u>for the Central Corridor light rail transit line</u>		
2.25	<u>that will connect downtown Minneapolis with</u>		
2.26	<u>downtown St. Paul: preliminary engineering,</u>		
2.27	<u>final design, property acquisition, including</u>		
2.28	<u>improvements and betterments of a capital</u>		
2.29	<u>nature, relocation of utilities owned by public</u>		
2.30	<u>entities, and construction. No more than</u>		

3.1 \$20,000,000 of the appropriation may be
3.2 used for preliminary engineering.

3.3 (b) Hennepin and Ramsey Counties need not
3.4 spend their matching money for this project
3.5 at a rate faster than dollar for dollar with the
3.6 money from this appropriation.

3.7 (c) District heating and district cooling
3.8 nonprofit corporations organized under
3.9 Minnesota Statutes, chapter 317A, that are
3.10 exempt organizations under section 501(c)(3)
3.11 of the United States Internal Revenue Code
3.12 and are public right-of-way users under
3.13 Minnesota Rules, chapter 7819, are eligible
3.14 to receive grants and federal money for
3.15 costs of relocating facilities from public
3.16 rights-of-way to prevent interference with
3.17 public light rail projects, unless eligibility
3.18 would impact the project's Federal Transit
3.19 Authority required cost effectiveness index.

3.20 Subd. 3. **Old Cedar Avenue Bridge** 2,000,000

3.21 For a grant to the city of Bloomington for
3.22 removal and replacement of the old Cedar
3.23 Avenue bridge for bicycle commuters and
3.24 recreational users. This appropriation is
3.25 added to the appropriation in Laws 2006,
3.26 chapter 258, section 17, subdivision 8.

3.27 Sec. 5. **VETERANS AFFAIRS**

3.28 Subdivision 1. **Total Appropriation** \$ **10,100,000**

3.29 To the commissioner of administration for
3.30 the purposes specified in this section.

3.31 Subd. 2. **Minneapolis Veterans Home Campus**

3.32 (a) **Building 9 Demolition** 1,000,000

4.1 To demolish Building 9 and relocate a water
4.2 main serving the campus. This appropriation
4.3 is to cover 100 percent of the cost of this
4.4 portion of the project.

4.5 (b) New Nursing Facility 9,100,000

4.6 To design, construct, furnish, and equip a
4.7 100-bed nursing facility on the Minneapolis
4.8 campus.

4.9 The appropriation is to cover the 35 percent
4.10 state share of this portion of the project.

4.11 Sec. 6. **BOND SALE AUTHORIZATION.**

4.12 To provide the money appropriated in this act from the bond proceeds fund, the
4.13 commissioner of finance shall sell and issue bonds of the state in an amount up to
4.14 \$105,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota
4.15 Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI,
4.16 sections 4 to 7.

4.17 Sec. 7. **BOND SALE AUTHORIZATION REDUCTION.**

4.18 The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision
4.19 1, is reduced by \$207,588,000.

4.20 Sec. 8. Minnesota Statutes 2007 Supplement, section 16A.531, subdivision 1a, is
4.21 amended to read:

4.22 Subd. 1a. **Revenues.** The following revenues must be deposited in the
4.23 environmental fund:

4.24 (1) ~~all~~ revenue from the motor vehicle transfer fee ~~imposed under~~ as provided in
4.25 section 115A.908, subdivision 2;

4.26 (2) all fees collected under section 116.07, subdivision 4d;

4.27 (3) all money collected by the Pollution Control Agency in enforcement matters
4.28 as provided in section 115.073;

4.29 (4) all revenues from license fees for individual sewage treatment systems under
4.30 section 115.56;

4.31 (5) all loan repayments deposited under section 115A.0716;

4.32 (6) all revenue from pollution prevention fees imposed under section 115D.12;

(7) all loan repayments deposited under section 116.994;
(8) all fees collected under section 116C.834;
(9) revenue collected from the solid waste management tax pursuant to chapter 297H;
(10) fees collected under section 473.844;
(11) interest accrued on the fund; and
(12) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Sec. 9. Minnesota Statutes 2006, section 16B.325, as amended by Laws 2008, chapter 179, section 30, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings and major renovations. The guidelines shall define "major renovations" for purposes of this section. The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the complete replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

Subd. 3. **Development of guidelines; applicability.** In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 16B.335, subdivision 2, as amended by Laws 2008, chapter 179, section 31, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chair of the senate Finance Committee, the chair of the house Capital Investment Committee, and the chair of the house Ways and Means Committee that the work is ready to begin. Notice is not required for capital projects needed to comply with the Americans with Disabilities Act, for asset preservation projects to which section ~~16A.307~~ 16B.307 applies, or for projects funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education asset preservation and replacement account under section 135A.046.

Sec. 11. Minnesota Statutes 2006, section 85.012, is amended by adding a subdivision to read:

Subd. 38a. Lake Vermilion State Park, St. Louis County.

Sec. 12. Minnesota Statutes 2006, section 473.4051, as amended by Laws 2008, chapters 239, article 1, section 108, and 287, article 1, section 108, is amended to read:

473.4051 LIGHT RAIL TRANSIT CONSTRUCTION AND OPERATION.

Subdivision 1. Operator. The council shall operate all light rail transit facilities and services located in the metropolitan area upon completion of construction of the facilities and the commencement of revenue service using the facilities. The council may not allow the commencement of revenue service until after an appropriate period of acceptance testing to ensure safe and satisfactory performance. In assuming the operation of the system, the council must comply with section 473.415. The council shall coordinate operation of the light rail transit system with bus service to avoid duplication of service on a route served by light rail transit and to ensure the widest possible access to light rail transit lines in both suburban and urban areas by means of a feeder bus system.

Subd. 2. Operating costs. After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

Subd. 3. Capital costs. State money may not be used to pay more than ten percent of the total capital cost of a light rail transit project.

Sec. 13. Laws 2005, chapter 20, article 1, section 23, subdivision 8, as amended by Laws 2008, chapter 179, section 56, is amended to read:

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

7.3 This appropriation is from the general fund
7.4 to the Public Facilities Authority for grants
7.5 to the Lewis and Clark Joint Powers Board
7.6 to ~~acquire land, predesign, design, construct,~~
7.7 ~~furnish, and equip water transmission~~
7.8 ~~and storage facilities of~~ make an equity
7.9 contribution to the Lewis and Clark Rural
7.10 Water System, Inc. for construction of a
7.11 water system, including components inside
7.12 and outside of this state, that will serve
7.13 southwestern Minnesota.

7.14 Payment to the Lewis and Clark Rural Water
7.15 System, Inc., must be approved by the Lewis
7.16 and Clark Joint Powers Board.

7.17 This appropriation is available only to the
7.18 extent that each \$1 of state money is matched
7.19 by at least \$1 of local money paid to the
7.20 Lewis and Clark Rural Water System, Inc.
7.21 Amounts spent since April 11, 2005, by
7.22 the Lewis and Clark Joint Powers Board
7.23 members for payments made to the Lewis
7.24 and Clark Rural Water System, Inc. for the
7.25 allocated percentage of costs of constructing
7.26 the Lewis and Clark Rural Water System
7.27 project may be counted as part of the nonstate
7.28 match.

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

7.34 Sec. 14. Laws 2006, chapter 258, section 16, subdivision 5, is amended to read:

- 8.1 Subd. 5. **Northeast Minnesota rail initiative** 1,300,000
- 8.2 For a grant to St. Louis County to
- 8.3 renovate the St. Louis County Heritage
- 8.4 and Arts Center (the Duluth Depot) and
- 8.5 ~~to match federal money~~ for preliminary
- 8.6 engineering, and environmental studies,
- 8.7 ~~and relating to~~ construction of the rail line,
- 8.8 railway stations, park-and-ride lots, and
- 8.9 other railroad appurtenances necessary
- 8.10 to facilitate the return of intercity and
- 8.11 commuter/passenger rail service within
- 8.12 Duluth and the Duluth/Twin Cities rail
- 8.13 corridor.
- 8.14 Sec. 15. Laws 2006, chapter 258, section 19, subdivision 4, is amended to read:
- 8.15 Subd. 4. **Hastings Veterans Home Supportive**
- 8.16 **Housing** 700,000
- 8.17 To design ~~30~~ 60 units of permanent
- 8.18 supportive housing for veterans with
- 8.19 disabilities.
- 8.20 The ~~Minnesota Veterans Homes Board~~
- 8.21 commissioner of veterans affairs and
- 8.22 the Minnesota Housing ~~Finance~~ Finance
- 8.23 Agency must work together cooperatively
- 8.24 on the development of a viable permanent
- 8.25 supportive housing project to serve ~~only~~
- 8.26 primarily veterans on the campus of the
- 8.27 Hastings home. For purposes of this project,
- 8.28 the commissioners of veterans affairs and
- 8.29 administration may enter into financing
- 8.30 agreements with the Minnesota Housing
- 8.31 Finance Agency to obtain money to design,
- 8.32 construct, and furnish housing for veterans
- 8.33 upon terms and conditions acceptable to the
- 8.34 commissioners.

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9.1 Sec. 16. Laws 2006, chapter 258, section 21, subdivision 15, as amended by Laws
9.2 2008, chapter 179, section 67, is amended to read:

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

9.5 This appropriation is from the general fund
9.6 to the Public Facilities Authority for grants
9.7 to the Lewis and Clark Joint Powers Board
9.8 to ~~acquire land, predesign, design, construct,~~
9.9 ~~furnish, and equip water transmission~~
9.10 ~~and storage facilities of~~ make an equity
9.11 contribution to the Lewis and Clark Rural
9.12 Water System, Inc. for construction of a
9.13 water system, including components inside
9.14 and outside of this state, that will serve
9.15 southwestern Minnesota.

9.16 Payment to the Lewis and Clark Rural Water
9.17 System, Inc. must be approved by the Lewis
9.18 and Clark Joint Powers Board.

9.19 This appropriation is available to the extent
9.20 that each \$1 of state money is matched by at
9.21 least \$1 of local money paid to the Lewis and
9.22 Clark Rural Water System, Inc. Amounts
9.23 spent since April 11, 2005, by the Lewis
9.24 and Clark Joint Powers Board members
9.25 for payments made to the Lewis and Clark
9.26 Rural Water System, Inc. for the allocated
9.27 percentage of costs of constructing the Lewis
9.28 and Clark Rural Water System project may
9.29 be counted as part of the nonstate match.

9.30 Sec. 17. Laws 2008, chapter 179, section 3, subdivision 12, is amended to read:

9.31 Subd. 12. **Metropolitan State University**

9.32 (a) **Smart Classroom Center** 4,980,000

9.33 To construct, furnish, and equip renovation
9.34 of two floors of technology-enhanced

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10.1 classrooms and academic offices in the power
10.2 plant building. This appropriation includes
10.3 money to demolish the power plant annex to
10.4 enable the new construction.

10.5 **(b) Law Enforcement Training Center** 13,900,000

10.6 To complete design of and to construct,
10.7 furnish, and equip, in cooperation with
10.8 Minneapolis Community and Technical
10.9 College, a colocated Law Enforcement
10.10 Training Center on the campus of Hennepin
10.11 Technical College in Brooklyn Park. The
10.12 board may use up to \$2,000,000 of college or
10.13 university money for this project.

10.14 Sec. 18. Laws 2008, chapter 179, section 5, subdivision 5, is amended to read:

10.15 Subd. 5. **Pollard Hall** 200,000

10.16 To construct, furnish, and equip the
10.17 renovation of Pollard Hall to house the Deaf
10.18 and Hard of Hearing Children's ~~Residential~~
10.19 Day Treatment Center.

10.20 Sec. 19. Laws 2008, chapter 179, section 11, is amended to read:

10.21 Sec. 11. **MINNESOTA ZOOLOGICAL**
10.22 **GARDEN** \$ 2,500,000

10.23 To the Minnesota Zoological Garden for
10.24 capital asset preservation improvements and
10.25 betterments, to be spent in accordance with
10.26 Minnesota Statutes, section 16B.307.

10.27 ~~\$1,526,000 is~~ Priority for use of these
10.28 funds must be given to design and construct
10.29 improvements to its water management
10.30 system. The project must be designed to
10.31 address inflow and infiltration problems
10.32 associated with the Minnesota Zoo's water
10.33 discharge flow to the city of Eagan.

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11.1 Sec. 20. Laws 2008, chapter 179, section 15, subdivision 7, is amended to read:

11.2 Subd. 7. **Scott County Public Safety Training**
11.3 **Center** 1,000,000

11.4 Notwithstanding any law to the contrary, for
11.5 a grant to Scott County to design, construct,
11.6 furnish, and equip ~~a~~ an expansion of its
11.7 regional public safety training center in Scott
11.8 County.

11.9 This appropriation is in addition to the
11.10 appropriation in Laws 2006, chapter 258,
11.11 section 15, and is not available until the
11.12 commissioner has determined that at least
11.13 an equal amount has been committed from
11.14 nonstate sources. Amounts committed to this
11.15 project from nonstate sources since June 2,
11.16 2006, may be counted for the nonstate match.

11.17 Sec. 21. Laws 2008, chapter 179, section 17, subdivision 2, is amended to read:

11.18 Subd. 2. **Urban Partnership Agreement** 16,672,000

11.19 (a) ~~\$8,360,000~~ This appropriation is to
11.20 acquire land, design, and construct new or
11.21 expanded park-and-rides or transit stations
11.22 in the Interstate 35W and Trunk Highway
11.23 77/Cedar Avenue corridors and for bus lane
11.24 construction and related street and sidewalk
11.25 improvement or bus shelters in downtown
11.26 Minneapolis.

11.27 (b) ~~\$8,312,000 is for bus lane construction~~
11.28 ~~and related street and sidewalk improvements~~
11.29 ~~and bus shelters in downtown Minneapolis.~~
11.30 Up to \$6,433,000 of this appropriation is for
11.31 a grant to the city of Minneapolis for bus lane
11.32 construction and related street and sidewalk
11.33 improvements in downtown Minneapolis.

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12.1 (c) The ~~appropriations~~ appropriation in this
12.2 subdivision ~~are~~ is not available until the
12.3 United States Department of Transportation
12.4 authorizes funding under the Urban
12.5 Partnership Agreement.

12.6 Sec. 22. Laws 2008, chapter 179, section 21, subdivision 15, is amended to read:

12.7 Subd. 15. **St. Cloud State University - National**
12.8 **Hockey Center** 6,500,000

12.9 To the Board of Trustees of the Minnesota
12.10 State Colleges and Universities to predesign,
12.11 design, construct, furnish, and equip the
12.12 renovation of and addition to the National
12.13 Hockey Center. The board may use
12.14 university and nonstate money for the
12.15 remainder of the cost of the construction.

12.16 Sec. 23. Laws 2008, chapter 179, section 26, is amended to read:

12.17 Sec. 26. **BOND SALE SCHEDULE**

12.18 The commissioner of finance shall schedule the sale of state general obligation
12.19 bonds so that, during the biennium ending June 30, 2009, no more than ~~\$871,424,000~~
12.20 \$870,478,000 will need to be transferred from the general fund to the state bond fund to
12.21 pay principal and interest due and to become due on outstanding state general obligation
12.22 bonds. During the biennium, before each sale of state general obligation bonds, the
12.23 commissioner of finance shall calculate the amount of debt service payments needed on
12.24 bonds previously issued and shall estimate the amount of debt service payments that will
12.25 be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount
12.26 of bonds scheduled to be sold so as to remain within the limit set by this section. The
12.27 amount needed to make the debt service payments is appropriated from the general fund
12.28 as provided in Minnesota Statutes, section 16A.641.

12.29 Sec. 24. **LAKE VERMILION STATE PARK.**

12.30 Subdivision 1. Lake Vermilion State Park. Lake Vermilion State Park is
12.31 established in St. Louis County.

Subd. 2. **Management.** All lands acquired for Lake Vermilion State Park must be administered in the same manner as provided for other state parks and must be perpetually dedicated for that use.

Subd. 3. **Boundaries.** The following described lands are located within the boundaries of Lake Vermilion State Park:

(1) Government Lots 4, 5, 6, 7, 8, 9, and the South Half of the Southeast Quarter, all in Section 13, Township 62 North, Range 15 West;

(2) Government Lots 6 and 8, Section 14, Township 62 North, Range 15 West;

(3) Government Lots 1 and 7 and the Northeast Quarter of the Southeast Quarter, all in Section 22, Township 62 North, Range 15 West;

(4) Government Lots 1, 2, 3, 4, the Southeast Quarter of the Northeast Quarter, and the South Half, all in Section 23, Township 62 North, Range 15 West;

(5) all of Section 24, Township 62 North, Range 15 West;

(6) all of Section 25, Township 62 North, Range 15 West;

(7) all of Section 26, Township 62 North, Range 15 West, excepting therefrom all that part of the Southeast Quarter of the Southwest Quarter lying South of the south right-of-way line of State Highway 169 and also excepting therefrom the East 845 feet of the Southwest Quarter of the Southwest Quarter lying South of the south right-of-way line of State Highway 169;

(8) the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 27, Township 62 North, Range 15 West;

(9) the Southeast Quarter of the Northeast Quarter of Section 29, Township 62 North, Range 15 West, except that part lying South of the centerline of the McKinley Park Road; and

(10) Government Lots 1 and 2 and the East Half of the Northwest Quarter, Section 19, Township 62 North, Range 14 West.

EFFECTIVE DATE. This section is effective upon acquisition by the state by purchase or by gift of all lands described in subdivision 3.

Sec. 25. ACQUISITION; LAKE VERMILION STATE PARK.

The commissioner of natural resources may acquire by gift or purchase the lands for Lake Vermilion State Park. Minnesota Statutes, section 84.0272, subdivision 1, does not apply to a purchase, except for the requirement that the lands be appraised. The commissioner must not pay more than 12 percent above the appraised value of the land.

Sec. 26. REPEALER.

- 14.1 Laws 2008, chapter 179, section 27, subdivision 2, is repealed.
- 14.2 Sec. 27. **EFFECTIVE DATE.**
- 14.3 Except as otherwise provided, this act is effective the day following final enactment.